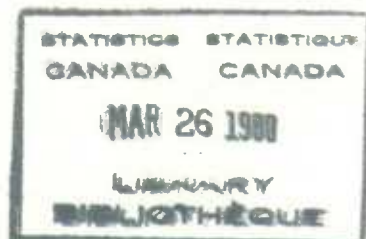


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SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES
DECEMBER 1968
AND
REVIEW OF SECURITY TRADING DURING 1968

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TABLE OF CONTENTS

Sections

	Page
Review of international trade in securities, 1968	5
Transactions by areas	8
Trade in outstanding issues in the year and month ended 31st December 1968	9
New issues and retirements	9
International short-term money market transactions	13
Interest rates, stock prices and foreign exchange markets	14

Statements

Security Transactions between Canada and Other Countries, 1961-68, by year, type of transaction and Canadian and foreign securities	5
Transactions in Canadian Securities between Canada and Other Countries, 1966-68, by quarter, group of securities, and type of transaction	6
Summary of Trade in Outstanding Securities between Canada and Other Countries, 1967 and 1968, 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, 1965-68, by quarter and year	10
Proceeds of New Issues of Canadian Securities Sold to Non-residents, 1961-68, by year, currency of payment, and group of securities	11
International Transactions in Canadian Short-Term Money Markets (except Treasury Bills), 1967 and 1968, United States and All Countries, by quarter and type of instrument	12
Transactions in Government of Canada Treasury Bills between Canada and Other Countries, 1967 and 1968, by month and country	13
Arbitrage on Treasury Bills between Canada and United States, 1968, by month	15
United States Dollar in Canada, 1967 and 1968, by quarter	16
Year-to-year Changes in Common Stock Price Indexes, Canada and United States, 1966-68	16

TABLE OF CONTENTS - Concluded

<u>Tables</u>	<u>Page</u>
1. Portfolio Security Transactions between Canada and Other Countries, 1966-68, by quarter, type of transaction and country	17
2. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1966-68, by month, year and country	19
3. Trade in Outstanding Foreign Securities between Canada and Other Countries, 1966-68, by month, year and country	20
4. Trade in Outstanding Securities between Canada and Other Countries, December, 1968, by group of securities and country	21
5. Trade in Outstanding Securities between Canada and Other Countries, 1968, by group of securities and country	22
5A. Trade in Outstanding Government of Canada Bonds (Direct and Guaranteed) between Canada and Other Countries, 1968, by month and country	23
5B. Trade in Outstanding Canadian Bonds and Debentures between Canada and Other Countries, 1968, by month and country	23
5C. Trade in Outstanding Canadian Common and Preference Stocks between Canada and Other Countries, 1968, by month and country	24
5D. Trade in Outstanding United States Common and Preference Stocks between Canada and Other Countries, 1968, by month and country	24
6A. Trade in Outstanding Canadian and Foreign Securities between Canada and Other Countries, 1936-68, by year and country	25
6B. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1958-68, by group of securities and year	26
6C. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1958-68, by group of securities and year	27
6D. Trade in Outstanding Foreign Securities between Canada and Other Countries, 1958-68, by group of securities and year	27
7. International Comparison of Central Government Bond Prices and Yields, Stock Prices, and the Exchange Rate, 1963-68	28

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

Review of Security Trading During 1968

The record net inflow of \$1,144 million from international transactions in portfolio securities in 1968 was far in excess of the previous high of \$645 million recorded in 1964 and more than double the 1967 inflow. For the first time since the Second World War residents of foreign countries other than the United States and the United Kingdom became a substantial source of portfolio capital, providing \$474 million or two-fifths of the year's net inflow. This borrowing from the countries of continental Europe, which constituted, perhaps, the most significant change in the pattern of Canada's international portfolio capital movements for a number of years, reflected to some extent the Government's borrowing to replenish its foreign exchange reserves depleted during the exchange crisis which occurred in the first quarter of the year. The United States, the traditional source, provided \$677 million, slightly less than the record 1964 figure of \$685 million. There was a \$7 million outflow to the United Kingdom.

The gross value of transactions at \$7.7 billion in outstanding long-term securities was 35 per cent higher in 1968 than in 1967. Gross trading in outstanding foreign securities rose 36 per cent to over \$5.7 billion while gross trading in outstanding Canadian securities at over \$1.9 billion rose some 34 per cent, to reverse the trend towards contraction apparent since 1961 and 1962. In addition to these transactions there was a substantial volume of transactions 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 net long-term security transactions over the past eight years is given in the summary below.

Security Transactions Between Canada and Other Countries

Net sales (+) or purchases (-) by Canadians	1961	1962	1963	1964	1965	1966	1967	1968
millions of dollars								
Canadian securities:								
Trade in outstanding bonds, etc. ..	+ 61	+ 64	+ 39	+ 77	+ 55	- 104	- 56	- 70
Trade in outstanding stocks	+ 39	- 116	- 170	- 98	- 274	- 136	+ 12	+ 112
New issues	+ 538	+ 728	+ 984	+ 1,100	+ 1,240	+ 1,465	+ 1,300	+ 1,961
Retirements	- 300	- 320	- 404	- 382	- 390	- 499	- 338	- 395
Foreign securities:								
Trade in outstanding issues	- 6	- 68	+ 40	- 31	- 53	- 361	- 367	- 420
New issues	- 38	- 17	- 39	- 31	- 57	- 57	- 66	- 70
Retirements	+ 9	+ 20	+ 21	+ 10	+ 25	+ 17	+ 15	+ 26
Total - All securities	+ 303	+ 291	+ 471	+ 645	+ 546	+ 325	+ 500	+ 1,144

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 1968 are preliminary and data for 1967 are subject to revision.

Transactions in Canadian Securities between Canada and Other Countries

		1966				
No.		First quarter	Second quarter	Third quarter	Fourth quarter	Total
millions of dollars						
<u>Trade in Outstanding Canadian Securities between Canada and Other Countries</u>						
Bonds and debentures:						
1	Government of Canada, direct	- 8	- 13	- 39	- 7	- 67
2	Government of Canada, guaranteed	+ 1	- 1	- 5	- 5	- 10
3	Provincial government (incl. guaranteed)	+ 1	- 6	- 2	-	- 7
4	Municipal government	- 1	- 2	- 1	+ 1	- 3
5	Railways, not guaranteed by governments ..	-	-	- 1	-	- 1
6	Other corporations	- 5	- 3	- 4	- 4	- 16
7	Sub-totals, bonds and debentures	- 12	- 25	- 52	- 15	- 104
8	Common and preference stocks	- 14	- 44	- 34	- 44	- 136
9	Totals	- 26	- 69	- 86	- 59	- 240
<u>Proceeds of New Issues of Canadian Securities Sold to Non-residents</u>						
Bonds and debentures:						
1	Government of Canada, direct	4	10	12	6	32
2	Government of Canada, guaranteed	-	-	-	-	-
3	Provincial government (incl. guaranteed)	126	168	95	59	448
4	Municipal government	60	52	5	60	177
5	Railways, not guaranteed by governments ..	27	-	34	-	61
6	Other corporations	314	124	153	99	690
7	Sub-totals, bonds and debentures	531	354	299	224	1,408
8	Common and preference stocks	46	3	4	4	57
9	Totals	577	357	303	228	1,465
<u>Retirements of Canadian Securities Held by Non-residents</u>						
Bonds and debentures:						
1	Government of Canada, direct	48	80	43	26	197
2	Government of Canada, guaranteed	6	-	-	-	6
3	Provincial government (incl. guaranteed)	24	15	13	13	65
4	Municipal government	13	16	11	56	96
5	Railways, not guaranteed by governments ..	2	-	-	2	4
6	Other corporations	22	53	18	34	127
7	Sub-totals, bonds and debentures	115	164	85	131	495
8	Common and preference stocks	1	1	2	-	4
9	Totals	116	165	87	131	499

Transactions in Canadian Securities between Canada and Other Countries - Concluded

1967					1968					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 Other Countries</u>										
- 8	- 17	- 6	- 4	- 35	- 12	- 2	- 5	+ 8	- 11	1
- 3	- 4	+ 1	-	- 6	- 8	- 2	-	+ 3	- 7	2
-	- 3	- 1	- 3	- 7	- 16	- 5	- 4	- 8	- 33	3
+ 1	+ 5	- 1	+ 1	+ 6	- 3	- 1	- 2	- 1	- 7	4
-	-	- 1	-	- 1	-	+ 2	-	-	+ 2	5
-	- 3	- 2	- 8	- 13	- 14	- 3	- 2	+ 5	- 14	6
- 10	- 22	- 10	- 14	- 56	- 53	- 11	- 13	+ 7	- 70	7
- 53	- 17	+ 30	+ 52	+ 12	+ 15	+ 34	+ 10	+ 53	+ 112	8
- 63	- 39	+ 20	+ 38	- 44	- 38	+ 23	- 3	+ 60	+ 42	9
<u>Proceeds of New Issues of Canadian Securities Sold to Non-residents</u>										
3	4	4	9	20	4	255	4	25	288	1
-	-	-	-	-	-	-	-	-	-	2
217	242	118	183	760	240	180	279	199	898	3
56	6	52	49	163	46	34	25	25	130	4
-	-	26	1	27	20	2	-	-	22	5
30	31	67	157	285	97	231	152	71	551	6
306	283	267	399	1,255	407	702	460	320	1,889	7
11	8	7	19	45	9	10	28	25	72	8
317	291	274	418	1,300	416	712	488	345	1,961	9
<u>Retirements of Canadian Securities Held by Non-residents</u>										
-	52	-	28	80	11	21	-	18	50	1
3	11	-	1	15	-	9	-	-	9	2
22	24	5	10	61	21	19	8	25	73	3
11	12	8	22	53	16	11	11	23	61	4
4	-	-	-	4	27	9	-	-	36	5
18	32	35	40	125	51	52	20	42	165	6
58	131	48	101	338	126	121	39	108	394	7
-	-	-	-	-	-	-	-	1	1	8
58	131	48	101	338	126	121	39	109	395	9

