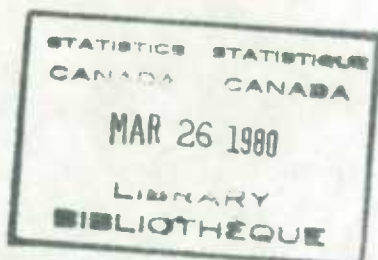


CATALOGUE No.

67-002 C.3

MONTHLY



SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES
DECEMBER 1966
AND
REVIEW OF SECURITY TRADING DURING 1966

Published by Authority of
The Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS

Balance of Payments and Financial
Flows Division
Balance of Payments Section

April 1967
2306-503

Price: 20 cents
\$2.00 a year

Vol. 32—No. 12

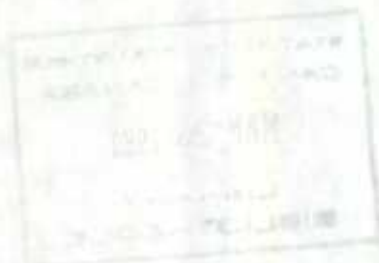


TABLE OF CONTENTS

Sections

	Page
Review of international trade in securities, 1966	5
Transactions by areas	8
Trade in outstanding issues in the year and month ended 31st December 1966	9
New issues and retirements	10
International short-term money market transactions	12
Interest rates, stock prices and foreign exchange markets	14

Statements

Security Transactions between Canada and Other Countries 1959-66, by year, type of transaction and Canadian and foreign securities	5
Transactions in Canadian Securities between Canada and Other Countries, 1964-66, by quarter, group of securities, and type of transaction	6
Summary of Trade in Outstanding Securities between Canada and Other Countries, 1965 and 1966, Canadian and foreign securities, by year, country and group of securities	8
Offerings and Deliveries of New Issues of Canadian Bonds and Debentures sold to Residents of the United States, 1963-66, by quarter and year	10
Proceeds of New Issues of Canadian Securities Sold to Non-Residents, 1959-66, by year, currency of payment, and group of securities	11
Non-Resident Participation in Canadian Short-Term Money Markets (except Treasury Bills), 1965 and 1966, United States and All Countries, by quarter and type of instrument	12
Holdings by Non-Residents of Short-Term Canadian Finance Company Paper, 1963-66, by quarter and country	13
Transactions in Government of Canada Treasury Bills between Canada and Other Countries, 1965 and 1966, by month and country	13
Arbitrage on Treasury Bills between Canada and United States, 1966, by month	15
United States Dollar in Canada, 1965 and 1966, by quarter	16
Year-to-year Changes in Common Stock Price Indexes, Canada and United States, 1964-66	16

Tables

Page

1. Portfolio Security Transactions between Canada and Other Countries, 1964-66, by quarter, type of transaction and country	18
2. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1964-66, by month, year and country	20
3. Trade in Outstanding Foreign Securities between Canada and Other Countries, 1964-66, by month, year and country	21
4. Trade in Outstanding Securities between Canada and Other Countries, December, 1966, by group of securities and country	22
5. Trade in Outstanding Securities between Canada and Other Countries, 1966, by group of securities and country	23
5A. Trade in Outstanding Government of Canada Bonds (Direct and Guaranteed) between Canada and Other Countries, 1966, by month and country	24
5B. Trade in Outstanding Canadian Bonds and Debentures between Canada and Other Countries, 1966, by month and country	24
5C. Trade in Outstanding Canadian Common and Preference Stocks between Canada and Other Countries, 1966, by month and country	25
5D. Trade in Outstanding United States Common and Preference Stocks between Canada and Other Countries, 1966, by month and country	25
6A. Trade in Outstanding Canadian and Foreign Securities between Canada and Other Countries, 1934-66, by year and country	26
6B. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1956-66, by group of securities and year	27
6C. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1956-66, by group of securities and year	28
6D. Trade in Outstanding Foreign Securities between Canada and Other Countries, 1956-66, by group of securities and year	28
7. International Comparison of Central Government Bond Prices and Yields, Stock Prices, and the Exchange Rate, 1961-66	29

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

Review of Security Trading During 1966

The year 1966 saw the inflow from transactions in portfolio securities between Canada and other countries decline over the year to yield an annual figure of \$357 million, the lowest since 1962. The United States again was the sole net source of portfolio security capital in 1966 while trade with the United Kingdom and other foreign countries gave rise to net outflows of \$20 million and \$81 million respectively. The sales balance with the United States amounted to \$458 million, down by one quarter from the previous year's \$613 million.

The gross value of transactions in long-term securities between Canada and other countries in 1966, at \$5,345 million, was nearly one fifth higher than in 1965. Gross trading in outstanding foreign securities continued the expansion evident in recent years aggregating \$2,060 million while gross transactions in outstanding Canadian securities at \$1,234 million followed the trend towards contraction apparent since 1961 and 1962. In addition to the movements in capital resulting from these transactions there was a substantial trade in short-term securities, i.e. instruments having an original term of one year or less, such as treasury bills, commercial and finance company paper. The composition of the long-term security transactions over the past eight years is given in the summary below.

Steps taken by the Government of the United States to improve its balance of payments position continued to have a significant influence on Canada's international trading in both long-term and short-term securities in 1966. Other important factors were the emergence of historically high interest rates both in Canada and the United States and the use by the Government of Canada in accordance with arrangements regarding its exchange reserves made with the United States, of its authorization under the Financial Administration Act to buy from United States residents its own outstanding obligations and those of the International Bank for Reconstruction and Development. In addition the Canada and Quebec Pension Plans both came into operation in January of 1966 providing the provinces with a source of long-term funds independent of the capital markets. As the funded portions of the plans grow they will have a progressively more important role in the financial milieu. Disbursements paid or due to nine provinces under the Canada Pension Plan in 1966 totalled more than \$50 million.

Security Transactions Between Canada and Other Countries

Net sales (+) or purchases (-) by Canadians	1959	1960	1961	1962	1963	1964	1965	1966
millions of dollars								
Canadian securities:								
Trade in outstanding bonds, etc. ..	+ 91	+ 3	+ 61	+ 64	+ 39	+ 77	+ 62	- 99
Trade in outstanding stocks	+ 110	+ 51	+ 39	- 116	- 170	- 98	- 264	- 131
New issues	+ 707	+ 447	+ 538	+ 728	+ 984	+ 1,100	+ 1,209	+ 1,448
Retirements	- 258	- 265	- 300	- 320	- 404	- 382	- 382	- 504
Foreign securities:								
Trade in outstanding issues	- 32	- 19	- 5	- 68	+ 40	- 31	- 53	- 290
New issues	- 13	- 18	- 38	- 17	- 39	- 31	- 56	- 83
Retirements	+ 12	+ 18	+ 9	+ 20	+ 21	+ 10	+ 25	+ 16
Total - All securities	+ 617	+ 217	+ 304	+ 291	+ 471	+ 645	+ 541	+ 357

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 1966 are preliminary and data for 1965 are subject to revision.

Transactions in Canadian Securities between Canada and Other Countries

		1964				
No.		First quarter	Second quarter	Third quarter	Fourth quarter	Total
millions of dollars						
<u>Trade in Outstanding Canadian Securities between Canada and All Countries</u>						
Bonds and debentures:						
1	Government of Canada, direct	-	+ 10	+ 22	+ 9	+ 41
2	Government of Canada, guaranteed	+ 3	+ 4	+ 6	+ 6	+ 19
3	Provincial government (incl. guaranteed)	- 2	+ 1	+ 5	+ 11	+ 15
4	Municipal government	+ 2	+ 1	-	+ 2	+ 5
5	Railways, not guaranteed by governments	-	-	-	-	-
6	Other corporations	+ 1	- 1	+ 3	- 6	- 3
7	Sub-totals, bonds and debentures	+ 4	+ 15	+ 36	+ 22	+ 77
8	Common and preference stocks	- 44	- 9	- 5	- 40	- 98
9	Totals	- 40	+ 6	+ 31	- 18	- 21
<u>Proceeds of New Issues of Canadian Securities Sold to Non-residents</u>						
Bonds and debentures:						
1	Government of Canada, direct	5	18	11	9	43
2	Government of Canada, guaranteed	-	-	-	-	-
3	Provincial government (incl. guaranteed)	95	144	34	166	439
4	Municipal government	8	51	6	117	182
5	Railways, not guaranteed by governments	-	-	-	-	-
6	Other corporations	27	101	55	231	414
7	Sub-totals, bonds and debentures	135	314	106	523	1,078
8	Common and preference stocks	3	8	3	8	22
9	Totals	138	322	109	531	1,100
<u>Retirements of Canadian Securities Held by Non-residents</u>						
Bonds and debentures:						
1	Government of Canada, direct	7	35	10	36	88
2	Government of Canada, guaranteed	-	-	-	-	-
3	Provincial government (incl. guaranteed)	37	12	9	8	66
4	Municipal government	12	12	9	20	53
5	Railways, not guaranteed by governments	2	-	-	1	3
6	Other corporations	15	45	29	25	114
7	Sub-totals, bonds and debentures	73	104	57	90	324
8	Common and preference stocks	37	13	3	5	58
9	Totals	110	117	60	95	382

Transactions in Canadian Securities between Canada and Other Countries - Concluded

