

CATALOGUE No.

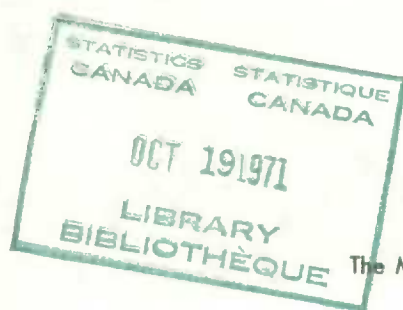
67-002 C-1

MONTHLY



# SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

JUNE 1971



*Published by Authority of*

The Minister of Industry, Trade and Commerce

DOMINION BUREAU OF STATISTICS

Balance of Payments and Financial  
Flows Division

Balance of Payments Section

October - 1971 - Octobre  
2306-503

Price: 20 cents  
\$2.00 a year

Vol. 37—No. 6



## TABLE OF CONTENTS

	Page
<u>SECTION</u>	
Review of security transactions in the second quarter of 1971 .....	4
Trading in outstanding securities - June 1971 .....	5
International transactions in selected Canadian short-term money market instruments, second quarter 1971 .....	6

## STATEMENTS

### Table

Security Transactions between Canada and Other Countries .....	4
1. Trade in Outstanding Canadian Securities between Canada and Other Countries .....	8
2. Trade in Outstanding Foreign Securities between Canada and Other Countries .....	9
3. Trade in Outstanding Securities between Canada and Other Countries during June 1971 .....	10
4. Trade in Outstanding Securities between Canada and Other Countries for the Year to Date .....	11
5. Trade in Outstanding Canadian Bonds and Debentures and Canadian Common and Preference Stocks between Canada and Other Countries .....	12
6. Transactions in Canadian Securities between Canada and Other Countries .....	13
7. Offerings and Deliveries of New Issues of Canadian Bonds and Debentures Sold to Residents of the United States .....	13
8. International Transactions in Selected Canadian Short-Term Money Market Instruments .....	14
9. Selected Capital Market Statistics .....	15

# SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

## Review of Security Transactions in the Second Quarter of 1971

International transactions in long-term portfolio securities gave rise to an overall net inflow of \$72 million in the second quarter of 1971, down from the \$160 million net inflow in the first quarter of the year and a substantial swing from the net outflow of \$74 million recorded in the corresponding period a year earlier. New issues of Canadian securities increased to \$367 million but were largely neutralized by substantial retirements of \$306 million. Trading in outstanding issues resulted in net inflows of approximately \$20 million. Geographically, net inflows of \$173 million from the United States were partly offset by net outflows of \$18 million to the United Kingdom, \$64 million to other countries in Europe and \$19 million to the rest of the world.

Proceeds of \$367 million from the sale of new Canadian issues to non-residents constituted the largest such inflow since the Canadian dollar was floated in the second quarter of 1970. The bulk of the increase over the first quarter inflow of \$295 million was accounted for by corporate borrowings of \$128 million, some \$43 million higher than the first quarter level. Provincial government issues rose to \$202 million from \$66 million in the first quarter. This increase was largely offset by a drop in sales to non-residents of provincially guaranteed issues, which

### Security Transactions between Canada and Other Countries

Net sales (+) or purchases (-) by Canadians	1970 <sup>r</sup>				1971 <sup>p</sup>	
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
<u>Canadian securities</u>						
Outstanding issues:						
Bonds, etc. ....	+ 6	- 26	- 17	- 2	- 31	- 23
Stocks .....	- 3	- 81	- 35	- 28	- 43	- 27
New issues .....	+ 519	+ 195	+ 295	+ 210	+ 295	+ 367
Retirements .....	- 86	- 239	- 60	- 98	- 103	- 306
<u>Foreign securities</u>						
Outstanding issues .....	+ 117	+ 83	- 16	- 101	+ 49	+ 70
New issues .....	- 5	- 9	- 10	- 8	- 10	- 11
Retirements .....	+ 2	+ 3	+ 2	+ 3	+ 3	+ 2
Totals - All securities	+ 550	- 74	+ 159	- 24	+ 160	+ 72

<sup>p</sup> Preliminary figures.

<sup>r</sup> Revised figures.

totalled \$5 million in the second quarter compared with \$131 million in the previous period. Inflows from the sale of Government of Canada and municipal issues rose slightly to \$7 million and \$14 million respectively. Sales to non-residents of new issues of common and preference stocks of \$11 million compared with \$4 million in the first quarter.

Capital outflows for the retirement of Canadian securities held by non-residents totalled \$306 million in the second quarter, versus \$103 million in the first three months of the year and \$239 million in the second quarter of 1970. A number of maturing provincial issues resulted in outflows of \$168 million, the largest quarterly outflow on record for the retirement of this class of security, and more than the corresponding outflow for the whole of 1970. Corporate retirements of \$105 million were also relatively high after outflows of \$56 million in the previous quarter and \$46 million in the same period a year earlier.

Trading in outstanding Canadian issues gave rise to net outflows of almost \$50 million, \$23 million of which was attributable to trading in debt issues and \$27 million to equities. Net repurchases of Canadian issues, which occurred in every month during the first half of the year, was consistent with a more rapid increase in stock prices (as measured by the Statistics Canada Investors' Price Index and Standard and Poor's "500" Index) in the United States than in Canada during the first three months of the year, and general market uncertainty in the second quarter. The existence of contrary movements within these overall trends was indicated by the strong performance in Canada of the Primary Oil and Gas Index.