Statistics compiled by the Bank of Canada show that gross deliveries of new Canadian issues in both domestic and foreign capital markets (excluding amounts absorbed by funds generated by the Canada and Quebec Pension Plans) amounted to approximately \$11.0 billion compared with about \$8.6 billion in 1967. Retirements totalled \$7.1 billion to leave a net new supply of \$3.9 billion. After accounting for retirements, non-residents purchased a net of \$1,608 million of new and outstanding issues or the equivalent of 41 per cent of the net new supply compared with \$918 million or 24 per cent of the total in 1967.

In 1968 the net new supply of direct and guaranteed bonds of the Government of Canada totalled some \$1,174 million compared with \$615 million in 1967. Non-residents' holdings of these issues were increased by \$211 million in 1968 with the first direct placements of Government of Canada issues on foreign markets since 1963. These increases may be compared to reductions of \$116 million and \$248 million in non-residents' holdings of these bonds in the years 1967 and 1966 respectively. Net acquisitions by non-residents of all other Canadian securities at around \$1,397 million in 1968 were equivalent to 51 per cent of the net new supply compared to \$1,034 million or 32 per cent in 1967.

Transactions by area

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 1966, 1967 and 1968. The 1968 transactions with the United States in portfolio securities produced a net inflow of \$677 million, an increase of 17 per cent over the \$578 million inflow of 1967. Over one-third of the 1968 inflow arose in the second quarter. Transactions in Canadian securities with the United States produced a net inflow of \$1,107 million, an increase of 16 per cent over the previous year, while the net outflow to that country arising from Canadian purchases of foreign securities rose by 14 per cent to \$430 million. Canada's purchase balance with the United Kingdom fell sharply to \$7 million from \$61 million in 1967. This represented the ninth successive annual outflow from portfolio transactions with that country which has produced an aggregate outflow of \$509 million. Sales of Canadian portfolio securities provided an inflow of \$4 million and purchases of outstanding foreign securities resulted in an \$11 million outflow.

Summary of Trade in Outstanding Securities between Canada and Other Countries

	Sales by Canadians		Purchases by Canadians		Net sales (+) or purchases (-)	
	1967	1968	1967	1968	1967	1968
millions of dollars						
<u>Canadian Securities</u>						
By country:						
United States	414	505	400	469	+ 14	+ 36
United Kingdom	98	178	156	203	- 58	- 25
Other countries	188	304	188	273	-	+ 31
Total - All countries	700	987	744	945	- 44	+ 42
By class of security:						
Bonds and debentures(1)	128	173	184	243	- 56	- 70
Common and preference stocks	572	814	560	702	- 12	+ 112
Total - Canadian securities ...	700	987	744	945	- 44	+ 42
<u>Foreign Securities</u>						
By country:						
United States	1,839	2,582	2,184	2,982	- 345	- 400
United Kingdom	29	29	54	40	- 25	- 11
Other countries	58	41	55	50	+ 3	- 9
Total - All countries	1,926	2,652	2,293	3,072	- 367	- 420
By class of security:						
Bonds and debentures(1)	150	281	225	273	- 75	+ 8
Common and preference stocks	1,776	2,371	2,068	2,799	- 292	- 428
Total - Foreign securities	1,926	2,652	2,293	3,072	- 367	- 420

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

During 1968 transactions in portfolio securities with other foreign countries gave rise to an extremely large inflow of \$474 million reflecting the sale of \$491 million of new Canadian issues on European capital markets. Other transactions in Canadian securities, involving the retirement and trading of outstanding issues, resulted in an inflow of \$6 million during the year. Transactions in foreign securities led to a purchase balance of \$23 million. Nine-tenths of the year's inflow occurred in the second and third quarters.

Trade in Outstanding Issues in the Year and Month ended 31 December 1968

Net capital movements due to Canada's trading in outstanding portfolio securities in 1968 produced a net outflow of \$378 million an 8 per cent decrease from the \$411 million of the previous year. These outflows may be compared historically with the outflows of \$91 million (1963), \$52 million (1964), \$272 million (1965), \$601 million (1966) due to trading in outstanding portfolio securities. Geographically, over 96 per cent or \$364 million of this outflow went to the United States and \$36 million to the United Kingdom while there was a net inflow of \$22 million from other foreign countries.

On balance, Canadians sold some \$112 million of outstanding Canadian common and preference stocks compared with \$12 million in 1967, the first year to show a sales balance since 1961. An interesting development during the second half of 1968 was the increase in public and private placements in the United States of combined blocks of new and outstanding issues of the equities of junior Canadian corporations. There were net inflows of about \$104 million and \$49 million from the United States and other foreign countries respectively while there was a net outflow of about \$41 million to the United Kingdom.

For the third year since 1957, transactions in Canadian bonds and debentures gave rise to a net outflow, a \$70 million purchase balance. Almost one-half of this was accounted for by repurchases of \$33 million of provincial direct and guaranteed bonds.

The net outflow arising from Canada's international transactions in outstanding foreign securities in 1968 was \$420 million or \$53 million more than in 1967. Net purchases by Canadians of United States equities amounted to \$379 million. This was the ninth net outflow in the last ten years resulting from Canadian purchases of outstanding foreign securities. It brought the total outflow for the ten years to over \$1.3 billion of which over four fifths was devoted to increased Canadian ownership of United States outstanding common and preference stocks.

With the exception of May, and of February (when the Government of Canada sold part of its holdings of International Bank for Reconstruction and Development bonds) every month of 1968 recorded purchase balances in trade in outstanding securities. On a quarterly basis, the first three quarters each recorded outflows of over \$100 million. There was, however, a sharp decline to \$43 million in the fourth quarter of the year, due to the relatively high inflows associated with transactions in Canadian securities especially during December.

Transactions in outstanding securities during the month of December, gave rise to a sharply reduced outflow of \$4.4 million compared with \$25.7 million for November. Trading in outstanding Canadian securities resulted in a comparatively large net inflow of \$34.4 million mostly for the purchase of common and preference stocks, while trading in outstanding foreign stocks led to an outflow of \$38.8 million.

New Issues and Retirements

The proceeds from sales to non-residents of Canadian new issues during 1968 at \$1,961 million were the largest ever recorded, up 51 per cent from the 1967 total and 34 per cent above the previous high in 1966. (Details of the new issues classified by issuer and annually by currency of payment and issuer appear in the accompanying statements.) Sales to non-residents of new issues of stocks and all main categories of bonds rose except for those issued by municipal governments and railways which were only slightly lower. The largest increases were in sales by the Government of Canada, up to \$288 million from \$20 million, and by corporate borrowers up to \$551 million from \$285 million.

In a significant new development during 1968, \$491 million of Canadian new issues were sold in continental Europe. Practically all of these borrowings were made in Europe through Euro-dollar or European currency issues. They accounted for most of the increase of \$661 million in total new issues in 1968.

Sales to non-residents of new issues of Canadian bonds and debentures payable optionally or solely in foreign currencies rose sharply over the corresponding figure for 1967 from \$1,130 million to \$1,760 million. Inflows for the purchase of Canadian dollar bonds remained virtually the same as in 1967 at \$129 million, and represented a very small part of the gross new issues payable in Canadian dollars. Sales of new bond issues payable optionally or solely in foreign currencies constituted 93 per cent of all new bond issues sold to non-residents, which was the highest such proportion within the last decade. Total bond offerings of \$1,902 million to residents of the United States were over 31 per cent higher than the near record level of 1967. It should be noted, however, that a portion of new Canadian issues placed with United States underwriters (and included here in United States figures) is sometimes resold to residents of other foreign countries. On a quarterly basis, offerings in 1968 were highlighted by the extremely large fourth quarter total of \$857 million. Considerable portions of these offerings including the whole of an extremely large offering in connection with a large hydro-electric project were for later delivery and the undelivered balances of outstanding offerings at the end of the year, rose to a record high level of \$923 million.