1965					1966					No.
First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	
millions of dollars										
<u>Trade in Outstanding Canadian Securities between Canada and All Countries</u>										
- 2	+ 10	+ 24	+ 6	+ 38	- 7	- 13	- 38	- 7	- 65	1
+ 3	+ 3	+ 7	+ 2	+ 15	+ 1	- 1	- 5	- 6	- 11	2
+ 4	+ 2	+ 4	+ 2	+ 12	+ 1	- 6	- 2	-	- 7	3
+ 2	+ 2	+ 2	+ 2	+ 8	- 1	- 2	- 1	+ 1	- 3	4
-	-	-	- 1	- 1	-	- 1	-	-	- 1	5
- 3	- 1	-	- 6	- 10	- 5	- 1	- 4	- 2	- 12	6
+ 4	+ 16	+ 37	+ 5	+ 62	- 11	- 24	- 50	- 14	- 99	7
- 91	- 83	- 28	- 62	- 264	- 13	- 42	- 33	- 43	- 131	8
- 87	- 67	+ 9	- 57	- 202	- 24	- 66	- 83	- 57	- 230	9
<u>Proceeds of New Issues of Canadian Securities Sold to Non-residents</u>										
8	1	12	7	28	4	10	12	6	32	1
-	-	-	-	-	-	-	-	-	-	2
30	124	86	57	297	128	169	94	57	448	3
16	34	12	24	86	57	57	5	60	179	4
-	-	-	-	-	27	-	-	-	27	5
219	155	181	213	768	323	119	178	90	710	6
273	314	291	301	1,179	539	355	289	213	1,396	7
10	7	3	10	30	44	3	2	3	52	8
283	321	294	311	1,209	583	358	291	216	1,448	9
<u>Retirements of Canadian Securities Held by Non-residents</u>										
9	26	28	18	81	48	81	50	35	214	1
-	-	-	-	-	6	-	-	-	6	2
9	10	5	10	34	24	15	12	13	64	3
11	14	7	18	50	13	16	12	55	96	4
2	-	-	1	3	2	-	-	-	2	5
34	127	13	32	206	19	40	14	45	118	6
65	177	53	79	374	112	152	88	148	500	7
3	1	3	1	8	-	-	2	2	4	8
68	178	56	80	382	112	152	90	150	504	9

Statistics compiled by the Bank of Canada indicate gross deliveries of new Canadian issues in both domestic and foreign capital markets during 1966 amounted to \$8,800 million compared with \$7,200 million in 1965. Retirements totalled \$5,200 million to leave a net new supply of \$3,600 million. After accounting for retirements, non-residents purchased a net \$714 million of new and outstanding issues, or the equivalent of 20 per cent of the net new supply compared with 24 per cent in 1965.

In 1966 net new issues of direct and guaranteed bonds of the Government of Canada totalled some \$410 million, in contrast to net retirements of \$62 million in 1965. However, non-resident holdings of these issues were reduced by \$264 million in contrast to no net capital movement and a \$15 million net capital inflow in 1965 and 1964 respectively. There were no direct placements of Government of Canada issues on foreign markets in either 1964, 1965 or 1966. Net acquisitions by non-residents of other Canadian securities in 1966 were equivalent to 31 per cent of the net new supply compared with 24 per cent in 1965.

Transactions by Areas

Table 1 shows the quarterly transactions in portfolio securities between Canada and the United States, the United Kingdom, and all other foreign countries for the years 1964, 1965, and 1966. The 1966 transactions with the United States in portfolio securities showed a sharp reduction in capital inflows to \$458 million from \$613 million in 1965, with the fourth quarter of 1966 producing the first quarterly outflow in portfolio securities to the United States to take place in the last twelve quarters. Transactions in Canadian securities with the United States produced a net inflow of \$787 million, a \$102 million increase over the previous year while the net outflow to that country arising from Canadian purchases of foreign securities more than quadrupled to \$329 million.

Summary of Trade in Outstanding Securities between Canada and Other Countries

	Sales by Canadians		Purchases by Canadians		Net sales (+) or purchases (-)	
	1965	1966	1965	1966	1965	1966
millions of dollars						
Canadian Securities						
By country:						
United States	321	268	476	425	- 155	- 157
United Kingdom	126	102	179	139	- 53	- 37
Other countries	183	132	177	168	+ 6	- 36
Total - All countries	630	502	832	732	- 202	- 230
By class of security:						
Bonds and debentures(1)	203	125	141	224	+ 62	- 99
Common and preference stocks	427	377	691	508	- 264	- 131
Total - Canadian securities ...	630	502	832	732	- 202	- 230
Foreign Securities						
By country:						
United States	607	815	658	1,090	- 51	- 275
United Kingdom	16	24	17	29	- 1	- 5
Other countries	26	46	27	56	- 1	- 10
Total - All countries	649	885	702	1,175	- 53	- 290
By class of security:						
Bonds and debentures(1)	78	72	61	132	+ 17	- 60
Common and preference stocks	571	813	641	1,043	- 70	- 230
Total - Foreign securities	649	885	702	1,175	- 53	- 290

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

Canada's purchase balance of \$20 million in its transactions in portfolio securities with the United Kingdom was approximately one third of the 1965 balance, and brought the aggregate outflow for the past seven years to \$472 million. Sales of new Canadian issues provided an inflow of \$36 million while retirements and net purchases of outstanding Canadian securities gave rise to an outflow of \$51 million. Trading in outstanding foreign securities resulted in an outflow of \$5 million.

For the second successive year capital movements with other foreign countries produced an outflow, which in 1966 amounted to \$81 million or about seven times the 1965 figure. The main feature was a reversal in outstanding Canadian securities which in 1965 netted an inflow of \$37 million but in the year under review showed a net outflow of \$19 million. The purchase balance from total transactions in foreign securities nearly doubled from \$12 million to \$23 million in 1966.

Trade in Outstanding Issues in the Year and Month ended 31st December 1966

The capital outflow due to Canada's international trade in outstanding portfolio securities moved to a record \$520 million in 1966. This was slightly more than double the 1965 figure of \$255 million, the previous high, and approximated the combined net capital outflows of \$518 million for the previous four years (each of which recorded capital outflows).

Geographically there were net outflows of \$432 million to the United States, \$42 million to the United Kingdom and \$46 million to other countries. The record purchase balance with the United States was over twice as large as the peak of \$206 million attained in 1965. The highlight in the increase was the surge in outflows for the purchase of United States equities.

The net repatriation of Canadian equities in 1966 at \$131 million was almost exactly half the 1965 total of \$264 million. This is the fifth successive annual purchase balance since 1962 and brings the aggregate net outflow for the acquisition of foreign-held Canadian equities for the years 1962 to 1966 to \$779 million. In each of the ten years prior to 1962 international transactions in outstanding Canadian equities resulted in sales balances, amounting in total to \$977 million. The 1966 figure was made up of purchase balances of \$89 million, \$25 million and \$17 million with the United States, United Kingdom and other foreign countries, respectively.

The flows associated with transactions in Canadian bonds and debentures changed direction resulting in a \$99 million capital outflow in 1966 in contrast to a \$62 million inflow in 1965. Of the \$99 million purchase balance, 75 per cent occurred in the second and third quarters of the year. There were net outflows associated with all classes of bonds with Government of Canada direct and guaranteed issues accounting for over three quarters of the total.

The net outflow arising from Canada's international transactions in outstanding foreign securities was \$290 million in 1966, over five times the previous year's \$53 million. This increase was largely attributable to net purchases of United States common and preference shares which reached a record \$234 million. An additional factor in 1966 was the purchase by the Government of Canada from United States residents of some \$25 million of outstanding bonds issued by an international institution. This brought the aggregate net outflow for Canadian purchases of outstanding foreign securities for the eight years 1959 to 1966 (1963 was the only year to record an inflow) to \$458 million.

Over the year 1966, trade in outstanding securities gave rise to purchase balances in every month. On a quarterly basis, the second and third quarters at \$155 million and \$160 million, respectively, accounted for about three fifths of the total outflow. These quarters contained rather high net purchases of outstanding United States securities supplemented by unusually large net repurchases of Canadian bonds and debentures.

Trade in outstanding securities in December gave rise to the highest monthly purchase balance of the year at \$64.6 million. This was one and one half times higher than the \$41.8 million outflow recorded for November. Again, the bulk of the rise was accounted for by an increase in net purchases of United States common and preference shares from \$20.8 million in November to \$36.0 million in December. Net purchases of Government of Canada direct and guaranteed bonds led to an outflow of \$3.5 million, while the net repatriation of Canadian equities rose to \$22.0 million.

New Issues and Retirements

The proceeds from sales to non-residents of Canadian new issues during 1966 rose to \$1,448 million, nearly 20 per cent over the corresponding figure for 1965. (Details of the new issues classified by issuer and annually by currency of payment and issuer appear in the accompanying statements). The issues of provincial and municipal governments accounted in large measure for this rise, with a 63 per cent increase over the rather low 1965 figure, to a record \$627 million. Corporation bonds, while off nearly 8 per cent from last year's record, at \$710 million contributed nearly one half of the total proceeds of all new issues. Pulp and paper enterprises were the most important international borrowers during the year, followed by the communications, petroleum and sales finance industries. Sales of new issues of Canadian common and preference stocks at \$52 million in 1966 were unusually large with the significant feature being a rights issues by a manufacturing enterprise in the first quarter.

Sales to non-residents of new issues of Canadian bonds and debentures payable optionally or solely in foreign currencies increased for the sixth successive year to total \$1,172 million in 1966. Inflows for the purchase of Canadian dollar bonds remained stable at \$224 million, little changed over the two preceding years. Non-residents purchased 3 per cent of gross new issues payable in Canadian dollars, one percentage point less than in the previous year when total deliveries were much lower. Sales of new bond issues payable optionally or solely in foreign currencies constituted 84 per cent of all new bond issues sold to non-residents, about 3 percentage points more than in 1965. In 1966 as in the past two years there were no Government of Canada new issues denominated in foreign currencies or placed on foreign capital markets. Total offerings of \$1,142 million to residents of the United States were the second highest on record, somewhat below the \$1,416 million offered in 1965. It should be noted, however, that a proportion of the new Canadian issues placed with United States underwriters is frequently resold to residents of other foreign countries. Offerings in 1966 during the first two quarters kept pace with the high levels set in 1965, however, they fell off sharply during the third and fourth quarters. The first quarter produced an extraordinarily large bump in the proceeds made up largely of undelivered offerings from the last quarter of 1965. The 1966 total proceeds from new bond issues sold to the United States rose by one sixth to \$1,345 million. The undelivered balance of \$115 million at the end of 1966 was about one third of the corresponding figure in 1965. This is in part a reflection of the joint request made in November 1965 by the Canadian and United States Governments to defer until January 1966 the delivery of new Canadian issues placed on the New York capital market.