Net sales of outstanding foreign securities during the second quarter totalled \$70 million, bringing the net inflow for the first six months to \$119 million. Trading in United States equities resulted in a sales balance of \$86 million during the second quarter, while net purchases occurred in trading in all other types of securities as a whole. In addition to generally unfavourable stock market conditions the appreciation of a number of currencies against the United States dollar during the second quarter may have been responsible for some transfer of funds out of United States equities and into other forms of investment.

New issues of foreign securities purchased by Canadian residents gave rise to outflows of \$11 million versus \$10 million recorded in the first quarter. Estimated inflows for the retirement of foreign issues held by Canadians totalled \$2 million as against \$3 million in the first three months of the year.

#### Transactions in outstanding securities during June

Portfolio transactions in outstanding securities in June resulted in a net inflow of \$2 million, off significantly from the \$24 million net inflow recorded in May. As in previous months trading in Canadian issues resulted in a purchase balance while trading in foreign securities resulted in a sales balance - net purchases of \$13 million and net sales of \$15 million respectively. The net outflow from trading in Canadian securities was evenly split between debt and equity issues. Trading in foreign securities was comprised of net sales of United States equities of \$31 million and net purchases of United States debt instruments, United Kingdom equities, and securities of other countries (principally equities) amounting to \$8 million, less than \$1 million, and \$7 million respectively. Geographically, net



inflows from the United States and the United Kingdom of \$10 million and \$2 million were reduced by net outflows to other European countries and to the rest of the world of \$3 million and \$7 million.

#### International Transactions in Selected Canadian Money Market Instruments

International transactions in the Canadian money market during the second quarter gave rise to a net inflow of \$4 million on gross sales of slightly in excess of \$1 billion, after net outflows of \$146 million in the first quarter. The Canadian dollar money supply (broadly defined) grew at an annual rate of approximately 20 per cent over the quarter, and the yield on Government of Canada 90-day treasury bills hit a nine year low of 2.96 per cent. The unhedged yield differential between Canada and the United States widened to around one and one half per cent at the end of the quarter from about one half of one per cent in March. This differential, favouring investment in the United States, was moderated by a substantial premium on the forward Canadian dollar. After hitting a peak early in May of more than one and one half per cent per annum, it remained well in excess of one per cent for the rest of the quarter. Income tax reforms introduced on June 18 included a measure designed to extend withholding tax on the return on discount notes. Previously these notes when redeemed prior to their maturity date had been exempt from tax. This change was generally expected to dampen demand abroad for Canadian money market paper, producing an outflow of funds as maturing paper was not renewed. It is as yet too early to gauge the effect of these measures. Currency uncertainties in the third quarter have tended to cloud the international financial picture and may postpone an accurate estimate of the effect of the tax reforms upon the Canadian money market. Non-resident holdings of all Canadian money market paper including interest-bearing and discount notes approximated \$450 million at June 30, 1971. Geographically, United States residents increased their investment in Canadian money market paper by \$43 million, while transactions with residents of the United Kingdom and other countries resulted in net outflows of \$3 million and \$36 million respectively. Non-residents reduced their holdings of Government of Canada treasury bills by \$4 million during the second quarter, after a net inflow of \$1 million in the first quarter. Sales and purchases by residents of the United States were offsetting, while net redemptions of \$1 million and \$3 million respectively resulted from trading with the United Kingdom and other countries.

A net outflow of \$14 million from trading in finance company paper was comprised of net sales to the United States of \$20 million and net repurchases from the United Kingdom and other countries (including international institutions) of \$4 million and \$30 million respectively.

Transactions in commercial paper occurred almost exclusively with residents of the United States, who on balance purchased \$35 million of the total net inflow of \$36 million. By comparison, transactions in the first quarter resulted in net outflows of \$33 million. A relatively large proportion of the inflow represented foreign purchases in June of high quality paper, as the hedged yield on Canadian paper became more attractive vis-à-vis investment in both Eurodollar and United States instruments. Net sales of Canadian commercial paper to the United Kingdom totalled \$2 million, while residents of other countries reduced their holdings by \$1 million.

Other short-term paper (which includes mainly obligations of junior levels of government, banks, and mortgage loan companies) was responsible for net outflows of \$14 million, down from the \$43 million outflow in the previous period. Net outflows to the United States and countries other than the United Kingdom totalled \$12 million and \$2 million respectively, while movement of funds with the United Kingdom amounted to less than half a million dollars.

TABLE 1. Trade in Outstanding Canadian Securities between Canada and Other Countries