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					
1965	1,458	45	318	1,185	324
1966	1,156	324	122	1,357	122
1967	1,448	122	370	1,200	370
1968	1,902	239	792	1,349	923
1966 - I	335	321	145	511	148
II	382	109	144	347	183
III	219	142	75	286	116
IV	220	85	91	213	122
1967 - I	348	96	149	295	175
II	378	145	249	274	279
III	418	116	275	259	438
IV	304	160	92	372	370
1968 - I	406	96	162	340	436
II	350	218	136	432	354
III	289	81	91	279	364
IV	857	78	637	298	923

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

	1961	1962	1963	1964	1965	1966	1967	1968
millions of dollars								
Bonds and debentures payable optionally or solely in foreign currencies:								
Government of Canada, direct	-	134	135	-	-	-	-	263
Government of Canada, guaranteed	-	-	-	-	-	-	-	-
Provincial government (incl. guaranteed)	32	112	328	410	272	427	733	881
Municipal government	29	59	42	151	67	155	155	121
Railways, not guaranteed by governments ..	-	-	-	-	-	61	27	22
Other corporations	308	277	317	291	635	597	215	473
Totals	369	582	822	852	974	1,240	1,130(1)	1,760(2)
Bonds and debentures payable in Canadian dollars only:								
Government of Canada, direct	37	21	38	43	28	32	20	25
Government of Canada, guaranteed	-	-	-	-	-	-	-	-
Provincial government (incl. guaranteed)	34	36	15	29	25	21	27	17
Municipal government	18	15	20	31	17	22	8	9
Railways, not guaranteed by governments ..	-	-	-	-	-	-	-	-
Other corporations	35	54	75	123	172	93	70	78
Totals	124	126	148	226	242	168	125	129
Bonds and debentures:								
Government of Canada, direct	37	155	173	43	28	32	20	288
Government of Canada, guaranteed	-	-	-	-	-	-	-	-
Provincial government (incl. guaranteed)	66	148	343	439	297	448	760	898
Municipal government	47	74	62	182	84	177	163	130
Railways, not guaranteed by governments ..	-	-	-	-	-	61	27	22
Other corporations	343	331	392	414	807	690	285	551
Sub-total, bonds and debentures	493	708	970	1,078	1,216	1,408	1,255	1,889
Common and preference stocks	45	20	14	22	24	57	45	72
Totals	538	728	984	1,100	1,240	1,465	1,300	1,961

(1) The whole of which was payable optionally or solely in United States dollars.

(2) Of which \$1,355 million was payable optionally or solely in United States dollars and \$405 million in other foreign currencies.

Retirements of Canadian securities rose by 17 per cent to \$395 million from \$338 million in 1967. With the exception of Government of Canada direct and guaranteed issues where retirements fell by \$36 million every major category of borrower had higher retirements than in the previous year with increases in railway issues (not guaranteed by Government) and corporate bonds being the most significant.

New issues of foreign securities purchased by Canadians gave rise to an outflow of a record \$70 million in 1968 slightly above the previous year's \$66 million outflow. Purchases of new United States issues led to an outflow of \$44 million while the bulk of the remainder was accounted for by the first quarter placement in Canada of a new issue of the International Bank for Reconstruction and Development. Inflows due to retirements of foreign securities also rose to record levels at \$26 million compared to \$15 million in 1967. A \$14 million inflow resulted from retirements of United States securities, while a further \$7 million arose from the maturity in the first quarter of an issue of IBRD United States dollar denominated bonds held by the Government of Canada.

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 +	
	1967	1968	1967	1968	1967	1968	1967	1968	1967	1968	1967	1968
millions of dollars												
<u>Buy-back transactions(1)</u>												
First quarter	22	7	18	7	+ 4	-	17	1	13	1	+ 4	-
Second quarter	4	10	8	10	- 4	-	3	10	7	10	- 4	-
Third quarter	-	6	-	6	-	-	-	5	-	5	-	-
Fourth quarter	-	-	-	-	-	-	-	-	-	-	-	-
Year	26	23	26	23	-	-	20	16	20	16	-	-
<u>Finance company paper</u>												
First quarter	285	143	278	203	+ 7	- 60	230	131	214	155	+ 16	- 24
Second quarter	196	106	220	141	- 24	- 35	143	101	191	108	- 48	- 7
Third quarter	176	85	231	122	- 55	- 37	144	55	171	98	- 27	- 43
Fourth quarter	206	94	188	97	+ 18	- 3	168	92	169	84	- 1	+ 8
Year	863	428	917	563	- 54	- 135	685	379	745	445	- 60	- 66
<u>Other finance company obligations(2)</u>												
First quarter	24	46	41	53	- 17	- 7	19	41	41	50	- 22	- 9
Second quarter	21	33	10	39	+ 11	- 6	20	32	10	38	+ 10	- 6
Third quarter	9	17	40	18	- 31	- 1	9	17	39	18	- 30	- 1
Fourth quarter	109	43	38	10	+ 71	+ 33	108	43	35	10	+ 73	+ 33
Year	163	139	129	120	+ 34	+ 19	156	133	125	116	+ 31	+ 17
<u>Commercial paper(3)</u>												
First quarter	93	33	103	34	- 10	- 1	48	23	49	22	- 1	+ 1
Second quarter	103	14	106	14	- 3	-	65	10	68	12	- 3	- 2
Third quarter	23	22	21	19	+ 2	+ 3	19	14	17	12	+ 2	+ 2
Fourth quarter	9	31	11	32	- 2	- 1	8	27	7	28	+ 1	- 1
Year	228	100	241	99	- 13	+ 1	140	74	141	74	- 1	-
<u>Other short-term paper(4)</u>												
First quarter	49	73	45	65	+ 4	+ 8	49	48	45	46	+ 4	+ 2
Second quarter	56	50	48	67	+ 8	- 17	46	30	40	37	+ 6	- 7
Third quarter	48	60	49	61	- 1	- 1	40	17	45	10	- 5	+ 7
Fourth quarter	77	38	64	40	+ 13	- 2	53	35	51	36	+ 3	- 1
Year	230	221	206	233	+ 24	- 12	188	130	181	129	+ 7	+ 1

(1) Based on Government of Canada securities having an original term over one year.

(2) Bank loans and inter-company accounts.

(3) Including bankers' acceptances.

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

International Short-term Money Market Transactions

Total transactions in money market instruments, (which include treasury bills, buy-backs, finance company paper, commercial paper, and other short-term paper) and other short-term borrowings by finance companies (data on which are included only in the accompanying two statements of this report) resulted in a net outflow of \$79 million in 1968 in contrast to the net outflow of \$5 million in 1967. Transactions in these instruments and other short-term borrowings of finance companies led to net outflows of \$51 million and \$47 million to the United States and the United Kingdom respectively and to a \$19 million inflow from other foreign countries.

The bulk of the transactions continued to be in Canadian finance company paper (including that of the financing subsidiaries of manufacturing and retail enterprises). In 1968 non-residents reduced their holdings of this instrument by \$135 million (the largest reduction since 1965) following a \$54 million reduction in 1967. There were net outflows of \$66 million, \$34 million and \$35 million to the United States, the United Kingdom and other foreign countries respectively. At December 1968 non-resident holdings of approximately \$125 million represented 10 per cent of the total short-term paper issued by Canadian finance companies.

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

Month	Sales		Repurchases and maturities		Net change in holdings		Holdings 1968			
	1967	1968	1967	1968	1967	1968	Total	United States	United Kingdom	Other
millions of dollars										
January	20	11	10	3	+ 10	+ 8	32	5	10	17
February	11	34	8	26	+ 3	+ 8	40	3	1	36
March	10	50	8	43	+ 2	+ 7	47	1	2	44
April	21	17	9	10	+ 12	+ 7	54	10	2	42
May	6	17	26	22	- 20	- 5	49	11	1	37
June	28	29	12	30	+ 16	- 1	48	3	1	44
July	12	7	17	3	- 5	+ 4	52	2	1	49
August	7	8	19	7	- 12	+ 1	53	1	2	50
September	11	12	11	6	-	+ 6	59	2	2	55
October	10	13	13	10	- 3	+ 3	61	2	4	55
November	4	62	5	51	- 1	+ 11	73	2	11	60
December	49	29	47	30	+ 2	- 1	72	2	3	67
Year	189	289	185	241	+ 4	+ 48	72	2	3	67

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 \$19 million just over one half the \$34 million inflow in 1967. In addition, there were 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 capital flows associated with the international borrowing of these companies showed a net outflow of about \$90 million. Net outflows of about \$70 million, \$45 million and \$30 million recorded successively in the first three quarters were partially offset by a \$55 million inflow in the fourth quarter.

Holdings by non-residents of Canadian treasury bills increased by \$48 million in 1968 to record the largest net sales since 1960 to bring their holdings up to \$72 million. Foreign official institutions were on balance large purchasers of these instruments while private non-residents were on the whole, net sellers.

International transactions in Canadian commercial paper (including bankers' acceptances) led to a small net capital inflow of \$1 million following a \$13 million outflow in 1967. In 1968 the gross value of transactions in these instruments which expanded rapidly in 1966 continued the decline evident in the second half of 1967. Non-residents decreased their holdings of other short-term paper (including notes of banks, mortgage loan companies and municipal and provincial governments) by \$12 million in 1968. In 1967 there was a \$24 million inflow from transactions in these instruments.