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

Year and quarter	Offerings	Deliveries of prior offerings	Offerings for later delivery	Proceeds of new issues	Undelivered balance at end of period
millions of dollars					
1963	711	322	111	922	122
1964	957	122	51	1,028	51
1965	1,416	46	313	1,149	318
1966	1,142	318	115	1,345	115
1964 - I	91	65	29	127	86
II	250	89	44	295	41
III	284	17	206	95	230
IV	332	217	38	511	51
1965 - I	344	39	120	263	132
II	282	122	93	311	103
III	399	87	202	284	218
IV	391	150	250	291	318
1966 - I	356	318	156	518	156
II	386	106	144	348	194
III	202	153	79	276	120
IV	198	88	83	203	115

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

1959 1960 1961 1962 1963 1964 1965 1966

millions of dollars

Bonds and debentures payable optionally or solely in foreign currencies:

Government of Canada, direct	-	-	-	134	135	-	-	-
Government of Canada, guaranteed	-	-	-	-	-	-	-	-
Provincial government (incl. guaranteed)	321	93	32	112	328	410	272	423
Municipal government	148	118	29	59	42	151	71	156
Railways, not guaranteed by governments ..	-	-	-	-	-	-	-	27
Other corporations	54	87	308	277	317	291	607	566
Totals	523	298	369	582	822	852	950	1,172

Bonds and debentures payable in Canadian dollars only:

Government of Canada, direct	42	19	37	21	38	43	28	32
Government of Canada, guaranteed	14	11	-	-	-	-	-	-
Provincial government (incl. guaranteed)	13	10	34	36	15	29	25	25
Municipal government	10	15	18	15	20	31	15	23
Railways, not guaranteed by governments ..	-	-	-	-	-	-	-	-
Other corporations	58	68	35	54	75	123	161	144
Totals	137	123	124	126	148	226	229	224

Bonds and debentures:

Government of Canada, direct	42	19	37	155	173	43	28	32
Government of Canada, guaranteed	14	11	-	-	-	-	-	-
Provincial government (incl. guaranteed)	334	103	66	148	343	439	297	448
Municipal government	158	133	47	74	62	182	86	179
Railways, not guaranteed by governments ..	-	-	-	-	-	-	-	27
Other corporations	112	155	343	331	392	414	768	710

Sub-total, bonds and debentures 660 421 493 708 970 1,078 1,179 1,396

Common and preference stocks 47 26 45 20 14 22 30 52

Totals 707 447 538 728 984 1,100 1,209 1,448

Retirements of Canadian securities rose substantially over the previous year to a record \$504 million. Retirements of direct issues of the Government of Canada increased substantially to \$214 million and included an amount of about \$140 million (par value expressed in United States funds) repurchased by the Government of Canada in special transactions associated with adjustments to Canada's exchange reserve position. Significant rises were also recorded for provincial and municipal bonds while retirements of corporation bonds subsided to a more normal level after the unusually high 1965 outflow which had been influenced by the financial reorganization of a finance company in that year.

New foreign securities purchased by Canadians gave rise to an outflow of \$83 million, up one half over the 1965 amount. Purchases of new United States securities more than doubled to \$59 million. Included in this latter total are amounts associated with the expansion of a foreign-controlled enterprise in Canada which has led to capital inflows into Canada in other forms. A minor amount of the total represents purchases for Canadian accounts of "offshore" Euro-dollar bond issues floated by United States companies. These practically all occurred prior to the request by the Minister of Finance in March that residents abstain from such transactions.

International short-term money market transactions

Total transactions in money market instruments and other short-term borrowing by finance companies (data on which are included only in the accompanying three statements of this report) resulted in a net capital inflow of \$127 million in 1966, almost twice the \$66 million recorded in 1965. Geographically there were net inflows of \$110 million from the United States and \$24 million from the United Kingdom reduced by a \$7 million net outflow to other countries.

International Transactions in Canadian Short-Term Money Markets (except Treasury Bills)

Item	All Countries						United States						
	Sales to		Repurchases and maturities		Net sales +		Sales to		Repurchases and maturities		Net sales +		
	1965	1966	1965	1966	1965	1966	1965	1966	1965	1966	1965	1966	
millions of dollars													
Buy-back transactions:(1)													
First quarter	3	2	5	1	-	2 +	1	3	-	5	-	2	
Second quarter	1	-	1	1	-	-	1	1	-	1	-	-	
Third quarter	-	-	-	-	-	-	-	-	-	-	-	-	
Fourth quarter	-	1	1	1	-	1	-	-	1	1	1	-	
Year	4	3	7	3	-	3	-	4	1	7	1	3	
Finance company paper:													
First quarter	142	225	176	202	-	34 +	23	139	195	175	170	- 36 + 25	
Second quarter	251	211	253	216	-	2 -	5	227	161	249	181	- 22 - 20	
Third quarter	273	247	334	302	-	61 -	55	239	220	319	271	- 80 - 51	
Fourth quarter	158	339	223	311	-	65 +	28	143	276	213	272	- 70 + 4	
Year	824	1,022	986	1,031	-	162 -	9	748	852	956	894	- 208 - 42	
Other finance company obligations:(2)													
First quarter	32	50	6	16	+	26 +	34	32	47	6	16	+	26 + 31
Second quarter	183	17	84	29	+	99 -	12	182	17	84	28	+	98(3) - 11
Third quarter	99	54	9	10	+	90 +	44	98	53	8	10	+	90 + 43
Fourth quarter	53	91	59	4	-	6 +	87	50	91	59	3	-	9 + 88
Year	367	212	158	59	+	209 +	153	362	208	157	57	+	205 + 151
Commercial paper:(4)													
First quarter	8	14	13	9	-	5 +	5	7	10	13	6	-	6 + 4
Second quarter	26	..	20	..	+	6 -	5	17	..	17	..	-	- 4
Third quarter	19	..	20	..	-	1 -	-	15	..	11	..	+	4 - 2
Fourth quarter	9	..	24	..	-	15 +	11	6	..	19	..	-	13 + 5
Year	62	..	77	..	-	15 +	11	45	..	60	..	-	15 + 3
Other short-term paper:(5)													
First quarter	12	22	8	39	+	4 -	17	11	22	7	28	+	4 - 6
Second quarter	11	12	9	12	+	2 -	-	9	12	8	11	+	1 + 1
Third quarter	17	48	13	38	+	4 +	10	15	47	13	37	+	2 + 10
Fourth quarter	26	61	11	67	+	15 -	6	14	53	8	59	+	6 - 6
Year	66	143	41	156	+	25 -	13	49	134	36	135	+	13 - 1

(1) Based on Government of Canada securities having an original term over one year. (2) Bank loans and inter-company accounts. (3) See text of June, 1965 report. (4) Including bankers' acceptances.

(5) Including notes of banks, mortgage loan companies and municipal and provincial governments.

.. Figures not available.

The largest volume of transactions continued to be in Canadian finance company paper (including that of the financing subsidiaries of manufacturing and retail enterprises). There was, however, a sharp drop in the net outflow from \$162 million in 1965 to \$9 million in 1966. In contrast to the previous year there were inflows in both the first and fourth quarters of 1966 while the outflows characteristic of 1965 were evident in the middle two quarters of the year. The accompanying statement shows revised data since December 1963 of short-term paper borrowing by Canadian finance companies both from residents of the United States and from all other countries. After reaching a peak in September 1964 United States holdings declined with only a minor aberration up to the end of September 1966, then edged up slightly at the year-end. In contrast, within the last two years, other non-residents have become significant holders of these instruments accounting for over one quarter of all non-resident holdings at the end of 1966. At December 1966 the \$307 million of non-resident holdings represented almost one third of the total short-term paper issued by Canadian finance companies.

Holdings by Non-Residents of Short-Term Canadian Finance Company Paper

Month end	Residents of the United States	Residents of all other foreign countries	All non-residents
		millions of dollars	
1963 - December	280	2	282
1964 - March	387	1	388
June	490	1	491
September	493	2	495
December	476	2	478
1965 - March	440	4	444
June	418	24	442
September	338	43	381
December	268	48	316
1966 - March	293	46	339
June	273	61	334
September	222	57	279
December	226	81	307

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

Month	Sales		Repurchases and maturities		Net change in holdings		Holdings 1966			
	1965	1966	1965	1966	1965	1966	Total	United States	United Kingdom	Other
millions of dollars										
January	10	3	6	19	+ 4	- 16	19	9	1	9
February	9	2	13	4	- 4	- 2	17	7	1	9
March	36	20	9	10	+ 27	+ 10	27	4	1	22
April	11	17	21	16	- 10	+ 1	28	7	1	20
May	15	8	15	8	-	-	28	7	1	20
June	7	17	7	18	-	- 1	27	6	1	20
July	25	12	18	14	+ 7	- 2	25	6	1	18
August	8	5	19	2	- 11	+ 3	28	6	2	20
September ...	14	17	12	16	+ 2	+ 1	29	8	4	17
October	3	10	10	21	- 7	- 11	18	5	1	12
November	7	24	3	19	+ 4	+ 5	23	4	2	17
December	8	53	8	56	-	- 3	20	9	2	9
Year	153	188	141	203	+ 12	- 15	20	9	2	9

Transactions in other finance company obligations of a short-term nature (which include borrowings from foreign banks and advances from parent companies) led on balance to an inflow of \$153 million, about three quarters of the 1965 inflow. In addition there were, of course, other finance company transactions not identified separately which have been included with capital movements in long-term forms, notably in new issues and retirements of Canadian securities. All in all the international borrowing of these companies in 1966 led to an aggregate net inflow of about \$210 million. Net inflows of \$110 million were recorded in both the first and fourth quarters and a net outflow of about \$10 million occurred in the second quarter.

Holdings by non-residents of Canadian treasury bills decreased by \$15 million during 1966, however trading by non-residents in these instruments increased substantially over 1965, often for the week-end employment of funds. The significant factor in the decrease was the reduction of the holdings of international institutions which by the end of the year were perhaps one fourth of the level of December 1965.

International transactions in Canadian commercial paper (including bankers' acceptances) led to a net capital inflow of \$11 million in 1966 following an outflow of \$15 million in 1965. The gross volume of transactions in these instruments (especially bankers' acceptances), although not yet available for publication, appears to have expanded considerably in 1966, usually for very short-term employment of the funds. Non-residents reduced their holdings of other short-term paper (including notes of banks, mortgage loan companies and municipal and provincial governments) by \$13 million in 1966. The volume of transactions expanded rapidly, almost tripling the 1965 total.