Period	Total transactions			United States			United Kingdom			Other Europe			Other Countries		
	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-
millions of dollars															
1969 - Year .....	1,105.0	1,049.7	+ 55.3	468.9	494.7	- 25.8	271.0	244.9	+ 26.0	276.0	241.6	+ 34.4	89.1	68.4	+ 20.7
1970 - Year .....	711.2	897.0	- 185.8	264.0	412.3	- 148.3	190.3	227.1	- 36.9	213.5	219.5	- 6.0	43.6	38.2	+ 5.4
1971 - 6 months .....	482.7	607.1	- 124.4	197.2	261.5	- 64.3	101.0	157.8	- 56.8	141.1	151.7	- 10.6	43.4	36.1	+ 7.3
1970 - January .....	62.0	74.8	- 12.8	23.8	35.0	- 11.2	17.8	17.4	+ 0.4	18.2	19.4	- 1.2	2.2	3.0	- 0.8
February .....	63.5	63.3	+ 0.2	16.2	24.8	- 8.6	23.5	18.5	+ 5.0	20.6	16.3	+ 4.3	3.2	3.7	- 0.5
March .....	74.0	61.1	+ 12.9	31.9	26.2	+ 5.7	16.4	14.3	+ 2.1	23.4	18.7	+ 4.7	2.3	1.9	+ 0.4
1st quarter .....	205.6	202.7	+ 2.9	72.2	86.6	- 14.4	59.6	51.9	+ 7.7	66.1	55.6	+ 10.5	7.7	8.6	- 0.9
April .....	69.5	86.5	- 17.0	29.3	42.2	- 12.9	17.5	24.1	- 6.6	19.1	17.1	+ 2.0	3.6	3.1	+ 0.5
May .....	41.5	92.2	- 50.7	12.6	36.5	- 23.9	14.9	17.7	- 2.8	11.5	35.4	- 23.9	2.5	2.6	- 0.1
June .....	41.4	83.3	- 41.9	16.2	44.7	- 28.5	12.9	21.7	- 8.8	9.5	13.7	- 4.2	2.8	3.2	- 0.4
2nd quarter .....	157.9	265.5	- 107.6	58.4	123.9	- 65.5	47.1	65.2	- 18.1	43.5	67.5	- 24.0	8.9	8.9	-
July .....	32.5	54.6	- 22.1	9.6	30.7	- 21.1	9.9	11.0	- 1.1	10.3	10.7	- 0.4	2.7	2.2	+ 0.5
August .....	42.0	54.5	- 12.5	17.1	28.4	- 11.3	10.0	11.8	- 1.8	10.1	11.5	- 1.4	4.8	2.8	+ 2.0
September .....	53.8	72.7	- 18.9	19.6	31.8	- 12.2	16.4	25.4	- 9.0	13.3	12.9	+ 0.4	4.5	2.6	+ 1.9
3rd quarter .....	133.9	185.3	- 51.4	46.6	91.5	- 44.9	38.1	49.9	- 11.8	37.2	36.3	+ 0.9	12.0	7.6	+ 4.4
October .....	74.1	70.4	+ 3.7	32.8	32.9	- 0.1	16.2	16.5	- 0.3	19.8	17.7	+ 2.1	5.3	3.3	+ 2.0
November .....	57.8	73.3	- 15.5	30.0	38.0	- 8.0	9.6	15.6	- 6.0	15.5	16.0	- 0.5	2.7	3.7	- 1.0
December .....	76.3	96.5	- 20.2	23.7	38.7	- 15.0	17.8	26.3	- 8.5	27.8	25.4	+ 2.4	7.0	6.1	+ 0.9
4th quarter .....	213.8	243.5	- 29.7	86.8	110.3	- 23.5	45.5	60.2	- 14.7	66.7	60.1	+ 6.6	15.0	13.1	+ 1.9
1971 - January .....	56.7	89.0	- 32.3	20.6	43.7	- 23.1	6.7	16.7	- 10.0	22.3	22.1	+ 0.2	7.1	6.5	+ 0.6
February .....	66.2	83.7	- 17.5	22.9	28.0	- 5.1	9.6	24.9	- 15.3	27.6	26.4	+ 1.2	6.1	4.4	+ 1.7
March .....	95.3	118.8	- 23.5	41.5	46.1	- 4.6	18.8	36.4	- 17.6	26.4	28.8	- 2.4	8.6	7.5	+ 1.1
1st quarter .....	218.5	292.1	- 73.6	85.0	117.8	- 32.8	35.1	78.0	- 42.9	76.6	77.9	- 1.3	21.8	18.4	+ 3.4
April .....	105.2	123.4	- 18.2	48.3	57.8	- 9.5	19.7	26.2	- 6.5	27.1	31.0	- 3.9	10.1	8.4	+ 1.7
May .....	75.3	94.1	- 18.8	31.8	38.8	- 7.0	18.6	30.5	- 11.9	19.2	20.7	- 1.5	5.7	4.1	+ 1.6
June .....	83.5	96.3	- 12.8	32.1	47.1	- 15.0	27.6	23.1	+ 4.5	18.0	20.9	- 2.9	5.8	5.2	+ 0.6
2nd quarter .....	264.2	315.0	- 50.8	112.2	143.7	- 31.5	65.9	79.8	- 13.9	64.5	73.8	- 9.3	21.6	17.7	+ 3.9
July .....															
August .....															
September .....															
3rd quarter .....															
October .....															
November .....															
December .....															
4th quarter .....															

Note: Quarterly totals may include amounts related to transactions not allocable to a particular month.  
As figures are rounded, totals may not equal sum of component parts.