Buy-back transactions based on Government of Canada securities having an original term of over one year decreased slightly in 1968, however there was no net capital movement and at the end of the year non-resident holdings were negligible.

Interest rates, stock prices and foreign exchange markets

The year was characterized by an exceptionally high degree of uncertainty present in the world's money and foreign exchange markets after the devaluation of the pound sterling in November 1967. On the whole, Canada's international security transactions in 1968 do not appear to have been as disrupted by these factors as might have been expected. Abnormally large sales of Canadian dollars occurred in the foreign exchange markets in the second and third weeks of January following the announcement by the President of the United States of a series of measures to strengthen the United States balance of payments position. International speculation on the price of gold together with developments within Canada, notably the renewed public discussion of exchange rate policy and foreign ownership of Canadian industry, and uncertainty arising from the defeat of a tax measure in the House of Commons, contributed to additional strain on the Canadian exchange market during this period. While the special economic and financial relationships between Canada and the United States continued to be recognised, the Canadian dollar remained under pressure until mid-March when further arrangements were made between the two governments to meet this situation.

After mid-March pressure on the Canadian dollar eased following the adoption of a variety of monetary and fiscal measures including the approval by Parliament of the Government's new tax bill, new arrangements with the United States, the change of international gold policy and new agreements for reciprocal swap facilities with the United States, Germany, Italy and the Bank for International Settlements. Long-term borrowings by the Government of Canada in Germany, Italy and the United States helped to replenish depleted foreign exchange reserves and a favourable trade pattern further encouraged confidence.

During the third quarter, a further overall increase in Canada's official net foreign exchange assets was evident as the final US \$125 million of the US \$250 million borrowed from the United States Federal Reserve Board was repaid. At the end of the year, the discount on the Canadian dollar fell to 0.45 per cent per annum from 1.30 per cent per annum at the end of January 1968. Other developments saw an increasing proliferation of new stock issues of junior industrial and service corporations on the Canadian market that was unprecedented in recent years in terms of number of issues, investor acceptance, and spectrum of issues offered.

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 affecting instruments negotiated in this money market are term, currency, credit risk, etc., as well as 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 90 day Canadian treasury bills closed at the end of 1968 some 31 basis points higher than the year's opening average tender of January 4. The previous year, by comparison, saw a rise of 101 basis points. The year's range in yields at 153 basis points nearly equalled the 199 basis point spread recorded in the previous year. Changes in treasury bill rates and the Canadian Bank Rate as might be expected were highly correlated. The Canadian Bank Rate was successively raised from 6 per cent at the beginning of the year to 7 per cent in the latter part of January and 7 1/2 per cent in early March where it remained until the beginning of July, when the rates were successively lowered to 7 per cent, 6 1/2 per cent at the end of July and to 6 per cent by the beginning of September. This rate continued until mid-December when it was raised to the closing rate of 6 1/2 per cent or one half per cent point higher than the year's opening Bank Rate. Canadian treasury bill yields rose over 100 basis points to the historically high level of 7.01 per cent on March 20 and maintained this high plateau until early June. After a rather abrupt drop of over 50 basis points treasury bill yields reached a low of 5.48 per cent in late August and subsequently rose to 6.24 per cent at the end of the year.

Between January and the first week of March, yields on United States treasury bills hovered close to 5.00 per cent. By late May they had climbed to 5.78 per cent and they then fell back to around the 5.06 per cent level by late September before finishing the year at the high of 6.28 per cent.

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 bills 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 foreign exchange cover, varied from a 187 basis points spread in favour of Canada,

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

on March 28th to 9 basis points in favour of the United States at December 27. Yield differentials with forward exchange cover during 1968, however, moved considerably more in favour of the United States instruments ranging from 65 basis points advantage for Canadian bills on the first week of the year to a 95 basis point spread in favour of the United States treasury bills at June 13th and closed at 45 basis points in favour of the latter. Hedged 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 transactions 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.

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 and commercial paper. Interest rates paid by large finance companies for 3 to 6 month paper started 1968 at about 6 1/2 per cent, moved sharply up to 7 1/4 per cent in late March and remained at this level until late June. By early September, the rates had fallen to 6 1/4 per cent and closed at 6 1/2 per cent.

Arbitrage on Treasury Bills between Canada and the United States, 1968(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	6.26	6.08	4.87	+ 1.21	- 1.30	- .09
February	6.74	6.54	4.96	+ 1.58	- 1.41	+ .17
March	6.96	6.75	5.14	+ 1.61	- 1.69	- .08
April	7.00	6.79	5.49	+ 1.30	- 1.53	- .23
May	6.94	6.73	5.65	+ 1.08	- 1.36	- .28
June	6.54	6.35	5.26	+ 1.09	- .95	+ .14
July	6.00	5.83	5.17	+ .66	- 1.61	- .95
August	5.47	5.32	5.18	+ .14	- 1.02	- .88
September	5.70	5.54	5.06	+ .48	- .86	- .38
October	5.66	5.50	5.37	+ .13	- .63	- .50
November	5.66	5.50	5.48	+ .02	- .32	- .30
December	6.24	6.06	6.15	- .09	- .45	- .54

(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.

Long-term interest rates in both Canada and United States in 1968 continued the advances evident in 1967 to reach the highest levels since the Second World War. Through the year yields for Wednesday quotations on representative long-term government bonds shown in Table 7, rose by 80 basis points in Canada and by 44 basis points in the United States. During the year, after opening at 6.60 per cent the yield on Canadian issues moved upward to 7.34 per cent on March 27 to a low for the year of 6.57 per cent on August 7 and moved up to the peak of 7.48 per cent on December 18, closing slightly lower at 7.45 per cent. The corresponding low of 5.09 per cent and high of 5.82 per cent for the United States issue occurred in July and December respectively. Differentials varied from about 1.81 per cent in March to about 1.43 per cent in August. As in the case of treasury bills, yield 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 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

Year-to-year Changes in Common
Stock Price Indexes

Period		High	Low	Close	Noon average
Canadian cents					
1967	IVQ	108.13	107.25	108.06	107.61
1968	IQ	109.00	108.09	108.28	108.56
	IIQ	108.25	107.50	107.59	107.83
	IIIQ	107.59	107.25	107.25	107.31
	IVQ	107.38	107.25	107.28	107.29

	Canada(1)	United States(2)
1968	+ 15%	+ 8%
1967	+ 13%	+ 20%
1966	- 12%	- 13%
(1) DBS Investors Index.		
(2) Standard and Poor's "500" Index.		

Spot rates in 1968 for the United States dollar expressed in terms of Canadian cents are given in the accompanying summary. During the first quarter of the year, the Canadian dollar was in a weak position on the world's exchange markets. Quoted in terms of the United States dollar at 109.00 it hovered very close to the upper limit, 109.189, i.e. one per cent above the par value (108.108) established in May 1962. The Canadian dollar recovered somewhat in the second quarter and displayed strength in the last two quarters with noon averages of 107.31 and 107.29 for the United States dollar.

The average common stock price in Canada (as measured by the Dominion Bureau of Statistics Investors' Index in "Prices and Price Indexes", Catalogue No. 62-002) rose sharply, up 15 per cent, during 1968 following a 13 per cent increase in 1967. The United States common stock market price index (as measured by Standard and Poor's "500" Index) rose more slowly, up 8 per cent, in 1968 after a 20 per cent increase for the previous year. Both indexes dropped sharply in the first quarter and registered lows in March. Save for a slight set-back in the United States index in August, both indexes moved steadily upward to the year's end.

The Canadian composite index includes many sub-indexes which displayed divergent movements in 1968. The industrials index and the mining index rose 11 per cent and 12 per cent respectively while the financial index, on the strength of the performance of banking institutions, rose 50 per cent.

Gross sales to non-residents of outstanding Canadian equities were \$814 million or over \$242 million higher than in 1967 and amounted to just over one-ninth of the value of securities traded on principal exchanges in Canada, or about the same proportion as in 1967. Trading on the so-called "Z" market is included in the above comparisons. 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 15 per cent Interest Equalization Tax. (This tax was raised to 22 1/2 per cent in January 1967 and then lowered to 18 3/4 per cent at the end of August 1967, and presently remains at that rate).

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, \$19 million and \$7 million for the years 1964 to 1968 respectively. 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 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 and 55 of the annual DBS report under the above title, for 1961 and 1962 (Catalogue No. 67-201).

For more general statistics on the subject readers are referred to "Quarterly Estimates of the Canadian Balance of International Payments", fourth quarter of 1968, (Catalogue No. 67-001) containing preliminary balance of payments estimates for 1968.