Buy-back transactions based on Government of Canada securities having an original term of over one year remained at insignificant proportions in 1966. On balance over the year there was no capital movement and at the end of the year non-resident holdings were negligible.

Interest rates, stock prices and foreign exchange markets

A primary factor influencing international flows of short-term capital is the existence of short-term interest rate differentials between the major financial centres of the world. Other factors impinging upon instruments negotiated in this money market are term, currency, credit risk etc., as well the character, requirements and relationships of lenders and borrowers. Hence when considering this market, and its capital flows, a wide variety of interest differentials could be appropriate; treasury bill yields are one such measure for which published figures are readily available. However, as the volume of international transactions in Canadian treasury bills has declined in importance in recent years, while the trends shown in treasury bill yields probably apply generally to other interest rates, these rates are not necessarily those at which the bulk of short-term funds move.

Yields on 3 month Canadian treasury bills rose substantially in 1966 closing at the year end 38 basis points higher than the year's opening tender rate of 4.58 per cent on January 6. This compares with a rise of 74 basis points in 1965. The year's range in yields was 62 basis points, significantly narrower than the 95 basis points recorded in the previous year. Yields over the year produced a steady upward movement with a sharp jump, however, in the week of March 15th of 26 basis points as a result of the one half per cent increase in the Canadian bank rate on March 14, 1966. The Canadian bank rate stood at 5 1/4 per cent from this date to the end of the year. Canadian treasury bill rates throughout the year moved at levels in excess of those prevalent since the foreign exchange crisis of 1962.

United States treasury bill yields recorded a moderate increase over the year and finished the year 27 basis points higher than the opening rate of 4.52 per cent. Yields drifted erratically for the bulk of the first half of 1966 to the year's low of 4.31 in the week of June 24th. From this low, yields during the third quarter recorded a rapid rise of 116 basis points to 5.47 at September 23rd the highest yield for at least a decade. Yields remained very high until the middle of December and then declined noticeably.

Yields on Canadian and United States treasury bills as quoted in their respective countries are not strictly comparable mainly because Canadian bills are quoted on a true yield basis and for a 365 day year while United States are quoted as a yield on the par value and on a 360 day year basis(1). In the accompanying statement Canadian yields have been adjusted to the United States quotation basis so that a better comparison can be made of the yields on the two instruments. The differential, before provision of forward exchange cover, varied from a 57 basis points spread in favour of Canada at June 24th to 63 basis points in favour of the United States at September 23rd. Yield differentials with forward exchange

(1) For an explanation of the difference see Technical Note p.p. 1253-4 of the United States Federal Reserve Bulletin of October 1964.

cover during 1966 were, however, far more substantial ranging from a 86 basis points advantage for United States bills during the first week of the year to a 57 basis points spread in favour of the Canadian treasury bills at June 24th. Protected interest rate differentials are theoretically the stimulus to movements of arbitrage capital which continues flowing until rising costs of exchange protection in the forward market and falling yields eliminate any further inducement. In practice, however, when account is taken of the costs attendant on transaction and other factors such differentials are often too narrow to motivate movements of arbitrage capital. At times investors may choose to accept the risk of exchange rate fluctuations or may have requirements which do not involve repatriation of matured bills into domestic currency.

Arbitrage on Treasury Bills between Canada and the United States, 1966(1)

Last Friday of month	Treasury bill rates(2)				Premium (+) or discount (-) on forward Canadian dollar(3)	Net incentive (favour of Canada)
	Canada		United States	Spread (favour of Canada)		
	As quoted in Canada	Adjusted to U.S. quotation basis				
				per cent per annum		
January	4.63	4.51	4.53	- .02	- .54	- .56
February	4.66	4.54	4.64	- .10	- .50	- .60
March	5.02	4.89	4.46	+ .43	- .04	+ .39
April	5.07	4.94	4.61	+ .33	- .15	+ .18
May	5.11	4.98	4.61	+ .37	- .19	+ .18
June	5.00	4.87	4.43	+ .44	- .11	+ .33
July	5.02	4.89	4.66	+ .23	.00	+ .23
August	5.10	4.97	4.99	- .02	+ .04	+ .02
September	5.00	4.87	5.30	- .43	+ .32	- .11
October	5.19	5.05	5.21	- .16	+ .24	+ .08
November	5.18	5.04	5.25	- .21	+ .41	+ .20
December	4.96	4.83	4.79	+ .04	+ .15	+ .19

- (1) As published in the United States Federal Reserve Bulletin.
- (2) Market offer rates at 11 a.m. on the latest issue of three month bills.
- (3) Rates per annum computed on basis of midpoint quotation (between bid and offer) at 11 a.m. in New York for both spot and forward Canadian dollars. When purchasing Canadian funds with United States dollars and simultaneously reselling them for United States dollars for delivery in 90 days, a positive figure represents a nominal return, at annual rates, to a United States resident, while a negative figure represents a nominal cost. The cases are reversed for a Canadian holder of Canadian funds doing a swap transaction in United States dollars.

While treasury bill yields are indicative of the movements of short-term interest rates, the bulk of non-resident short-term funds are invested in other money market instruments, particularly Canadian finance company paper. Yields on these instruments which are, of course, normally above treasury bill yields had advanced sharply in 1965 following the collapse of a finance company in June of that year and were also influenced to some extent by the balance of payments measures taken in the United States. Interest rates paid by the large finance companies for 3 to 6 month paper started 1966 at about 6 per cent. With the availability of credit becoming more difficult throughout most of the year these interest rates rose to 6 1/2 per cent by the year-end.

Long-term interest rates also increased in 1966 in both Canada and the United States. Through the year yields on the representative long-term government bonds shown in Table 7 rose by 38 basis points in Canada and 9 basis points in the United States. During the year, the yield on the Canadian issue moved from a low of 5.48 per cent in January to an August peak of 6.09 per cent and closed the year at 5.91 per cent. The timing of the low of 4.46 per cent and high of 4.91 per cent for the United States issue was the same as for its Canadian counterpart. Historically, both the Canadian and United States long-term government bond average yields attained peaks during the year which were post-war highs. Differentials varied from a minimum of 0.99 per cent in June to 1.33 per cent in December. As in the case of treasury bills, yields differentials between the long-term issues of central governments may not be the most appropriate comparison for the analysis of international security transactions. Markets for these obligations at times reflect special domestic monetary and fiscal situations. It would be reasonable to assume that investors place the securities of their own central government in a specially

preferred position and equate the securities of a foreign central government with those of a high grade junior government or corporation in their own country. Special tax considerations applying to the issues of some debtors in the United States add to the difficulty of comparisons.

United States Dollar in Canada

Period		High	Low	Close	Noon average
Canadian cents					
1965	IVQ	107.78	107.38	107.50	107.53
1966	IQ	107.81	107.34	107.72	107.58
	IIQ	107.88	107.53	107.53	107.67
	IIIQ	107.78	107.34	107.78	107.54
	IVQ	108.41	107.78	108.38	108.15

Year-to-year Changes in Common Stock Price Indexes

	Canada(1)	United States(2)
1966	- 12%	- 13%
1965	+ 3%	+ 9%
1964	+ 22%	+ 13%

(1) D.B.S. Investors Index.

(2) Standard and Poor's "500" Index.

Spot rates in 1966 for the United States dollar expressed in terms of the Canadian dollar are given in the accompanying summary. The variation in the rates was well within the normal margin of one per cent of the par value established in May 1962.

The average common stock prices in Canada (as measured by the Dominion Bureau of Statistics Investor's Index in "Prices and Price Indexes", Catalogue No. 62-002) dropped about 12 per cent during the year 1966. Historically, this drop in Canadian stock prices, has, in the post war period, only been exceeded by the 16 per cent drop in 1957 and was slightly greater than the 11 per cent drop recorded in 1962. The United States common stock market price index (as measured by Standard and Poor's "500" Index) moved down 13 per cent over the year 1966. Relative to their respective 1965 year-end levels, both indexes moved quite similarly with upward moves in January followed, after a rally in April, by a sharp drop of the order of 15 per cent to lows in October, with some recovery to the year-end.

The composite index includes many sub-indexes which displayed divergent movements in 1966. Of the twenty-four common stock sub-indexes published by DBS, two, "metal fabricating" and "construction", dropped more than 25 per cent in 1966, five declined between 20 and 25 per cent, four decreased between 15 and 20 per cent, and five dropped between 10 and 15 per cent. "Primary oils and gas", and "uraniums" both advanced over 30 per cent in 1966.

Gross sales to non-residents of outstanding Canadian equities of \$377 million were \$66 million lower than 1965 and amounted to one eleventh of the value of securities traded on principal exchanges in Canada, the same as in 1965. Gross purchases from non-residents of \$508 million represented slightly less than one eighth of trading on Canadian exchanges, compared with one seventh in 1965. Included in the above comparisons is trading on the so-called "Z" markets. These are special trading facilities set up by the principal stock exchanges in Canada, shortly after the July, 1963 proposal in the United States for the fifteen per cent Interest Equalization Tax. On these markets United States residents may buy Canadian securities from their fellow countrymen without incurring a tax penalty. Transactions on these special markets aggregated about \$30 million, \$20 million, \$23 million for 1964, 1965 and 1966 respectively. The largest of these "Z" markets is operated by the Toronto Stock Exchange and it is interesting to note that a decrease in the value of trading occurred on the industrials section while the value of transactions on the mines and oils section increased by 26 per cent in 1966, so that trading in the latter issues constituted 69 per cent of the value of transactions on the "Z" market. It should be noted that all purchases by United States investors of the stock of certain Canadian corporations, including some of the largest, whether from United States citizens or not, have been exempted from the incidence of this tax. Exemption is based mainly on the degree of United States ownership and the volume of trading of the shares on stock exchanges in the United States. Trading of the shares in these companies on exchanges in Canada between United States residents would not be reflected in the "Z" market figures but would form a part of the grand total of all shares traded on stock exchanges in Canada.