TABLE 2. Trade in Outstanding Foreign Securities between Canada and Other Countries

Period	Total transactions			United States			United Kingdom			Other Europe			Other Countries		
	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-	Sales to	Pur-chases from	Net sales + purch.-
millions of dollars															
1969 - Year .....	2,291.8	2,179.2	+ 112.6	2,227.1	2,114.7	+ 112.4	34.7	32.8	+ 1.9	18.1	18.0	+ 0.1	11.9	13.7	- 1.8
1970 - Year .....	1,724.4	1,641.2	+ 83.2	1,644.9	1,569.7	+ 75.2	38.5	36.1	+ 2.4	20.9	19.0	+ 1.9	20.1	16.4	+ 3.7
1971 - 6 months .....	1,253.2	1,133.7	+ 119.5	1,202.3	1,065.1	+ 137.2	15.6	24.4	- 8.8	16.3	17.4	- 1.1	19.0	26.8	- 7.8
1970 - January .....	177.6	124.8	+ 52.8	172.2	119.9	+ 52.3	3.8	2.7	+ 1.1	0.9	1.7	- 0.8	0.7	0.5	+ 0.2
February .....	186.8	131.0	+ 55.8	182.9	127.4	+ 55.5	2.3	2.3	-	1.2	0.7	+ 0.5	0.4	0.6	- 0.2
March .....	155.9	148.3	+ 7.6	150.2	146.0	+ 4.2	4.1	1.0	+ 3.1	0.9	1.0	- 0.1	0.7	0.3	+ 0.4
1st quarter .....	523.3	406.6	+ 116.7	506.6	394.7	+ 111.9	10.2	6.5	+ 3.7	4.5	3.4	+ 1.1	2.0	2.0	-
April .....	170.8	158.2	+ 12.6	163.4	153.0	+ 10.4	4.6	1.8	+ 2.8	2.0	2.4	- 0.4	0.8	1.0	- 0.2
May .....	175.9	127.5	+ 48.4	171.1	119.0	+ 52.1	2.6	0.8	+ 1.8	0.7	1.8	- 1.1	1.5	5.9	- 4.4
June .....	115.4	97.0	+ 18.4	109.2	94.3	+ 14.9	3.0	1.3	+ 1.7	0.7	0.9	- 0.2	2.5	0.5	+ 2.0
2nd quarter .....	470.2	387.0	+ 83.2	449.8	367.7	+ 82.1	10.3	4.4	+ 5.9	5.0	6.9	- 1.9	5.1	8.0	- 2.9
July .....	110.2	76.4	+ 33.8	107.0	72.8	+ 34.2	1.3	2.5	- 1.2	0.4	0.7	- 0.3	1.5	0.4	+ 1.1
August .....	80.5	85.6	- 5.1	75.0	81.9	- 6.9	1.5	1.9	- 0.4	0.8	1.2	- 0.4	3.2	0.6	+ 2.6
September .....	124.8	176.9	- 52.1	117.3	172.3	- 55.0	5.1	3.4	+ 1.7	0.8	1.0	- 0.2	1.6	0.2	+ 1.4
3rd quarter .....	325.9	342.1	- 16.2	307.7	329.0	- 21.3	8.0	8.3	- 0.3	3.5	2.9	+ 0.6	6.7	1.9	+ 4.8
October .....	134.7	191.3	- 56.6	127.5	180.8	- 53.3	4.7	7.2	- 2.5	1.8	2.0	- 0.2	0.7	1.3	- 0.6
November .....	116.0	125.0	- 9.0	111.8	117.0	- 5.2	2.7	5.4	- 2.7	0.7	1.2	- 0.5	0.8	1.4	- 0.6
December .....	147.5	183.7	- 36.2	136.9	176.2	- 39.3	2.5	3.8	- 1.3	3.7	2.6	+ 1.1	4.4	1.1	+ 3.3
4th quarter .....	405.0	505.5	- 100.5	380.8	478.3	- 97.5	10.0	16.9	- 6.9	7.9	5.8	+ 2.1	6.3	4.5	+ 1.8
1971 - January <sup>r</sup> .....	188.1	153.5	+ 34.6	182.9	147.3	+ 35.6	1.1	3.5	- 2.4	2.1	1.6	+ 0.5	2.0	1.1	+ 0.9
February <sup>r</sup> .....	215.6	191.0	+ 24.6	203.8	180.9	+ 22.9	4.2	3.8	+ 0.4	3.9	3.7	+ 0.2	3.7	2.6	+ 1.1
March .....	200.1	219.9	- 19.8	191.0	209.5	- 18.5	3.5	3.4	+ 0.1	3.3	2.8	+ 0.5	2.3	4.2	- 1.9
1st quarter .....	615.9	566.6	+ 49.3	589.2	539.6	+ 49.6	9.2	10.7	- 1.5	9.6	8.2	+ 1.4	7.9	8.1	- 0.2
April .....	245.4	227.0	+ 18.4	238.9	216.0	+ 22.9	1.9	4.2	- 2.3	2.7	3.8	- 1.1	1.9	3.0	- 1.1
May .....	200.8	158.2	+ 42.6	191.5	146.7	+ 44.8	1.9	4.7	- 2.8	2.6	4.0	- 1.4	4.8	2.8	+ 2.0
June .....	188.9	173.7	+ 15.2	182.6	157.8	+ 24.8	2.6	4.8	- 2.2	1.4	1.4	-	2.3	9.7	- 7.4
2nd quarter .....	637.3	567.1	+ 70.2	613.1	525.5	+ 87.6	6.4	13.7	- 7.3	6.7	9.2	- 2.5	11.1	18.7	- 7.6
July .....															
August .....															
September .....															
3rd quarter .....															
October .....															
November .....															
December .....															
4th quarter .....															

Note: Quarterly totals may include amounts related to transactions not allocable to a particular month.