TABLE 1. Portfolio Security Transactions between Canada and Other Countries, by Quarters 1966-68
Trading, New Issues, and Retirements

Net sales (+) or purchases (-) by Canadians															
1966						1967					1968				
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.	- 12	- 25	- 52	- 15	- 104	- 10	- 22	- 10	- 14	- 56	- 53	- 11	- 13	+ 7	- 70
Stocks	- 14	- 44	- 34	- 44	- 136	- 53	- 17	+ 30	+ 52	+ 12	+ 15	+ 34	+ 10	+ 53	+ 112
New issues	+ 577	+ 357	+ 303	+ 228	+ 1,465	+ 317	+ 291	+ 274	+ 418	+ 1,300	+ 416	+ 712	+ 488	+ 345	+ 1,961
Retirements	- 116	- 165	- 87	- 131	- 499	- 58	- 131	- 48	- 101	- 338	- 126	- 121	- 39	- 109	- 395
Foreign securities:															
Outstanding issues	- 56	- 125	- 88	- 92	- 361	- 51	- 61	- 129	- 126	- 367	- 73	- 124	- 120	- 103	- 420
New issues	- 27	- 7	- 17	- 6	- 57	- 26	- 11	- 16	- 13	- 66	- 23	- 10	- 14	- 23	- 70
Retirements	+ 4	+ 6	+ 2	+ 5	+ 17	+ 3	+ 2	+ 3	+ 7	+ 15	+ 9	+ 7	+ 2	+ 8	+ 26
Total - All securities	+ 356	- 3	+ 27	- 55	+ 325	+ 122	+ 51	+ 104	+ 223	+ 500	+ 165	+ 487	+ 314	+ 178	+ 1,144
<u>United States</u>															
Canadian securities:															
Outstanding issues:															
Bonds, etc.	- 8	- 30	- 22	- 12	- 72	- 15	- 25	- 10	- 13	- 63	- 42	- 12	- 9	- 4	- 67
Stocks	- 5	- 31	- 28	- 31	- 95	- 22	+ 1	+ 47	+ 51	+ 77	+ 25	+ 33	+ 16	+ 29	+ 103
New issues	+ 555	+ 349	+ 289	+ 216	+ 1,409	+ 302	+ 280	+ 264	+ 387	+ 1,233	+ 344	+ 439	+ 306	+ 320	+ 1,409
Retirements	- 106	- 158	- 80	- 112	- 456	- 54	- 109	- 46	- 84	- 293	- 115	- 105	- 36	- 82	- 338
Foreign securities:															
Outstanding issues	- 55	- 113	- 91	- 85	- 344	- 46	- 56	- 121	- 122	- 345	- 63	- 118	- 118	- 101	- 400
New issues	- 7	- 6	- 17	- 3	- 33	- 6	- 8	- 15	- 10	- 39	- 7	- 8	- 13	- 16	- 44
Retirements	+ 1	+ 1	+ 2	+ 2	+ 6	+ 1	+ 1	+ 1	+ 5	+ 8	+ 1	+ 6	+ 1	+ 6	+ 14
Total - All securities	+ 375	+ 12	+ 53	- 25	+ 415	+ 160	+ 84	+ 120	+ 214	+ 578	+ 143	+ 235	+ 147	+ 152	+ 677

TABLE 1. Portfolio Security Transactions between Canada and Other Countries, by Quarters 1966-68
Trading, New Issues, and Retirements - Concluded

	Net sales (+) or purchases (-) by Canadians														
	1966					1967					1968				
	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.	- 3	+ 2	- 8	- 3	- 12	- 1	+ 1	- 1	- 2	- 3	+ 6	- 1	-	+ 10	+ 15
Stocks	- 7	- 9	-	- 9	- 25	- 18	- 17	- 11	- 9	- 55	- 19	- 11	- 8	- 2	- 40
New issues	+ 15	+ 3	+ 10	+ 8	+ 36	+ 6	+ 4	+ 5	+ 26	+ 41	+ 33	+ 8	+ 15	+ 5	+ 61
Retirements	- 2	- 4	- 2	- 8	- 16	- 1	- 8	- 2	- 8	- 19	- 5	- 4	- 3	- 20	- 32
Foreign securities:															
Outstanding issues	- 1	- 2	-	- 3	- 6	- 8	- 8	- 5	- 4	- 25	- 4	- 4	- 2	- 1	- 11
New issues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirements	+ 1	-	-	-	+ 1	-	-	-	-	-	-	-	-	-	-
Total - All securities ..	+ 3	- 10	-	- 15	- 22	- 22	- 28	- 14	+ 3	- 61	+ 11	- 12	+ 2	- 8	- 7
<u>Other foreign countries</u>															
Canadian securities:															
Outstanding issues:															
Bonds, etc.	- 1	+ 3	- 22	-	- 20	+ 6	+ 2	+ 1	+ 1	+ 10	- 17	+ 2	- 4	+ 1	- 18
Stocks	- 2	- 4	- 6	- 4	- 16	- 13	- 1	- 6	+ 10	- 10	+ 9	+ 12	+ 2	+ 26	+ 49
New issues	+ 7	+ 5	+ 4	+ 4	+ 20	+ 9	+ 7	+ 5	+ 5	+ 26	+ 39	+ 265	+ 167	+ 20	+ 491
Retirements	- 8	- 3	- 5	- 11	- 27	- 3	- 14	-	- 9	- 26	- 6	- 12	-	- 7	- 25
Foreign securities:															
Outstanding issues	-	- 10	+ 3	- 4	- 11	+ 3	+ 3	- 3	-	+ 3	- 6	- 2	-	- 1	- 9
New issues	- 20	- 1	-	- 3	- 24	- 20	- 3	- 1	- 3	- 27	- 16	- 2	- 1	- 7	- 26
Retirements	+ 2	+ 5	-	+ 3	+ 10	+ 2	+ 1	+ 2	+ 2	+ 7	+ 8	+ 1	+ 1	+ 2	+ 12
Total - All securities ..	- 22	- 5	- 26	- 15	- 68	- 16	- 5	- 2	+ 6	- 17	+ 11	+ 264	+ 165	+ 34	+ 474

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 1968 are preliminary and data for 1967 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. -
1966 - Year	604.6	845.2	- 240.6	369.8	537.2	- 167.4	102.3	139.3	- 37.0	132.5	168.7	- 36.2
1967 - Year	699.8	744.0	- 44.3	414.3	400.0	+ 14.3	97.6	156.0	- 58.4	187.8	188.0	- 0.2
1968 - Year	987.4	944.8	+ 42.7	504.9	468.5	+ 36.4	178.1	203.5	- 25.4	304.4	272.7	+ 31.6
1967 - January	54.5	78.3	- 23.8	31.5	49.5	- 17.9	5.4	10.6	- 5.1	17.6	18.3	- 0.7
February	44.0	62.8	- 18.9	27.6	36.5	- 8.9	6.1	14.6	- 8.6	10.3	11.8	- 1.4
March	45.2	64.2	- 19.0	28.6	37.4	- 8.8	7.3	12.2	- 4.9	9.4	14.7	- 5.3
April	43.8	50.7	- 6.9	24.2	28.6	- 4.4	7.3	11.5	- 4.2	12.3	10.6	+ 1.7
May	47.4	68.5	- 21.2	25.4	42.3	- 16.8	6.9	10.6	- 3.7	15.0	15.7	- 0.7
June	52.0	62.0	- 10.0	29.2	30.8	- 1.5	6.9	15.1	- 8.3	15.9	16.1	- 0.2
July	48.7	57.3	- 8.6	30.2	32.3	- 6.0	6.0	11.0	- 5.0	12.4	13.9	- 1.5
August	52.9	66.3	- 13.4	26.6	32.1	- 5.6	9.2	13.5	- 4.4	17.1	20.6	- 3.4
September	95.2	52.5	+ 42.7	69.3	23.2	+ 46.1	10.9	13.5	- 2.6	15.0	15.8	- 0.8
October	66.2	52.5	+ 13.7	34.7	23.1	+ 11.6	9.9	16.6	- 6.7	21.7	12.8	+ 8.8
November	72.6	64.4	+ 8.1	40.4	32.3	+ 8.2	10.4	12.4	- 2.0	21.7	19.7	+ 2.0
December	75.4	57.6	+ 17.8	45.2	25.5	+ 19.7	11.4	14.3	- 3.0	18.9	17.8	+ 1.1
Month not identified	1.9	6.8	- 4.9	1.3	6.5	- 5.2	-	-	-	0.6	0.3	+ 0.3
1968 - January	78.2	78.2	-	39.9	40.5	- 0.6	19.9	16.1	+ 3.8	18.4	21.6	- 3.2
February	59.4	72.9	- 13.5	30.6	45.1	- 14.5	10.6	10.3	+ 0.4	18.2	17.6	+ 0.6
March	61.9	85.9	- 24.0	34.0	35.6	- 1.6	9.0	26.8	- 17.8	18.9	23.5	- 4.6
April	62.3	56.5	+ 5.8	32.3	31.0	+ 1.3	8.3	10.7	- 2.4	21.8	14.9	+ 6.8
May	88.6	73.2	+ 15.4	51.3	29.5	+ 21.9	13.8	20.5	- 6.6	23.4	23.2	+ 0.2
June	83.7	81.9	+ 1.8	42.4	44.0	- 1.6	16.3	20.2	- 3.9	25.1	17.7	+ 7.4
July	68.5	79.0	- 10.4	34.5	43.8	- 9.3	10.9	14.0	- 3.1	23.1	21.2	+ 1.9
August	76.7	76.1	+ 0.6	45.0	39.6	+ 5.4	14.0	13.1	+ 0.9	17.7	23.4	- 5.7
September	80.4	73.5	+ 6.8	41.3	30.8	+ 10.5	14.2	19.1	- 4.9	24.9	23.6	+ 1.2
October	100.0	87.3	+ 12.7	48.1	42.4	+ 5.7	17.6	13.6	+ 4.1	34.2	31.3	+ 2.9
November	104.5	91.4 ^r	+ 13.1 ^r	47.5	42.8	+ 4.7	22.2	21.9	+ 0.3	34.8	26.6 ^r	+ 8.2 ^r
December	123.1	88.7	+ 34.4	58.0	43.4	+ 14.6	21.3	17.3	+ 4.0	43.8	28.0	+ 15.8
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-