The Canadian Balance of International Payments and International Investment Position

A description of the statistical sources and methods used in the production of this report, together with a copy of the basic reporting schedule (which was changed in August, 1965, in format but not in content), is to be found on pages 52 to 55 of the annual D.B.S. report under the above title, for 1961 and 1962 (Catalogue No. 67-201). It also covers Canada's international transactions in 1962, including movements of direct investment and other capital not reviewed in this report.

For more recent statistics on the subject readers are referred to "Quarterly Estimates of the Canadian Balance of International Payments", fourth quarter of 1966, (Catalogue No. 67-001) containing preliminary balance of payments estimates for 1966.

TABLE 1. Portfolio Security Transactions between Canada and Other Countries, by Quarters 1964-66
Trading, New Issues, and Retirements

Net sales (+) or purchases (-) by Canadians																														
1964						1965					1966																			
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year																
millions of dollars																														
<u>All countries</u>																														
Canadian securities:																														
Outstanding issues:																														
Bonds, etc.	+	4	+	15	+	36	+	22	+	77	+	4	+	16	+	37	+	5	+	62	-	11	-	24	-	50	-	14	-	99
Stocks	-	44	-	9	-	5	-	40	-	98	-	91	-	83	-	28	-	62	-	264	-	13	-	42	-	33	-	43	-	131
New issues	+	138	+	322	+	109	+	531	+	1,100	+	283	+	321	+	294	+	311	+	1,209	+	583	+	358	+	291	+	216	+	1,448
Retirements	-	110	-	117	-	60	-	95	-	382	-	68	-	178	-	56	-	80	-	382	-	112	-	152	-	90	-	150	-	504
Foreign securities:																														
Outstanding issues	-	-	26	-	1	-	4	-	31	-	14	-	16	-	18	-	5	-	53	-	46	-	89	-	77	-	78	-	290	
New issues	-	6	-	11	-	5	-	9	-	31	-	27	-	7	-	8	-	14	-	56	-	27	-	7	-	40	-	9	-	83
Retirements	+	2	+	3	+	2	+	3	+	10	+	3	+	15	+	3	+	4	+	25	+	3	+	6	+	3	+	4	+	16
Total - All securities	-	16	+	177	+	76	+	408	+	645	+	90	+	68	+	224	+	159	+	541	+	377	+	50	+	4	-	74	+	357
<u>United States</u>																														
Canadian securities:																														
Outstanding issues:																														
Bonds, etc.	+	1	+	9	+	22	+	6	+	38	+	6	+	8	+	16	-	2	+	28	-	8	-	29	-	20	-	11	-	68
Stocks	-	30	-	1	+	3	-	24	-	52	-	59	-	56	-	20	-	48	-	183	-	4	-	28	-	27	-	30	-	89
New issues	+	129	+	300	+	96	+	515	+	1,040	+	271	+	315	+	286	+	294	+	1,166	+	561	+	350	+	277	+	204	+	1,392
Retirements	-	88	-	88	-	54	-	70	-	300	-	58	-	160	-	41	-	67	-	326	-	103	-	145	-	80	-	120	-	448
Foreign securities:																														
Outstanding issues	-	3	-	25	+	1	+	1	-	26	-	17	-	15	-	17	-	2	-	51	-	45	-	79	-	80	-	71	-	275
New issues	-	4	-	6	-	4	-	6	-	20	-	8	-	5	-	8	-	6	-	27	-	7	-	6	-	40	-	6	-	59
Retirements	+	1	+	2	+	1	+	1	+	5	+	1	+	2	+	2	+	1	+	6	+	1	+	1	+	2	+	1	+	5
Total - All securities	+	6	+	191	+	65	+	423	+	685	+	136	+	89	+	218	+	170	+	613	+	395	+	64	+	32	-	33	+	458

TABLE 1. Portfolio Security Transactions between Canada and Other Countries, by Quarters 1964-66
Trading, New Issues, and Retirements - Concluded

Net sales (+) or purchases (-) by Canadians															
	1964					1965					1966				
	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year
millions of dollars															
<u>United Kingdom</u>															
Canadian securities:															
Outstanding issues:															
Bonds, etc.	+ 2	- 6	+ 1	+ 2	- 1	- 6	+ 2	+ 4	- 3	- 3	- 3	+ 2	- 8	- 3	- 12
Stocks	- 11	- 5	- 3	- 8	- 27	- 22	- 16	- 6	- 6	- 50	- 7	- 9	-	- 9	- 25
New issues	+ 3	+ 7	+ 5	+ 7	+ 22	+ 5	+ 1	+ 2	+ 7	+ 15	+ 15	+ 3	+ 10	+ 8	+ 36
Retirements	- 15	- 7	- 2	- 15	- 39	- 5	- 5	- 7	- 6	- 23	- 2	- 3	- 1	- 8	- 14
Foreign securities:															
Outstanding issues	- 3	- 2	+ 1	- 4	- 8	+ 1	- 1	-	- 1	- 1	- 1	- 1	-	- 3	- 5
New issues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirements	-	-	-	-	-	+ 1	-	-	-	+ 1	-	-	-	-	-
Total - All securities ..	- 24	- 13	+ 2	- 18	- 53	- 26	- 19	- 7	- 9	- 61	+ 2	- 8	+ 1	- 15	- 20
<u>Other foreign countries</u>															
Canadian securities:															
Outstanding issues:															
Bonds, etc.	+ 1	+ 12	+ 13	+ 14	+ 40	+ 4	+ 6	+ 17	+ 10	+ 37	-	+ 3	- 22	-	- 19
Stocks	- 3	- 3	- 5	- 8	- 19	- 10	- 11	- 2	- 8	- 31	- 2	- 5	- 6	- 4	- 17
New issues	+ 6	+ 15	+ 8	+ 9	+ 38	+ 7	+ 5	+ 6	+ 10	+ 28	+ 7	+ 5	+ 4	+ 4	+ 20
Retirements	- 7	- 22	- 4	- 10	- 43	- 5	- 13	- 8	- 7	- 33	- 7	- 4	- 9	- 22	- 42
Foreign securities:															
Outstanding issues	+ 6	+ 1	- 3	- 1	+ 3	+ 2	-	- 1	- 2	- 1	-	- 9	+ 3	- 4	- 10
New issues	- 2	- 5	- 1	- 3	- 11	- 19	- 2	-	- 8	- 29	- 20	- 1	-	- 3	- 24
Retirements	+ 1	+ 1	+ 1	+ 2	+ 5	+ 1	+ 13	+ 1	+ 3	+ 18	+ 2	+ 5	+ 1	+ 3	+ 11
Total - All securities ..	+ 2	- 1	+ 9	+ 3	+ 13	- 20	- 2	+ 13	- 2	- 11	- 20	- 6	- 29	- 26	- 81

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 1966 are preliminary and data for 1965 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.-
1964- Year	762.5	783.8	-21.3	420.3	434.4	-14.1	146.4	174.7	-28.3	195.8	174.6	+21.1
1965- Year	629.9	832.0	-202.1	320.7	476.4	-155.6	126.4	179.1	-52.7	182.8	176.5	+ 6.2
1966- Year	501.8	732.5	-230.6	267.5	424.9	-157.4	102.3	138.9	-36.5	132.0	168.7	-36.7
1965- January	56.6	97.8	-41.3	30.7	58.7	-28.0	9.4	17.3	-7.9	16.5	21.8	- 5.3
February	57.0	79.0	-21.9	25.7	36.8	-11.1	13.5	23.2	-9.7	17.9	19.0	- 1.1
March	65.7	82.7	-17.0	28.4	41.9	-13.5	16.1	19.9	-3.8	21.1	20.9	+ 0.3
April	50.3	75.4	-25.1	26.7	40.5	-13.8	8.9	18.6	-9.7	14.7	16.3	- 1.6
May	54.0	73.0	-19.1	27.2	43.0	-15.9	12.0	14.2	-2.3	14.8	15.8	- 0.9
June	49.1	71.8	-22.7	22.7	41.0	-18.3	13.0	14.8	-1.7	13.4	16.0	- 2.7
July	39.1	45.5	- 6.4	21.5	24.9	- 3.4	6.5	9.9	-3.4	11.1	10.7	+ 0.4
August	47.0	41.0	+ 6.0	24.1	23.2	+ 0.8	8.7	9.4	-0.6	14.2	8.4	+ 5.8
September	54.2	44.1	+10.1	29.5	31.0	- 1.5	8.8	6.4	+2.4	15.9	6.8	+ 9.2
October	42.9	69.1	-26.2	24.9	42.8	-17.9	6.9	12.2	-5.3	11.1	14.2	- 3.0
November	56.0	74.4	-18.4	26.3	43.4	-17.1	15.0	15.6	-0.6	14.8	15.5	- 0.7
December	57.9	69.2	-11.3	33.1	47.5	-14.3	7.6	10.9	-3.3	17.1	10.8	+ 6.3
Month not identified	0.1	9.0	-8.9	-	1.7	-1.6	-	6.9	-6.9	-	0.4	- 0.4
1966- January	53.3	68.5	-15.2	28.2	38.9	-10.8	12.6	17.5	-4.9	12.5	12.1	+ 0.4
February	56.6	62.4	- 5.8	29.5	33.6	-4.1	9.9	13.1	-3.2	17.2	15.7	+ 1.5
March	52.3	55.8	- 3.6	34.0	31.2	+2.9	8.6	9.9	-1.3	9.6	14.7	- 5.1
April	51.2	72.5	-21.3	33.0	50.9	-17.9	7.5	9.3	-1.8	10.7	12.3	- 1.6
May	48.7	67.9	-19.8	27.3	40.1	-12.9	7.9	11.2	-3.4	13.6	16.5	- 2.9
June	43.2	69.0	-25.8	15.8	42.9	-27.1	9.5	11.3	-1.9	18.0	14.8	+ 3.2
July	36.2	46.9	-10.7	19.1	27.5	- 8.4	8.8	6.8	+2.0	8.4	12.6	- 4.2
August	37.2	70.8	-33.6	17.3	40.3	-22.9	9.4	18.5	-9.1	10.5	12.1	- 1.6
September	28.5	66.8	-38.3	15.2	30.3	-15.1	6.0	7.2	-1.2	7.4	29.3	-21.9
October	31.4	43.4	-12.0	16.5	26.7	-10.1	7.3	7.8	-0.5	7.6	8.9	- 1.3
November	29.5	47.9	-18.5	13.4	25.6	-12.2	7.3	13.0	-5.7	8.8	9.3	- 0.5
December	33.8	60.6	-26.7	18.3	36.9	-18.6	7.7	13.2	-5.6	7.8	10.4	- 2.6
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(1)