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

<sup>r</sup> Revised figures.

TABLE 3. Trade in Outstanding Securities between Canada and Other Countries

June 1971

Type of issue	Total sales	Total purchases	Net sales + purch. -	United States			United Kingdom			Other Europe			Other 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. -
millions of dollars															
Grand total, Canadian and foreign securities ..	272.4	270.0	+ 2.4	214.7	204.9	+ 9.8	30.2	27.9	+ 2.3	19.4	22.3	- 2.9	8.1	14.9	- 6.8
Canadian securities, total	83.5	96.3	- 12.8	32.1	47.1	- 15.0	27.6	23.1	+ 4.5	18.0	20.9	- 2.9	5.8	5.2	+ 0.6
Bonds and debentures ....	20.3	26.5	- 6.2	6.0	16.0	- 10.0	10.0	7.1	+ 2.9	3.3	2.3	+ 1.0	1.0	1.1	- 0.1
Common and pref'd stock	63.2	69.8	- 6.6	26.1	31.1	- 5.0	17.6	16.0	+ 1.6	14.7	18.6	- 3.9	4.8	4.1	+ 0.7
Other securities .....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign securities, total	188.9	173.7	+ 15.2	182.6	157.8	+ 24.8	2.6	4.8	- 2.2	1.4	1.4	-	2.3	9.7	- 7.4
United States issues:															
Bonds and debentures ....	11.3	19.5	- 8.2	10.0	18.2	- 8.2	0.2	0.9	- 0.7	0.7	0.3	+ 0.4	0.4	0.1	+ 0.3
Common and pref'd stock	173.4	142.1	+ 31.3	171.2	139.3	+ 31.9	0.4	0.5	- 0.1	0.4	0.8	- 0.4	1.4	1.5	- 0.1
United Kingdom issues:															
Bonds and debentures ....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common and pref'd stock	1.8	2.3	- 0.5	-	0.1	- 0.1	1.5	2.2	- 0.7	-	-	-	0.3	-	+ 0.3
Other countries issues:															
Bonds and debentures ....	1.0	1.1	- 0.1	0.4	-	+ 0.4	0.3	0.8	- 0.5	0.2	0.3	- 0.1	0.1	-	+ 0.1
Common and pref'd stock	1.1	8.5	- 7.4	0.7	-	+ 0.7	0.2	0.4	- 0.2	0.1	-	+ 0.1	0.1	8.1	- 8.0
Other foreign securities ..	0.3	0.2	+ 0.1	0.3	0.2	+ 0.1	-	-	-	-	-	-	-	-	-
Analysis of bonds and debentures															
Canadian issues:															
Gov't of Canada - Direct	13.1	11.5	+ 1.6	2.1	4.4	- 2.3	9.0	5.5	+ 3.5	1.5	0.8	+ 0.7	0.5	0.8	- 0.3
- Guar. ....	0.6	1.3	- 0.7	-	0.5	- 0.5	0.5	0.6	- 0.1	0.1	0.2	- 0.1	-	-	-
Provincial - Direct .....	3.0	5.5	- 2.5	1.9	5.0	- 3.1	0.1	0.2	- 0.1	0.9	0.3	+ 0.6	0.1	-	+ 0.1
- Guar. ....	1.7	3.8	- 2.1	1.2	3.3	- 2.1	0.1	0.2	- 0.1	0.1	0.2	- 0.1	0.3	0.1	+ 0.2
Municipal .....	0.2	2.0	- 1.8	0.2	1.7	- 1.5	-	0.2	- 0.2	-	0.1	- 0.1	-	-	-
Corporations .....	1.7	2.4	- 0.7	0.6	1.1	- 0.5	0.3	0.4	- 0.1	0.7	0.7	-	0.1	0.2	- 0.1
United States issues:															
Government .....	0.3	5.6	- 5.3	0.3	5.6	- 5.3	-	-	-	-	-	-	-	-	-
Eurobond .....	1.3	1.6	- 0.3	-	0.9	- 0.9	0.2	0.5	- 0.3	0.7	0.2	+ 0.5	0.4	-	+ 0.4
Other .....	9.7	12.3	- 2.6	9.7	11.7	- 2.0	-	0.4	- 0.4	-	0.1	- 0.1	-	0.1	- 0.1