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

TABLE 3. Trade in Outstanding Foreign Securities Between Canada and Other Countries

(Millions of dollars)

Year and Month	Total Transactions			United States			United Kingdom			Other Foreign Countries		
	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
1966 - Year	1,052.5	1,414.0	- 361.5	977.1	1,321.4	- 344.3	26.0	32.0	- 6.0	49.4	60.6	- 11.2
1967 - Year	1,925.9	2,292.8	- 366.9	1,839.5	2,183.7	- 344.2	28.8	54.2	- 25.4	57.6	54.9	+ 2.7
1968 - Year	2,652.3	3,072.4	- 420.1	2,582.0	2,982.5	- 400.4	29.5	39.8	- 10.3	40.8	50.1	- 9.3
1967 - January	119.7	145.2	- 25.5	114.9	135.0	- 20.0	0.5	5.8	- 5.3	4.3	4.5	- 0.2
February	140.2	162.7	- 22.6	132.0	155.7	- 23.7	2.6	3.3	- 0.7	5.6	3.8	+ 1.8
March	212.1	197.1	+ 15.1	202.0	185.6	+ 16.4	4.4	6.7	- 2.3	5.7	4.7	+ 1.0
April	155.8	158.7	- 2.9	145.2	148.2	- 3.0	5.2	5.7	- 0.4	5.4	4.9	+ 0.6
May	156.2	172.6	- 16.3	151.9	167.3	- 15.4	1.2	2.6	- 1.4	3.2	2.7	+ 0.5
June	179.3	203.4	- 24.1	172.4	192.4	- 20.0	1.1	7.3	- 6.2	5.7	3.6	+ 2.1
July	137.6	187.2	- 49.7	132.8	183.1	- 50.3	0.6	0.9	- 0.4	4.2	3.3	+ 1.0
August	151.1	188.6	- 37.6	143.5	178.6	- 35.2	4.9	6.5	- 1.6	2.7	3.5	- 0.8
September	161.4	185.2	- 23.8	156.1	174.4	- 18.2	1.9	4.4	- 2.5	3.3	6.4	- 3.1
October (1)	182.7	199.3	- 16.6	175.8	191.1	- 15.3	1.7	2.6	- 0.9	5.2	5.6	- 0.4
November (1)	145.8	218.1	- 72.3	136.5	205.9	- 69.4	3.7	5.8	- 2.1	5.5	6.3	- 0.8
December	145.0	168.1	- 23.0	138.6	161.5	- 22.9	0.5	1.3	- 0.9	6.0	5.3	+ 0.7
Month not identified	38.9	106.5	- 67.6	37.8	104.9	- 67.1	0.5	1.3	- 0.8	0.6	0.3	+ 0.3
1968 - January	185.0	231.7	- 46.7	180.3	224.1	- 43.8	1.5	2.8	- 1.3	3.2	4.8	- 1.6
February (2)	186.0	156.5	+ 29.5	181.3	148.0	+ 33.3	1.3	2.6	- 1.3	3.3	5.9	- 2.5
March	151.2	206.2	- 55.0	147.5	199.6	- 52.2	1.3	2.6	- 1.2	2.4	4.0	- 1.6
April	233.2	302.7	- 69.5	228.2	292.8	- 64.6	2.2	4.8	- 2.6	2.8	5.1	- 2.3
May	279.3	286.2	- 6.9	271.9	275.6	- 3.7	2.5	4.9	- 2.4	5.0	5.7	- 0.8
June	239.9	290.7	- 50.8	232.9	284.8	- 52.0	2.9	2.3	+ 0.6	4.1	3.6	+ 0.5
July	229.9	277.8	- 47.9	221.2	268.5	- 47.3	3.8	5.9	- 2.1	4.8	3.4	+ 1.4
August	197.1	221.1	- 24.1	191.0	214.4	- 23.3	3.2	3.5	- 0.4	2.9	3.2	- 0.4
September	184.8	234.6	- 49.8	178.8	228.1	- 49.3	3.2	2.3	+ 0.9	2.8	4.2	- 1.4
October	261.3	287.2	- 25.9	253.9	279.9	- 26.0	3.3	3.6	- 0.3	4.1	3.7	+ 0.4
November	238.1	276.3	- 38.2	232.7	271.3	- 38.6	2.8	2.2	+ 0.6	2.6	2.9	- 0.3
December	246.2	285.0	- 38.8	241.9	279.0	- 37.1	1.5	2.3	- 0.8	2.8	3.7	- 0.9
Month not identified	20.3	16.3	+ 4.0	20.3	16.3	+ 4.0	-	-	-	-	-	-

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

(1) Includes special purchases of outstanding I.B.R.D. bonds by the Government of Canada.

(2) Includes special sales of outstanding I.B.R.D. bonds by the Government of Canada.

TABLE 4. Trade in Outstanding Securities Between Canada and Other Countries

(Thousands of dollars)

December 1968	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	369,388	373,758	- 4,370	299,926	322,471	-22,545	22,813	19,614	+ 3,199	46,649	31,673	+ 14,976
Canadian Securities, Total	123,147	88,738	+34,409	57,979	43,427	+14,552	21,322	17,316	+ 4,006	43,846	27,995	+ 15,851
Bonds and Debentures	18,214	17,853	+ 361	5,459	8,236	- 2,777	7,617	5,024	+ 2,593	5,138	4,593	+ 545
Common and Preference Stocks	104,930	70,882	+34,048	52,520	35,191	+17,329	13,705	12,292	+ 1,413	28,705	23,399	+ 15,306
Other Securities	3	3	-	-	-	-	-	-	-	3	3	-
Foreign Securities, Total	246,241	285,020	-38,779	241,947	279,044	-37,097	1,491	2,298	- 807	2,803	3,678	- 875
United States Issues:												
Bonds and Debentures	14,376	20,398	- 6,022	13,402	18,958	- 5,556	530	1,195	- 665	444	245	+ 199
Common and Preference Stocks	230,222	258,448	-28,226	227,611	254,809	-27,198	562	645	- 83	2,049	2,994	- 945
United Kingdom Issues:												
Bonds and Debentures	76	465	- 389	76	465	- 389	-	-	-	-	-	-
Common and Preference Stocks	313	1,094	- 781	35	1,031	- 996	278	63	+ 215	-	-	-
Other Foreign Countries Issues:												
Bonds and Debentures	1,078	539	+ 539	786	316	+ 470	86	137	- 51	206	86	+ 120
Common and Preference Stocks	146	4,076	- 3,930	36	3,465	- 3,429	6	258	- 252	104	353	- 249
All Other Foreign Securities	30	-	+ 30	1	-	+ 1	29	-	+ 29	-	-	-
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	13,004	11,383	+ 1,621	1,168	2,745	- 1,577	7,483	4,884	+ 2,599	4,353	3,754	+ 599
Government of Canada - Guaranteed	1,819	635	+ 1,184	1,652	361	+ 1,291	10	40	- 30	157	234	- 77
Provincial	1,131	3,822	- 2,691	696	3,627	- 2,931	-	65	- 65	435	130	+ 305
Municipal	219	455	- 236	202	284	- 82	-	-	-	17	171	- 154
Railway, not guaranteed by governments	21	77	- 56	14	57	- 43	-	8	- 8	7	12	- 5
Other Corporations	2,020	1,481	+ 539	1,727	1,162	+ 565	124	27	+ 97	169	292	- 123
United States Issues:												
Government	1,174	2,836	- 1,662	1,118	2,836	- 1,718	-	-	-	56	-	+ 56
Other	13,202	17,562	- 4,360	12,284	16,122	- 3,838	530	1,195	- 665	388	245	+ 143
United Kingdom Issues:												
Government	28	465	- 437	28	465	- 437	-	-	-	-	-	-
Other	48	-	+ 48	48	-	+ 48	-	-	-	-	-	-

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

(Millions of dollars)