(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.-
1964 - Year	543.6	574.2	- 30.7	498.5	524.9	- 26.5	12.9	20.6	- 7.8	32.2	28.6	+ 3.6
1965 - Year	649.1	702.0	- 52.9	606.7	658.0	- 51.2	16.5	17.2	- 0.6	25.8	26.9	- 1.1
1966 - Year	885.4	1,174.8	-289.4	814.9	1,089.7	-274.8	24.0	29.0	- 5.0	46.5	56.0	- 9.5
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
March	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	69.5	- 9.5	56.0	65.9	- 9.9	1.4	0.9	+ 0.4	2.7	2.7	-
July	36.2	39.5	- 3.3	34.0	36.9	- 2.9	0.9	1.1	- 0.2	1.3	1.6	- 0.3
August	45.4	45.0	+ 0.4	43.2	43.0	+ 0.2	1.0	0.8	+ 0.2	1.2	1.2	-
September	55.7	68.5	- 12.9	52.8	64.6	- 11.8	0.8	0.8	-	2.0	3.1	- 1.1
October	81.8	64.4	+ 17.3	77.4	59.2	+ 18.2	1.6	1.8	- 0.2	2.8	3.4	- 0.6
November	55.9	69.1	- 13.2	51.1	64.6	- 13.5	2.6	1.7	+ 0.9	2.2	2.8	- 0.6
December	73.8	80.0	- 6.2	69.9	74.2	- 4.3	1.3	2.9	- 1.6	2.6	2.9	- 0.3
Month not identified	8.4	19.4	- 11.0	8.1	19.0	- 10.8	0.2	0.1	+ 0.2	-	0.4	- 0.4
1966 - January	76.5	89.5	- 13.0	69.9	83.6	- 13.7	3.9	2.4	+ 1.5	2.7	3.5	- 0.8
February	67.0	81.5	- 14.5	61.6	75.7	- 14.1	1.5	2.7	- 1.2	3.9	3.1	+ 0.7
March	82.9	101.0	- 18.1	71.6	88.9	- 17.4	4.3	5.4	- 1.2	7.1	6.6	+ 0.4
April	89.1	107.4	- 18.3	82.3	95.5	- 13.2	3.4	5.1	- 1.6	3.4	6.8	- 3.5
May	81.8	119.9	- 38.0	76.3	113.2	- 36.9	2.3	2.9	- 0.6	3.2	3.8	- 0.6
June	71.7	104.9	- 33.2	65.6	94.0	- 28.4	2.3	2.0	+ 0.4	3.8	8.9	- 5.1
July	62.7	77.6	- 14.9	56.7	74.5	- 17.8	1.8	1.4	+ 0.4	4.2	1.8	+ 2.4
August	75.7	122.0 ^x	- 46.3 ^x	72.6	120.0 ^x	- 47.4 ^x	1.0	0.6	+ 0.4	2.1	1.4	+ 0.7
September	70.7	86.2 ^x	- 15.5 ^x	67.1	82.2 ^x	- 15.1 ^x	0.7	1.1	- 0.4	2.9	2.9	-
October	69.5	85.9	- 16.4	64.3	76.7	- 12.5	1.3	2.7	- 1.4	4.0	6.5	- 2.5
November	64.3	87.6	- 23.3	58.9	81.9	- 23.0	0.8	0.5	+ 0.3	4.6	5.3	- 0.6
December	73.3	111.1	- 37.9	68.0	103.4	- 35.4	0.7	2.3	- 1.6	4.6	5.4	- 0.8
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 1966	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	107,117	171,714	86,374	140,375	8,329	15,529	12,414	15,810
Canadian Securities, Total	33,821	60,567	18,347	36,933	7,672	13,230	7,802	10,404
Bonds and Debentures	12,598	17,362	6,026	10,683	3,451	4,365	3,121	2,314
Common and Preference Stocks	21,223	43,203	12,321	26,249	4,221	8,865	4,681	8,089
Other Securities	-	2	-	1	-	-	-	1
Foreign Securities, Total	73,296	111,147	68,027	103,442	657	2,299	4,612	5,406
United States Issues:								
Bonds and Debentures	4,458	7,547	3,899	6,376	321	1,084	238	87
Common and Preference Stocks	66,471	102,497	62,540	96,540	13	931	3,918	5,026
United Kingdom Issues:								
Bonds and Debentures	-	170	-	15	-	155	-	-
Common and Preference Stocks	1,573	44	1,374	-	199	44	-	-
Other Foreign Countries Issues:								
Bonds and Debentures	592	366	74	85	108	63	410	218
Common and Preference Stocks	202	523	140	426	16	22	46	75
All Other Foreign Securities	-	-	-	-	-	-	-	-
Analysis of Bonds and Debentures								
Canadian Issues:								
Government of Canada - Direct	6,005	8,118	1,598	4,225	3,056	2,574	1,351	1,319
Government of Canada - Guaranteed	685	2,037	4	629	33	1,066	648	342
Provincial	2,747	3,786	2,078	3,210	343	455	326	121
Municipal	1,005	267	966	234	-	-	39	33
Railway, not guaranteed by governments	4	82	3	16	1	34	-	32
Other Corporations	2,152	3,072	1,377	2,369	18	236	757	467
United States Issues:								
Government	662	1,307	662	1,291	-	-	-	16
Other	3,796	6,240	3,237	5,085	321	1,084	238	71
United Kingdom Issues:								
Government	-	15	-	15	-	-	-	-
Other	-	155	-	-	-	155	-	-

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

(Millions of dollars)

Year, 1966	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	1,387.3	1,907.2	- 520.0	1,082.4	1,514.6	- 432.2	126.4	167.9	- 41.5	178.5	224.7	- 46.2
Canadian Securities, Total	501.8	732.5	- 230.6	267.5	424.9	- 157.4	102.3	138.9	- 36.5	132.0	168.7	- 36.7
Bonds and Debentures	125.1	224.1	- 99.0	57.4	125.2	- 67.9	26.6	38.6	- 11.9	41.1	60.3	- 19.2
Common and Preference Stocks	376.6	508.2	- 131.6	210.1	299.6	- 89.5	75.7	100.3	- 24.6	90.8	108.4	- 17.5
Other Securities	0.1	0.1	-	0.1	0.1	-	-	-	-	-	-	-
Foreign Securities, Total	885.4	1,174.8	- 289.4	814.9	1,089.7	- 274.8	24.0	29.0	- 5.0	46.5	56.0	- 9.5
United States Issues:												
Bonds and Debentures	59.9	84.2	- 24.3	39.4	63.3	- 23.9	10.1	10.3	- 0.2	10.4	10.6	- 0.2
Common and Preference Stocks	793.6	1,027.7	- 234.1	763.6	991.4	- 227.8	1.5	4.5	- 2.9	28.5	31.8	- 3.3
United Kingdom Issues:												
Bonds and Debentures	3.3	2.3	+ 1.0	1.7	0.5	+ 1.2	0.9	1.7	- 0.8	0.7	0.2	+ 0.6
Common and Preference Stocks	12.3	4.7	+ 7.6	3.6	0.7	+ 2.9	8.1	3.3	+ 4.9	0.7	0.7	- 0.1
Other Foreign Countries Issues:												
Bonds and Debentures	8.9	44.9	- 36.0	2.4	31.3	- 28.9	2.6	5.7	- 3.1	3.9	7.8	- 3.9
Common and Preference Stocks	7.0	10.9	- 3.9	3.9	2.6	+ 1.3	0.7	3.5	- 2.7	2.3	4.8	- 2.5
All Other Foreign Securities	0.4	0.1	+ 0.2	0.4	-	+ 0.4	-	0.1	- 0.1	-	-	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	65.4	130.9	- 65.5	21.8	59.7	- 37.9	19.3	27.8	- 8.5	24.3	43.4	- 19.1
Government of Canada - Guaranteed	9.1	19.7	- 10.6	2.0	11.2	- 9.2	1.0	2.1	- 1.0	6.1	6.4	- 0.4
Provincial	23.5	30.4	- 6.9	16.0	22.0	- 5.9	4.1	4.9	- 0.8	3.4	3.5	- 0.1
Municipal	5.3	7.9	- 2.6	4.3	6.2	- 1.8	0.1	1.0	- 0.9	0.9	0.7	+ 0.1
Railway, not guaranteed by governments	0.6	1.5	- 1.0	0.4	0.8	- 0.5	0.1	0.1	-	0.1	0.6	- 0.4
Other Corporations	21.2	33.6	- 12.4	12.8	25.3	- 12.5	2.1	2.7	- 0.6	6.4	5.6	+ 0.7
United States Issues:												
Government	15.7	27.8	- 12.1	15.0	27.5	- 12.5	0.2	-	+ 0.2	0.5	0.3	+ 0.1
Other	44.2	56.4	- 12.2	24.4	35.8	- 11.4	9.9	10.3	- 0.4	9.9	10.3	- 0.4
United Kingdom Issues:												
Government	0.3	0.2	+ 0.1	-	-	-	0.2	-	+ 0.2	-	0.1	- 0.1
Other	3.0	2.1	+ 0.9	1.7	0.4	+ 1.2	0.7	1.7	- 1.0	0.7	-	+ 0.7