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

Six months ending June 30, 1971

Type of issue	Total sales	Total purchases	Net sales + purch. -	United States			United Kingdom			Other Europe			Other 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. -
millions of dollars															
<u>Grand total, Canadian and foreign securities ..</u>	1,735.9	1,740.8	- 4.9	1,399.5	1,326.6	+ 72.9	116.6	182.2	- 65.6	157.4	169.1	- 11.7	62.4	62.9	- 0.5
<u>Canadian securities, total</u>	482.7	607.1	- 124.4	197.2	261.5	- 64.3	101.0	157.8	- 56.8	141.1	151.7	- 10.6	43.4	36.1	+ 7.3
Bonds and debentures ....	104.6	157.6	- 53.0	38.1	74.8	- 36.7	36.9	49.7	- 12.8	17.8	23.7	- 5.9	11.8	9.4	+ 2.4
Common and pref'd stock	377.8	447.7	- 69.9	159.1	185.5	- 26.4	64.1	108.1	- 44.0	123.0	127.4	- 4.4	31.6	26.7	+ 4.9
Other securities .....	0.3	1.8	- 1.5	-	1.2	- 1.2	-	-	-	0.3	0.6	- 0.3	-	-	-
<u>Foreign securities, total</u>	1,253.2	1,133.7	+ 119.5	1,202.3	1,065.1	+ 137.2	15.6	24.4	- 8.8	16.3	17.4	- 1.1	19.0	26.8	- 7.8
United States issues:															
Bonds and debentures ....	102.3	94.1	+ 8.2	88.7	84.3	+ 4.4	4.9	5.0	- 0.1	5.2	3.3	+ 1.9	3.5	1.5	+ 2.0
Common and pref'd stock	1,118.5	996.8	+ 121.7	1,108.1	978.9	+ 129.2	1.5	4.0	- 2.5	3.0	5.2	- 2.2	5.9	8.7	- 2.8
United Kingdom issues:															
Bonds and debentures ....	1.0	0.7	+ 0.3	-	-	-	0.5	0.1	+ 0.4	0.5	0.6	- 0.1	-	-	-
Common and pref'd stock	5.2	9.4	- 4.2	2.8	0.5	+ 2.3	2.1	8.7	- 6.6	-	-	-	0.3	0.2	+ 0.1
Other countries issues:															
Bonds and debentures ....	13.3	11.7	+ 1.6	0.5	-	+ 0.5	5.4	5.1	+ 0.3	5.7	6.2	- 0.5	1.7	0.4	+ 1.3
Common and pref'd stock	12.0	19.8	- 7.8	1.3	0.3	+ 1.0	1.2	1.5	- 0.3	1.9	2.1	- 0.2	7.6	15.9	- 8.3
Other foreign securities ..	0.9	1.2	- 0.3	0.9	1.1	- 0.2	-	-	-	-	-	-	-	0.1	- 0.1
<u>Analysis of bonds and debentures</u>															
Canadian issues:															
Gov't of Canada - Direct	44.2	68.0	- 23.8	6.7	25.9	- 19.2	28.1	29.2	- 1.1	5.4	8.6	- 3.2	4.0	4.3	- 0.3
- Guar.	4.3	8.4	- 4.1	1.3	2.3	- 1.0	1.7	2.0	- 0.3	1.2	2.2	- 1.0	0.1	1.9	- 1.8
Provincial - Direct .....	11.2	20.8	- 9.6	6.6	16.7	- 10.1	1.1	1.8	- 0.7	3.0	1.7	+ 1.3	0.5	0.6	- 0.1
- Guar. ....	22.8	21.8	+ 1.0	11.0	12.4	- 1.4	2.8	6.6	- 3.8	3.8	1.9	+ 1.9	5.2	0.9	+ 4.3
Municipal .....	3.0	8.0	- 5.0	2.2	7.0	- 4.8	0.2	0.5	- 0.3	0.2	0.5	- 0.3	0.4	-	+ 0.4
Corporations .....	19.1	30.6	- 11.5	10.3	10.5	- 0.2	3.0	9.6	- 6.6	4.2	8.8	- 4.6	1.6	1.7	- 0.1
United States issues:															
Government .....	5.8	9.8	- 4.0	5.7	9.7	- 4.0	-	-	-	0.1	0.1	-	-	-	-
Eurobond .....	11.2	8.5	+ 2.7	1.4	1.4	-	4.1	3.9	+ 0.2	3.7	2.3	+ 1.4	2.0	0.9	+ 1.1
Other .....	85.3	75.8	+ 9.5	81.6	73.2	+ 8.4	0.8	1.1	- 0.3	1.4	0.9	+ 0.5	1.5	0.6	+ 0.9

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

TABLE 5. Trade in Outstanding Canadian Bonds and Debentures and Canadian Common and Preference Stocks between Canada and Other Countries