Year 1968	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	3,639.7	4,017.2	- 377.5	3,086.9	3,451.0	-364.0	207.6	243.3	- 35.7	345.2	322.9	+ 22.3
Canadian Securities, Total	987.4	944.8	+ 42.7	504.9	468.5	+ 36.4	178.1	203.5	- 25.4	304.4	272.7	+ 31.6
Bonds and Debentures	172.5	242.2	- 69.8	66.7	133.9	- 67.2	66.4	51.2	+ 15.2	39.4	57.1	- 17.8
Common and Preference Stocks	814.7	702.3	+ 112.4	438.1	334.4	+103.7	111.7	152.3	- 40.6	264.9	215.5	+ 49.4
Other Securities	0.3	0.3	-	0.2	0.2	-	-	-	-	0.1	0.1	-
Foreign Securities, Total	2,652.3	3,072.4	- 420.1	2,582.0	2,982.5	-400.4	29.5	39.8	- 10.3	40.8	50.1	- 9.3
United States Issues:												
Bonds and Debentures	226.0	245.5	- 19.5	208.5	223.9	- 15.4	10.2	14.8	- 4.6	7.3	6.7	+ 0.5
Common and Preference Stocks	2,343.3	2,721.9	- 378.6	2,312.3	2,681.5	-369.2	5.4	9.2	- 3.8	25.6	31.2	- 5.5
United Kingdom Issues:												
Bonds and Debentures	4.1	10.6	- 6.5	2.8	8.8	- 6.0	1.0	0.2	+ 0.8	0.4	1.6	- 1.2
Common and Preference Stocks	11.8	16.6	- 4.8	3.1	9.1	- 6.0	8.7	7.0	+ 1.7	-	0.5	- 0.5
Other Foreign Countries Issues:												
Bonds and Debentures	51.4	17.0	+ 34.3	45.2	8.0	+ 37.2	2.5	4.0	- 1.4	3.6	5.1	- 1.4
Common and Preference Stocks	15.5	60.3	- 44.8	10.1	50.8	- 40.7	1.6	4.5	- 2.9	3.8	5.1	- 1.3
All Other Foreign Securities	0.1	0.4	- 0.2	-	0.4	- 0.3	-	-	-	0.1	-	+ 0.1
Analysis of Bonds and Debentures												
Canadian Issues:												
Government of Canada - Direct	92.6	103.4	- 10.8	19.5	36.0	- 16.4	47.1	36.4	+ 10.7	26.0	31.0	- 5.0
Government of Canada - Guaranteed	15.3	21.9	- 6.6	6.9	7.0	- 0.1	5.5	5.1	+ 0.4	3.0	9.8	- 6.8
Provincial	30.5	63.5	- 33.0	21.6	52.4	- 30.8	4.6	6.2	- 1.6	4.3	4.9	- 0.6
Municipal	3.4	10.2	- 6.7	2.8	8.4	- 5.6	0.2	0.5	- 0.3	0.4	1.3	- 0.9
Railway, not guaranteed by governments	2.5	1.1	+ 1.4	0.9	0.9	-	1.6	-	+ 1.5	0.1	0.2	- 0.1
Other Corporations	28.0	42.1	- 14.1	15.1	29.3	- 14.2	7.4	3.0	+ 4.4	5.6	9.8	- 4.3
United States Issues:												
Government	26.8	29.5	- 2.7	26.6	29.3	- 2.8	-	-	-	0.2	0.2	+ 0.1
Other	199.2	215.9	- 16.7	181.9	194.5	- 12.6	10.2	14.8	- 4.6	7.0	6.6	+ 0.5
United Kingdom Issues:												
Government	0.4	1.6	- 1.2	0.3	0.9	- 0.6	0.1	0.1	-	-	0.6	- 0.6
Other	3.8	9.1	- 5.3	2.5	8.0	- 5.5	0.9	0.1	+ 0.8	0.4	1.0	- 0.6

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, 1968

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases
millions of dollars												
January	13.7	11.5	+ 2.2	2.0	6.4	- 4.4	10.0	1.4	+ 8.6	1.6	3.7	- 2.1
February	3.3	10.9	- 7.6	0.9	4.9	- 4.0	1.5	0.9	+ 0.6	0.9	5.2	- 4.2
March	4.8	18.6	- 13.8	0.5	3.3	- 2.7	1.2	4.8	- 3.7	3.1	10.5	- 7.3
April	9.7	5.1	+ 4.6	3.0	2.0	+ 0.9	1.1	0.8	+ 0.3	5.7	2.3	+ 3.4
May	8.4	10.0	- 1.6	2.2	1.3	+ 0.9	3.7	3.8	- 0.1	2.5	4.9	- 2.4
June	12.2	19.5	- 7.4	2.2	8.2	- 6.0	6.4	9.0	- 2.7	3.6	2.3	+ 1.3
July	4.3	5.5	- 1.3	1.7	2.1	- 0.4	1.0	1.6	- 0.6	1.5	1.8	- 0.3
August	7.8	8.0	- 0.2	6.3	6.4	- 0.1	0.6	0.3	+ 0.4	0.9	1.4	- 0.5
September ...	6.2	9.5	- 3.4	-	3.0	- 3.0	5.0	4.9	+ 0.2	1.1	1.7	- 0.6
October	7.0	4.8	+ 2.3	1.5	1.6	- 0.2	4.2	1.4	+ 2.8	1.3	1.7	- 0.4
November	15.7	9.8	+ 5.9	3.2	0.6	+ 2.5	10.4	7.8	+ 2.7	2.2	1.4	+ 0.7
December	14.8	12.0	+ 2.8	2.8	3.1	- 0.3	7.5	4.9	+ 2.6	4.5	4.0	+ 0.5
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
Totals	107.9	125.3	- 17.4	26.4	43.0	- 16.6	52.6	41.5	+ 11.1	29.0	40.8	- 11.9

TABLE 5B. Trade in Outstanding Canadian Bonds and Debentures(1) between Canada and Other Countries, 1968

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -
millions of dollars												
January	18.0	20.9	- 2.9	4.5	13.0	- 8.5	10.9	2.3	+ 8.7	2.6	5.6	- 3.1
February	6.3	30.3	- 24.0	3.0	22.9	- 20.0	2.1	1.2	+ 0.9	1.2	6.1	- 4.9
March	8.5	34.6	- 26.1	2.5	16.0	- 13.5	2.6	6.6	- 4.0	3.5	12.0	- 8.6
April	14.3	11.2	+ 3.1	5.8	6.4	- 0.6	2.4	1.4	+ 1.0	6.2	3.5	+ 2.7
May	13.0	16.8	- 3.8	5.3	6.0	- 0.8	4.0	4.5	- 0.5	3.7	6.3	- 2.6
June	17.3	27.5	- 10.2	4.5	15.2	- 10.7	7.9	9.2	- 1.2	4.9	3.2	+ 1.7
July	10.3	17.8	- 7.5	4.8	12.1	- 7.3	2.6	2.7	-	2.8	3.0	- 0.2
August	19.3	19.3	-	14.0	12.7	+ 1.3	3.5	1.6	+ 1.9	1.8	5.0	- 3.2
September ...	10.9	16.2	- 5.3	3.1	6.4	- 3.3	5.5	6.7	- 1.3	2.3	3.0	- 0.7
October	16.5	11.3	+ 5.2	7.5	6.8	+ 0.7	6.7	2.0	+ 4.7	2.3	2.4	- 0.2
November	20.1	18.7	+ 1.4	6.4	8.3	- 1.9	10.6	8.1	+ 2.5	3.1	2.3	+ 0.8
December	18.2	17.9	+ 0.4	5.5	8.2	- 2.8	7.6	5.0	+ 2.6	5.1	4.6	+ 0.5
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
Totals	172.7	242.5	- 69.8	66.8	134.1	- 67.3	66.4	51.2	+ 15.2	39.5	57.2	- 17.7

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

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

TABLE 5C. Trade in Outstanding Canadian Common and Preference Stocks between Canada and Other Countries, 1968

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -
millions of dollars												
January	60.2	57.3	+ 2.9	35.4	27.5	+ 7.9	9.0	13.9	- 4.9	15.8	16.0	- 0.1
February	53.1	42.6	+ 10.5	27.6	22.1	+ 5.5	8.5	9.0	- 0.5	17.0	11.5	+ 5.5
March	53.5	51.4	+ 2.1	31.6	19.6	+ 11.9	6.5	20.2	- 13.8	15.4	11.5	+ 3.9
April	48.0	45.3	+ 2.7	26.5	24.6	+ 1.9	5.9	9.3	- 3.4	15.6	11.4	+ 4.2
May	75.6	56.4	+ 19.2	46.1	23.5	+ 22.6	9.8	16.0	- 6.2	19.7	16.9	+ 2.7
June	66.4	54.4	+ 12.0	37.9	28.9	+ 9.0	8.4	11.1	- 2.7	20.1	14.5	+ 5.7
July	58.2	61.1	- 2.9	29.6	31.6	- 2.0	8.3	11.3	- 3.1	20.3	18.1	+ 2.2
August	57.5	56.8	+ 0.7	31.0	26.9	+ 4.1	10.6	11.5	- 1.0	16.0	18.4	- 2.4
September ...	69.5	57.3	+ 12.1	38.2	24.4	+ 13.8	8.7	12.3	- 3.6	22.5	20.6	+ 1.9
October	83.5	76.0	+ 7.5	40.6	35.6	+ 5.0	10.9	11.5	- 0.6	32.0	28.9	+ 3.1
November	84.4	72.7	+ 11.7	41.0	34.5	+ 6.5	11.6	13.9	- 2.3	31.8	24.3	+ 7.4
December	104.9	70.9	+ 34.0	52.5	35.2	+ 17.3	13.7	12.3	+ 1.4	38.7	23.4	+ 15.3
Month not identified	-	-	-	-	-	-	-	-	-	-	-	-
Totals	814.7	702.3	+ 112.4	438.1	334.4	+ 103.7	111.7	152.3	- 40.6	264.9	215.5	+ 49.4