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, 1966

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -
millions of dollars												
January	4.7	9.2	- 4.5	2.0	5.9	- 3.9	1.0	1.8	- 0.8	1.8	1.5	+ 0.2
February	5.3	5.9	- 0.5	0.7	1.1	- 0.4	1.8	1.9	- 0.1	2.8	2.8	-
March	5.1	6.0	- 0.9	2.7	2.7	-	1.0	0.8	+ 0.1	1.4	2.4	- 1.0
April	4.8	11.5	- 6.7	1.9	8.0	- 6.1	1.5	1.6	- 0.1	1.4	1.9	- 0.5
May	8.2	9.5	- 1.3	4.6	4.8	- 0.1	0.9	0.9	-	2.7	3.8	- 1.1
June	14.3	20.2	- 5.9	3.0	15.1	- 12.1	1.2	0.3	+ 0.9	10.1	4.8	+ 5.3
July	2.8	7.7	- 4.9	0.8	3.8	- 3.0	0.5	0.6	- 0.1	1.5	3.3	- 1.8
August	4.8	21.7	- 16.9	0.2	9.5	- 9.3	2.6	10.9	- 8.3	2.0	1.3	+ 0.7
September ...	8.0	29.9	- 21.9	3.0	4.5	- 1.5	2.8	2.5	+ 0.3	2.2	22.9	- 20.7
October	5.7	8.8	- 3.2	2.3	5.6	- 3.3	2.0	1.4	+ 0.6	1.4	1.9	- 0.4
November	4.1	10.0	- 6.0	1.1	5.1	- 4.0	2.0	3.5	- 1.4	1.0	1.5	- 0.5
December	6.7	10.2	- 3.5	1.6	4.9	- 3.3	3.1	3.6	- 0.6	2.0	1.7	+ 0.3
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
Total	74.6	150.7	- 76.1	23.8	71.0	- 47.2	20.4	29.9	- 9.5	30.4	49.8	- 19.5

TABLE 5B. Trade in Outstanding Canadian Bonds and Debentures(1) between Canada and Other Countries, 1966

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -
millions of dollars												
January	9.2	16.3	- 7.1	5.6	11.3	- 5.7	1.1	2.5	- 1.4	2.5	2.5	-
February	8.1	10.4	- 2.3	2.3	3.7	- 1.4	1.9	2.8	- 0.9	3.9	4.0	- 0.1
March	8.8	10.7	- 1.9	5.1	6.0	- 0.9	1.3	1.6	- 0.3	2.4	3.2	- 0.8
April	10.8	20.9	- 10.1	6.3	16.1	- 9.8	2.3	2.0	+ 0.3	2.2	2.8	- 0.6
May	10.9	15.0	- 4.1	6.2	9.2	- 3.0	1.0	1.1	-	3.7	4.8	- 1.1
June	17.7	27.2	- 9.5	4.1	20.3	- 16.2	2.3	0.7	+ 1.6	11.3	6.3	+ 5.1
July	7.0	13.1	- 6.1	3.4	8.0	- 4.6	0.5	0.8	- 0.3	3.0	4.2	- 1.2
August	6.7	27.3	- 20.5	1.6	14.1	- 12.5	2.8	11.2	- 8.5	2.4	1.9	+ 0.4
September ...	10.5	34.0	- 23.5	5.1	7.7	- 2.6	2.9	2.7	+ 0.2	2.5	23.6	- 21.2
October	11.3	14.9	- 3.6	5.3	8.5	- 3.2	3.6	3.8	- 0.2	2.4	2.6	- 0.2
November	11.7	17.0	- 5.4	6.4	9.9	- 3.4	3.5	5.0	- 1.5	1.8	2.2	- 0.5
December	12.6	17.4	- 4.8	6.0	10.7	- 4.7	3.5	4.4	- 0.9	3.1	2.3	+ 0.8
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
Total	125.2	224.2	- 99.0	57.5	125.3	- 67.9	26.6	38.6	- 11.9	41.1	60.3	- 19.2

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

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

TABLE 3C. Trade in Outstanding Canadian Common and Preference Stocks between Canada and Other Countries, 1966

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -
millions of dollars												
January	44.1	52.2	- 8.1	22.6	27.7	- 5.1	11.5	14.9	- 3.5	10.1	9.6	+ 0.5
February	48.5	52.0	- 3.5	27.2	30.0	- 2.8	8.0	10.3	- 2.3	13.3	11.7	+ 1.6
March	43.4	45.1	- 1.6	28.9	25.2	+ 3.7	7.3	8.3	- 1.0	7.2	11.6	- 4.4
April	40.4	51.6	- 11.2	26.8	34.8	- 8.0	5.2	7.3	- 2.1	8.5	9.5	- 1.0
May	37.8	52.9	- 15.1	21.1	31.0	- 9.9	6.9	10.2	- 3.3	9.9	11.8	- 1.9
June	25.5	41.8	- 16.3	11.7	22.6	- 11.0	7.2	10.6	- 3.5	6.7	8.5	- 1.9
July	29.3	33.8	- 4.6	15.6	19.4	- 3.8	8.2	6.0	+ 2.3	5.4	8.4	- 3.0
August	30.4	43.6	- 13.1	15.8	26.2	- 10.4	6.6	7.2	- 0.6	8.1	10.1	- 2.0
September ...	18.0	32.7	- 14.7	10.0	22.6	- 12.6	3.1	4.5	- 1.5	4.9	5.6	- 0.7
October	20.1	28.4	- 8.3	11.2	18.1	- 6.9	3.7	4.0	- 0.3	5.2	6.4	- 1.1
November	17.8	30.9	- 13.1	6.9	15.7	- 8.8	3.9	8.1	- 4.2	7.0	7.1	- 0.1
December	21.2	43.2	- 22.0	12.3	26.2	- 13.9	4.2	8.9	- 4.6	4.7	8.1	- 3.4
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
Total	376.6	508.2	- 131.6	210.1	299.6	- 89.5	75.7	100.3	- 24.6	90.8	108.4	- 17.5

TABLE 5D. Trade in Outstanding United States Common and Preference Stocks between Canada and Other Countries, 1966

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -
millions of dollars												
January	67.3	80.9	- 13.6	65.5	77.7	- 12.3	0.2	1.3	- 1.1	1.6	2.0	- 0.3
February	60.4	73.3	- 12.9	58.5	70.9	- 12.4	0.2	0.7	- 0.5	1.7	1.7	-
March	69.2	82.9	- 13.7	64.9	80.3	- 15.4	0.3	0.4	- 0.1	4.0	2.2	+ 1.8
April	79.8	93.3	- 13.5	77.9	91.7	- 13.9	0.1	0.1	-	1.8	1.5	+ 0.4
May	75.7	108.6	- 32.9	73.2	106.1	- 32.9	0.1	0.5	- 0.4	2.4	1.9	+ 0.4
June	67.2	94.8	- 27.6	64.1	91.5	- 27.4	0.5	0.2	+ 0.3	2.6	3.1	- 0.5
July	54.6	70.3	- 15.7	53.3	69.0	- 15.7	-	0.1	- 0.1	1.3	1.2	-
August	70.7	92.5	- 21.7	69.2	91.4	- 22.2	-	-	-	1.5	1.0	+ 0.5
September ...	63.0	77.0	- 14.0	60.7	74.6	- 13.9	-	-	-	2.3	2.4	- 0.1
October	62.9	74.6	- 11.7	60.0	68.8	- 8.8	-	0.2	- 0.1	2.8	5.6	- 2.8
November	56.3	77.1	- 20.8	53.6	72.7	- 19.1	0.1	0.2	-	2.6	4.2	- 1.6
December	66.5	102.5	- 36.0	62.5	96.5	- 34.0	-	0.9	- 0.9	3.9	5.0	- 1.1
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
Total	793.6	1,027.7	- 234.1	763.6	991.4	- 227.8	1.5	4.5	- 2.9	28.5	31.8	- 3.3

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

TABLE 6A. Trade in Outstanding Canadian and Foreign Securities between Canada and Other Countries, 1934-66

Year	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -	Sales to	Purchases from	Net sales + purchases -
millions of dollars												
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	944	909	+ 35	655	603	+ 52	103	135	- 32	186	171	+ 15
1961	1,710	1,615	+ 95	1,395	1,192	+ 203	130	213	- 83	185	210	- 25
1962	1,749	1,869	- 120	1,469	1,456	+ 13	141	208	- 67	139	205	- 66
1963	1,088	1,179	- 91	755	777	- 22	158	220	- 62	175	182	- 7
1964	1,306	1,358	- 52	919	960	- 41	159	195	- 36	228	203	+ 25
1965	1,279	1,534	- 255	928	1,134	- 206	142	196	- 54	209	204	+ 5
1966	1,387	1,907	- 520	1,083	1,515	- 432	126	168	- 42	178	224	- 46

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. Trade in Outstanding Canadian Securities between Canada and Other Countries
by Group of Securities, 1956-66

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
millions of dollars											
Bonds and debentures, etc.:											
Government of Canada:											
Sales	141	72	109	188	162	409	568	151	123	119	66
Purchases	127	78	88	83	128	357	514	124	82	81	131
Net	+ 14	- 6	+ 21	+ 105	+ 34	+ 52	+ 54	+ 27	+ 41	+ 38	- 65
Dominion guaranteed:											
Sales	7	3	13	19	36	42	34	29	32	24	9
Purchases	15	11	14	6	22	19	38	14	13	9	20
Net	- 8	- 8	- 1	+ 13	+ 14	+ 23	- 4	+ 15	+ 19	+ 15	- 11
Provincial:											
Sales	20	14	14	13	16	29	36	18	30	25	23
Purchases	31	29	32	18	23	39	27	17	15	13	30
Net	- 11	- 15	- 18	- 5	- 7	- 10	+ 9	+ 1	+ 15	+ 12	- 7
Municipal:											
Sales	7	7	5	7	12	20	17	6	11	12	5
Purchases	5	8	6	5	8	17	7	5	6	4	8
Net	+ 2	- 1	- 1	+ 2	+ 4	+ 3	+ 10	+ 1	+ 5	+ 8	- 3
Railway, other:											
Sales	3	3	3	4	1	1	1	1	1	1	1
Purchases	3	7	6	6	5	4	3	3	1	2	2
Net	-	- 4	- 3	- 2	- 4	- 3	- 2	- 2	-	- 1	- 1
Other corporations:(1)											
Sales	73	88	57	29	37	50	44	34	31	22	21
Purchases	59	99	55	51	75	54	47	37	34	32	33
Net	+ 14	- 11	+ 2	- 22	- 38	- 4	- 3	- 3	- 3	- 10	- 12
Total bonds, debentures, etc.:											
Sales	251	187	201	260	264	551	700	239	228	203	125
Purchases	240	232	201	169	261	490	636	200	151	141	224
Net	+ 11	- 45	-	+ 91	+ 3	+ 61	+ 64	+ 39	+ 77	+ 62	- 99
Common and preference stocks:											
Sales	816	693	467	589	405	732	693	416	534	427	377
Purchases	628	556	379	479	354	693	809	586	632	691	508
Net	+ 188	+ 137	+ 88	+ 110	+ 51	+ 39	- 116	- 170	- 98	- 264	- 131

(1) Figures include "Other" Canadian securities.