Period	Canadian bonds and debentures(1)						Canadian common and preference stocks					
	Total transactions			United States			Total transactions			United States		
	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -	Sales to	Purchases from	Net sales + purch. -
millions of dollars												
1969 - Year .....	223.7	222.1	+ 1.6	75.8	103.6	- 27.8	881.3	827.6	+ 53.7	393.1	391.1	+ 2.0
1970 - Year .....	194.0	232.5	- 38.5	53.0	122.0	- 69.0	517.2	664.5	- 147.3	211.0	290.3	- 79.3
1971 - 6 months .....	104.9	159.4	- 54.5	38.1	76.0	- 37.9	377.8	447.7	- 69.9	159.1	185.5	- 26.4
1970 - January .....	9.0	11.8	- 2.8	1.4	4.8	- 3.4	53.0	63.0	- 10.0	22.4	30.2	- 7.8
February .....	18.4	14.1	+ 4.3	2.0	3.8	- 1.8	45.1	49.2	- 4.1	14.2	21.0	- 6.8
March .....	13.0	10.5	+ 2.5	2.3	6.7	- 4.4	61.0	50.6	+ 10.4	29.6	19.5	+ 10.1
1st quarter .....	40.9	36.4	+ 4.5	5.7	15.3	- 9.6	164.7	166.3	- 1.6	66.5	71.3	- 4.8
April .....	21.0	25.5	- 4.5	6.9	12.7	- 5.8	48.5	61.0	- 12.5	22.4	29.5	- 7.1
May .....	16.9	20.2	- 3.3	2.7	9.8	- 7.1	24.6	72.0	- 47.4	9.9	26.7	- 16.8
June .....	15.2	33.8	- 18.6	2.3	19.1	- 16.8	26.2	49.5	- 23.3	13.9	25.6	- 11.7
2nd quarter .....	53.6	79.6	- 26.0	11.9	41.6	- 29.7	104.3	185.9	- 81.6	46.5	82.3	- 35.8
July .....	11.3	17.6	- 6.3	1.6	12.7	- 11.1	21.2	37.0	- 15.8	8.0	18.0	- 10.0
August .....	14.2	17.5	- 3.3	4.4	11.0	- 6.6	27.8	37.0	- 9.2	12.7	17.4	- 4.7
September .....	15.4	22.7	- 7.3	3.3	10.2	- 6.9	38.4	50.0	- 11.6	16.3	21.6	- 5.3
3rd quarter .....	41.3	57.8	- 16.5	9.3	33.9	- 24.6	92.6	127.5	- 34.9	37.3	57.6	- 20.3
October .....	16.7	17.4	- 0.7	6.2	9.7	- 3.5	57.4	53.0	+ 4.4	26.6	23.2	+ 3.4
November .....	20.8	21.7	- 0.9	14.8	15.3	- 0.5	37.0	51.6	- 14.6	15.2	22.7	- 7.5
December .....	20.2	19.6	+ 0.6	5.1	6.1	- 1.0	56.1	76.9	- 20.8	18.6	32.6	- 14.0
4th quarter .....	58.2	58.7	- 0.5	26.1	31.2	- 5.1	155.6	184.8	- 29.2	60.7	79.1	- 18.4
1971 - January .....	12.8	21.4	- 8.6	4.2	10.8	- 6.6	43.9	67.6	- 23.7	16.4	32.9	- 16.5
February .....	11.3	19.7	- 8.4	3.5	6.2	- 2.7	54.9	64.0	- 9.1	19.4	21.8	- 2.4
March .....	20.4	34.4	- 14.0	7.7	13.9	- 6.2	74.9	84.4	- 9.5	33.8	32.2	+ 1.6
1st quarter .....	44.8	76.1	- 31.3	15.4	30.9	- 15.5	173.7	216.0	- 42.3	69.6	86.9	- 17.3
April .....	23.9	32.3	- 8.4	11.6	20.5	- 8.9	81.3	91.1	- 9.8	36.7	37.3	- 0.6
May .....	15.9	24.5	- 8.6	5.1	8.6	- 3.5	59.4	69.6	- 10.2	26.7	30.2	- 3.5
June .....	20.3	26.5	- 6.2	6.0	16.0	- 10.0	63.2	69.8	- 6.6	26.1	31.1	- 5.0
2nd quarter .....	60.1	83.3	- 23.2	22.7	45.1	- 22.4	204.1	231.7	- 27.6	89.5	98.6	- 9.1
July .....												
August .....												
September .....												
3rd quarter .....												
October .....												
November .....												
December .....												
4th quarter .....												

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

† Revised figures.

Note: Quarterly totals may include amounts related to transactions not allocable to a particular month.

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

TABLE 6. Transactions in Canadian Securities between Canada and Other Countries

Type of issue	1969	1970					1971	
	Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter	Second quarter
millions of dollars								
<u>Trade in Outstanding Canadian Securities between Canada and Other Countries</u>								
Bonds and debentures:								
Government of Canada - Direct .....	+ 23	+ 3	- 18	- 4	+ 1	- 18	- 20	- 3
- Guaranteed .....	+ 1	+ 1	- 2	- 1	- 1	- 3	- 3	- 2
Provincial government - Direct .....	- 26	+ 1	- 2	- 6	- 3	- 10	- 3	- 7
- Guaranteed .....	+ 13	+ 2	-	-	+ 4	+ 6	- 2	+ 3
Municipal government (including institutions) .....	- 6	- 1	- 3	- 3	- 1	- 8	- 1	- 4
Corporations .....	- 3	-	- 1	- 3	- 2	- 6	- 2	- 10
Sub-totals, bonds and debentures .....	+ 2	+ 6	- 26	- 17	- 2	- 39	- 31	- 23
Common and preference stocks .....	+ 53	- 3	- 81	- 35	- 28	- 147	- 43	- 27
Totals .....	+ 55	+ 3	- 107	- 52	- 30	- 186	- 74	- 50
<u>Proceeds of New Issues of Canadian Securities Sold to Non-residents</u>								
Bonds and debentures:								
Government of Canada - Direct .....	40	2	8	8	8	26	3	7
- Guaranteed .....	-	-	-	-	-	-	-	-
Provincial government - Direct .....	709	163	50	104	-	317	66	202
- Guaranteed .....	354	102	10	81	15	208	131	5
Municipal government (including institutions) .....	177	39	19	4	3	65	6	14
Corporations .....	597	179	102	89	168	538	85	128
Sub-totals, bonds and debentures .....	1,877	485	189	286	194	1,154	291	356
Common and preference stocks .....	212	34	6	9	16	65	4	11
Totals .....	2,089	519	195	295	210	1,219	295	367
<u>Retirements of Canadian Securities Held by Non-residents</u>								
Bonds and debentures:								
Government of Canada - Direct .....	83	3	126	13	12	154	1	10
- Guaranteed .....	-	-	-	-	-	-	-	-
Provincial government - Direct .....	51	9	7	9	17	42	15	136
- Guaranteed .....	40	17	43	4	5	69	12	32
Municipal government (including institutions) .....	88	23	17	19	31	90	19	22
Corporations .....	176	34	46	15	33	128	56	105
Sub-totals, bonds and debentures .....	438	86	239	60	98	483	103	305
Common and preference stocks .....	2	-	-	-	-	-	-	1
Totals .....	440	86	239	60	98	483	103	306