TABLE 5D. Trade in Outstanding United States Common and Preference Stocks between Canada and Other Countries, 1968

Month	Total transactions			United States			United Kingdom			Other countries		
	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -	Sales to	Pur-chases from	Net sales + purchases -
millions of dollars												
January	165.9	202.7	- 36.8	162.8	198.8	- 36.0	0.7	1.4	- 0.7	2.4	2.5	- 0.1
February	129.7	133.2	- 3.5	127.7	130.3	- 2.6	0.2	0.8	- 0.6	1.8	2.1	- 0.3
March	138.5	171.8	- 33.2	136.6	168.4	- 31.9	0.3	1.0	- 0.6	1.6	2.4	- 0.7
April	207.6	266.7	- 59.1	205.6	262.6	- 57.0	0.3	0.8	- 0.5	1.7	3.3	- 1.6
May	248.4	247.1	+ 1.3	246.2	244.3	+ 2.0	0.2	0.4	- 0.2	2.0	2.4	- 0.4
June	218.5	266.6	- 48.1	214.8	263.3	- 48.5	0.6	0.6	-	3.1	2.7	+ 0.4
July	208.2	246.7	- 38.5	205.5	244.6	- 39.0	0.2	0.2	-	2.4	1.9	+ 0.5
August	169.6	198.8	- 29.3	167.4	195.5	- 28.1	0.5	1.2	- 0.7	1.7	2.1	- 0.4
September ...	155.5	206.4	- 51.0	153.6	202.4	- 48.8	0.3	0.5	- 0.1	1.5	3.5	- 2.0
October	235.4	257.0	- 21.6	231.3	252.8	- 21.5	1.0	1.2	- 0.2	3.1	3.0	+ 0.1
November	219.4	254.0	- 34.5	216.9	251.2	- 34.3	0.3	0.5	- 0.1	2.2	2.4	- 0.1
December	230.2	258.4	- 28.2	227.6	254.8	- 27.2	0.6	0.6	- 0.1	2.0	3.0	- 0.9
Month not identified	16.3	12.5	+ 3.8	16.3	12.5	+ 3.8	-	-	-	-	-	-
Totals	2,343.3	2,721.9	- 378.6	2,312.3	2,681.5	- 369.2	5.4	9.2	- 3.8	25.6	31.2	- 5.5

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, 1936-68

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												
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	1,520	1,792	- 272	1,117	1,390	- 223	142	196	- 54	211	206	+ 5
1966	1,659	2,260	- 601	1,348	1,859	- 511	128	171	- 43	183	230	- 47
1967	2,626	3,037	- 411	2,253	2,584	- 331	127	210	- 83	246	243	+ 3
1968	3,639	4,017	- 378	3,087	3,451	- 364	207	243	- 36	345	323	+ 22

Figures prior to 1952 exclude varying amounts of transactions which took place through channels not covered by regular monthly reports, and prior to 1949 include sales to non-residents of new domestic issues floated in Canada, and purchases from non-residents of new issues floated abroad. Some transactions in short-term securities are included prior to 1955.

TABLE 6B. Trade in Outstanding Canadian Securities between Canada and Other Countries
by Group of Securities, 1958-68

	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
millions of dollars											
Bonds and debentures, etc.:											
Government of Canada:											
Sales	109	188	162	409	568	151	123	119	66	57	93
Purchases	88	83	128	357	514	124	82	81	133	92	104
Net	+ 21	+ 105	+ 34	+ 52	+ 54	+ 27	+ 41	+ 38	- 67	- 35	- 11
Dominion guaranteed:											
Sales	13	19	36	42	34	29	32	24	9	11	15
Purchases	14	6	22	19	38	14	13	9	19	17	22
Net	- 1	+ 13	+ 14	+ 23	- 4	+ 15	+ 19	+ 15	- 10	- 6	- 7
Provincial:											
Sales	14	13	16	29	36	18	30	25	24	23	31
Purchases	32	18	23	39	27	17	15	13	31	30	64
Net	- 18	- 5	- 7	- 10	+ 9	+ 1	+ 15	+ 12	- 7	- 7	- 33
Municipal:											
Sales	5	7	12	20	17	6	11	12	5	13	3
Purchases	6	5	8	17	7	5	6	5	8	7	10
Net	- 1	+ 2	+ 4	+ 3	+ 10	+ 1	+ 5	+ 7	- 3	+ 6	- 7
Railway, other:											
Sales	3	4	1	1	1	1	1	1	1	1	3
Purchases	6	6	5	4	3	3	1	2	2	2	1
Net	- 3	- 2	- 4	- 3	- 2	- 2	-	- 1	- 1	- 1	+ 2
Other corporations:(1)											
Sales	57	29	37	50	44	34	31	32	31	23	28
Purchases	55	51	75	54	47	37	34	48	47	36	42
Net	+ 2	- 22	- 38	- 4	- 3	- 3	- 3	- 16	- 16	- 13	- 14
Total bonds, debentures, etc.:											
Sales	201	260	264	551	700	239	228	213	136	128	173
Purchases	201	169	261	490	636	200	151	158	240	184	243
Net	-	+ 91	+ 3	+ 61	+ 64	+ 39	+ 77	+ 55	- 104	- 56	- 70
Common and preference stocks:											
Sales	467	589	405	732	693	416	534	552	470	572	814
Purchases	379	479	354	693	809	586	632	826	606	560	702
Net	+ 88	+ 110	+ 51	+ 39	- 116	- 170	- 98	- 274	- 136	+ 12	+ 112

(1) Figures include "Other" Canadian securities.

TABLE 6C. Trade in Outstanding Canadian Securities between Canada and Other Countries, 1958-68

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												
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	765	984	- 219	213	157	+ 56	552	826	- 274	-	1	- 1
1966	606	846	- 240	136	240	- 104	470	606	- 136	-	-	-
1967	700	744	- 44	128	184	- 56	572	560	+ 12	-	-	-
1968	987	945	+ 42	173	243	- 70	814	702	+ 112	-	-	-

TABLE 6D. Trade in Outstanding Foreign Securities between Canada and Other Countries, 1958-68

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												
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	755	808	- 53	66	54	+ 12	647	709	- 62	42	45	- 3
1966	1,053	1,414	- 361	65	100	- 35	951	1,245	- 294	37	69	- 32
1967	1,926	2,293	- 367	133	173	- 40	1,768	2,036	- 268	25	84	- 59
1968	2,652	3,072	- 420	226	245	- 19	2,343	2,722	- 379	83	105	- 22

TABLE 7. 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	
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	107.92
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 - March	84.31	4.58	83.31	5.72	5.58	175.0	116.3	88.88	107.62
June	82.56	4.76	83.31	5.75	5.66	170.6	116.7	86.06	107.65
September	82.13	4.82	82.38	5.91	5.75	152.7	107.6	77.81	107.62
December	83.75	4.58	82.69	5.91	5.76	154.6	95.6	81.33	108.31
1967 - March	85.63	4.51	85.88	5.51	5.48	171.4	99.3	89.42	108.20
June	80.31	5.06	81.88	6.11	5.87	174.5	101.3	91.43	108.04
September	80.31	5.08	80.25	6.40	6.19	181.0	105.1	95.81	107.53
December	77.81	5.38	79.00	6.65	6.54	173.6	107.0	95.30	108.02
1968 - January	79.44	5.21	78.75	6.71	6.54	174.4	111.6	95.04	108.47
February	79.19	5.24	77.25	6.98	6.72	163.8	109.8	90.75	108.73
March	76.69	5.53	75.25	7.34	6.91	157.7	109.6	89.09	108.49
April	77.44	5.46	77.25	7.01	6.62	169.1	102.4	95.67	108.01
May	75.81	5.65	76.63	7.15	6.97	171.2	107.3	97.87	107.79
June	79.38	5.25	79.50	6.69	6.62	174.4	108.6	100.53	107.68
July	81.00	5.09	80.25	6.59	6.49	181.8	105.4	100.30	107.36
August	80.50	5.15	80.44	6.58	6.43	180.8	107.7	98.11	107.26
September	80.63	5.14	80.00	6.66	6.60	187.8	111.5	101.34	107.30
October	78.86	5.40	78.13	7.01	6.83	193.1	115.0	103.76	107.27
November	77.56	5.51	77.50	7.15	6.95	196.0	116.8	105.40	107.30
December	75.13	5.82	76.00	7.45	7.27	201.5	121.1	106.48	107.31

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

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