TABLE 6C. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1956-66

Year	Total Canadian securities			Bonds			Stocks			Other securities		
	Sales	Purchases	Net sales + purchases -	Sales	Purchases	Net sales + purchases -	Sales	Purchases	Net sales + purchases -	Sales	Purchases	Net sales + purchases -
millions of dollars												
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	669	615	+ 54	262	260	+ 2	405	354	+ 51	2	1	+ 1
1961	1,283	1,183	+ 100	548	487	+ 61	732	693	+ 39	3	3	-
1962	1,393	1,445	- 52	695	634	+ 61	693	809	- 116	5	2	+ 3
1963	655	786	- 131	237	198	+ 39	416	586	- 170	2	2	-
1964	763	784	- 21	228	151	+ 77	534	632	- 98	1	1	-
1965	630	832	- 202	203	140	+ 63	427	691	- 264	-	1	- 1
1966	502	732	- 230	125	224	- 99	377	508	- 131	-	-	-

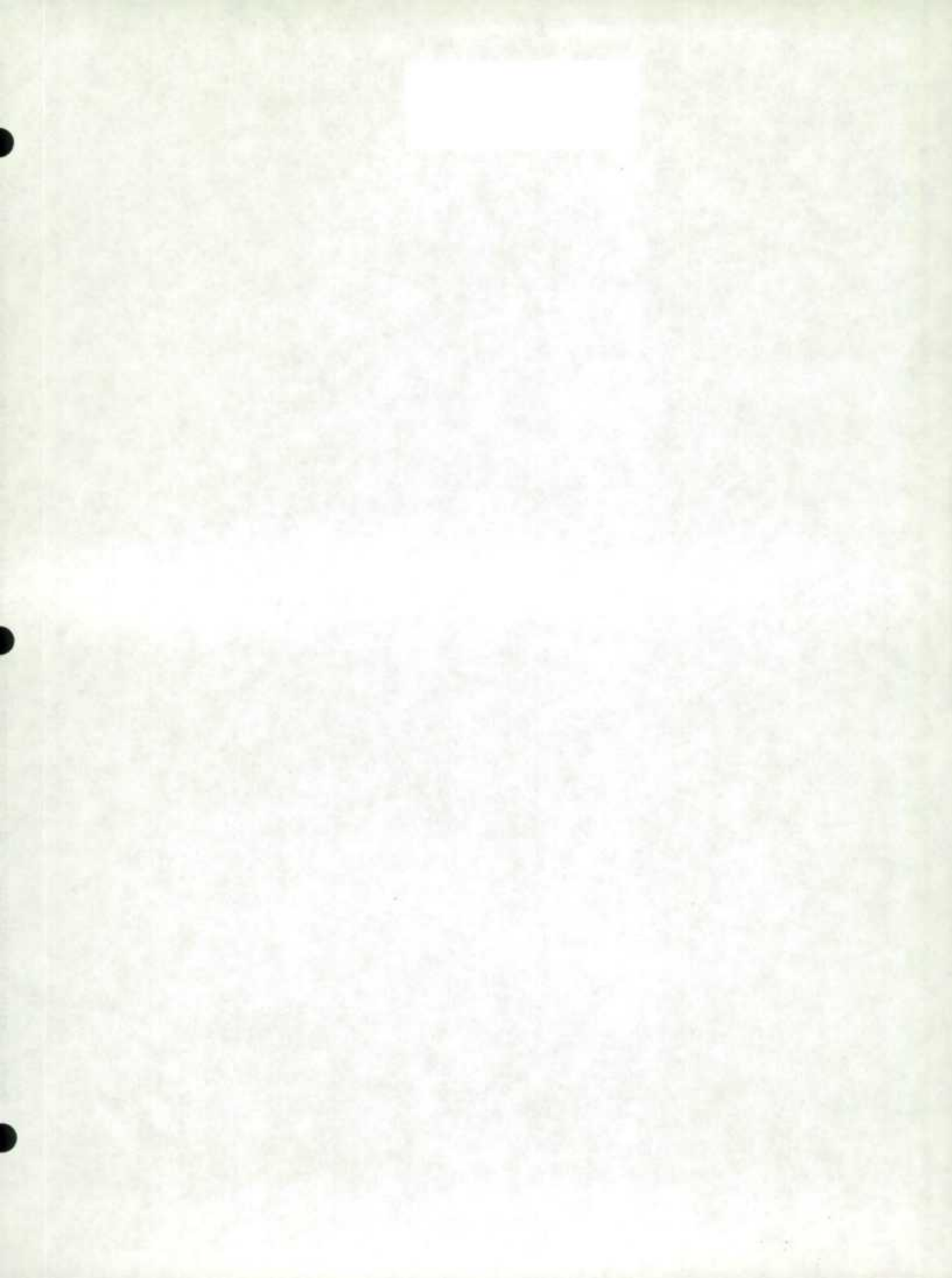
TABLE 6D. Trade in Outstanding Foreign Securities between Canada and Other Countries, 1956-66

Year	Total foreign securities			United States bonds			United States stocks			Other foreign securities		
	Sales	Purchases	Net sales + purchases -	Sales	Purchases	Net sales + purchases -	Sales	Purchases	Net sales + purchases -	Sales	Purchases	Net sales + purchases -
millions of dollars												
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	275	294	- 19	36	44	- 8	223	226	- 3	16	24	- 8
1961	427	432	- 5	39	29	+ 10	365	371	- 6	23	32	- 9
1962	356	424	- 68	49	48	+ 1	282	337	- 55	25	39	- 14
1963	433	393	+ 40	53	30	+ 23	353	333	+ 20	27	30	- 3
1964	543	574	- 31	29	34	- 5	472	504	- 32	42	36	+ 6
1965	649	702	- 53	55	37	+ 18	551	622	- 71	43	43	-
1966	885	1,175	- 290	60	84	- 24	794	1,028	- 234	31	63	- 32

TABLE 2. Selected Capital Market Statistics

Year and month	Domestic Government Bonds (Last Wednesday of month)					Stock prices			Exchange rate
	United States		Canada			Canada Dominion Bureau of Statistics		United States Standard and Poor's com- posite stock index of industrials, railroads and utilities	United States dollar in Canada (noon average in cents)
	3 1/4% due June 15, 1978-83		3 3/4% due January 15, 1975-78		Long- term average yield(1)	Investors' price index (indus- trials utilities finance)	Composite mining index		
	Price	Yield	Price	Yield					
						1956=100		1941-1943=10	
1961 - March	91.81	3.80	84.13	5.18	5.18	124.8	82.8	64.12	98.73
June	89.50	3.97	86.13	4.99	4.95	133.6	90.3	65.62	100.55
September	88.81	4.03	86.00	5.02	5.01	140.1	96.9	67.26	103.08
December	87.88	4.11	86.69	4.96	4.93	142.0	103.1	71.74	104.27
1962 - March	89.50	3.99	87.81	4.86	4.86	141.4	100.4	70.29	104.94
June	90.56	3.91	84.38	5.23	5.30	117.6	98.1	55.63	108.79
September	90.63	3.91	83.13	5.38	5.38	119.6	92.3	58.00	107.68
December	91.63	3.84	86.19	5.07	5.10	126.9	88.6	62.64	107.60
1963 - March	91.19	3.88	86.31	5.07	5.09	132.3	92.9	65.67	107.80
June	89.31	3.99	88.06	4.91	4.96	139.9	90.8	70.11	107.82
September	90.00	3.99	86.63	5.08	5.11	138.0	91.8	72.85	107.98
December	87.63	4.19	86.06	5.16	5.16	139.8	86.5	74.17	107.93
1964 - March	86.94	4.25	85.38	5.25	5.25	147.1	96.4	78.80	108.05
June	88.81	4.10	86.06	5.20	5.20	160.5	96.4	80.24	108.09
September	88.19	4.16	86.13	5.21	5.21	166.8	104.2	83.40	107.61
December	88.31	4.16	87.63	5.06	5.03	169.4	112.6	83.96	107.46
1965 - March	88.81	4.13	87.31	5.11	5.06	180.0	119.0	86.83	108.11
June	88.69	4.15	86.81	5.20	5.16	174.0	110.0	85.04	108.23
September	86.56	4.35	85.31	5.40	5.32	175.5	109.7	85.32	107.64
December	85.06	4.49	84.50	5.53	5.40	173.8	110.1	91.73	107.58
1966 - January	85.50	4.46	85.00	5.48	5.41	182.0	120.1	93.32	107.46
February	82.75	4.72	82.94	5.75	5.61	180.4	122.0	92.69	107.63
March	84.31	4.58	83.31	5.72	5.58	175.0	116.3	88.88	107.62
April	83.19	4.69	83.63	5.68	5.60	177.6	121.2	91.60	107.70
May	83.75	4.64	83.56	5.70	5.61	170.4	115.1	86.78	107.67
June	82.56	4.76	83.31	5.75	5.66	170.6	116.7	86.06	107.65
July	81.94	4.82	82.88	5.82	5.74	169.0	116.4	85.94	107.48
August	81.13	4.91	81.00	6.09	5.94	160.8	115.0	80.65	107.51
September	82.13	4.82	82.38	5.91	5.75	152.7	107.6	77.81	107.62
October	83.44	4.70	82.63	5.89	5.71	149.1	101.5	77.13	107.93
November	82.75	4.77	81.75	6.03	5.91	152.4	96.9	80.99	108.20
December	83.75	4.58	82.69	5.91	5.76	154.6	95.6	81.33	108.31

(1) Average of all direct Government of Canada issues due or callable in 10 years or over, excluding perpetuals.



STATISTICS CANADA LIBRARY
BIBLIOTHEQUE STATISTIQUE CANADA



1010510483