TABLE 7. Offerings and Deliveries of New Issues of Canadian Bonds and Debentures Sold to Residents of the United States

	1969	1970					1971	
	Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter	Second quarter
millions of dollars								
Undelivered balance, beginning of period .....	923	775	725	603	512	775	423	300
Offerings of current period .....	1,172	366	2	183	76	627	75	291
Sub-total .....	2,095	1,141	727	786	588	1,402	498	591
Deduct:								
Proceeds of offerings of current period .....	761	265	2	180	-	447	75	281
Proceeds of offerings of prior periods .....	559	151	122	94	165	532	123	56
Sub-total .....	1,320	416	124	274	165	979	198	337
Undelivered balance, end of period .....	775	725	603	512	423	423	300	254



TABLE 8. International Transactions in Selected Canadian Short-Term Money Market Instruments(1)

Item	All countries						United States					
	Sales to		Repurchases and maturities		Net sales + repurch. -		Sales to		Repurchases and maturities		Net sales + repurch. -	
	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971	1970	1971
millions of dollars												
<u>Government of Canada Treasury Bills</u>												
First quarter .....	229	31	238	30	- 9	+ 1	43	11	45	11	- 2	-
Second quarter .....	243	64	249	68	- 6	- 4	47	18	47	18	-	-
Third quarter .....	223		267		- 44		17		15		+ 2	
Fourth quarter .....	104		118		- 14		7		11		- 4	
Year .....	799		872		- 73		114		118		- 4	
<u>Buy-back transactions(2)</u>												
First quarter .....	-	-	-	-	-	-	-	-	-	-	-	-
Second quarter .....	14	-	14	-	-	-	-	-	-	-	-	-
Third quarter .....	37		37		-		31		31		-	
Fourth quarter .....	-		-		-		-		-		-	
Year .....	51		51		-		31		31		-	
<u>Finance company paper</u>												
First quarter .....	424	556	499	627	- 75	- 71	416	554	497	590	- 81	- 36
Second quarter .....	901	676	727	690	+ 174	- 14	810	674	642	654	+ 168	+ 20
Third quarter .....	893		818		+ 75		764		742		+ 22	
Fourth quarter .....	868		834		+ 34		749		742		+ 7	
Year .....	3,086		2,878		+ 208		2,739		2,623		+ 116	
<u>Commercial paper(3)</u>												
First quarter .....	287	161	280	194	+ 7	- 33	111	152	104	184	+ 7	- 32
Second quarter .....	292	223	299	187	- 7	+ 36	185	217	192	182	- 7	+ 35
Third quarter .....	139		159		- 20		125		146		- 21	
Fourth quarter .....	237		165		+ 72		218		147		+ 71	
Year .....	955		903		+ 52		639		589		+ 50	
<u>Other short-term paper(4)</u>												
First quarter .....	49	32	50	75	- 1	- 43	47	28	48	73	- 1	- 45
Second quarter .....	15	39	44	53	- 29	- 14	13	38	41	50	- 28	- 12
Third quarter .....	49		31		+ 18		40		23		+ 17	
Fourth quarter .....	137		76		+ 61		135		75		+ 60	
Year .....	250		201		+ 49		235		187		+ 48	
<u>Totals</u>												
First quarter .....	989	780	1,067	926	- 78	- 146	617	745	694	858	- 77	- 113
Second quarter .....	1,465	1,002	1,333	998	+ 132	+ 4	1,055	947	922	904	+ 133	+ 43
Third quarter .....	1,341		1,312		+ 29		977		957		+ 20	
Fourth quarter .....	1,346		1,193		+ 153		1,109		975		+ 134	
Year .....	5,141		4,905		+ 236		3,758		3,548		+ 210	

(1) The classification "Other finance company obligations" previously included in this statement, consisting of bank loans and inter-company accounts, can be obtained from the "Quarterly Estimates of the Canadian Balance of International Payments" (DBS Catalogue No. 67-001), where a more comprehensive presentation and analysis of Canada's capital movements in short-term forms is given.

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

(3) Including bankers' acceptances.

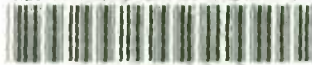
(4) Including notes of banks, mortgage loan companies and municipal and provincial governments.

TABLE 9. Selected Capital Market Statistics

Year & month	Stock prices		Selected capital market yields								Premium (+) or dis- count (-) on forward United States dollar(5)
	Canada DBS Investors' price index	United States Standard & Poor's "Standard 500"	Long-term			Short-term					
			Canadian industrials average(1)	Government of Canada average(2)	United States Government average(3)	Canadian finance company(2)	Euro- dollar(4)	Treasury bills			
								Canadian(2)	United States(2)	U.S. adj. to Canadian quotation basis	
	1961=100	1941-43=10									
1966 - March .....	131.9	88.88	6.22	5.58	4.57	6.07	..	5.06	4.56	4.68	+ .21
June .....	128.6	86.06	6.30	5.66	4.59	6.28	..	5.00	4.44	4.55	+ .14
September .....	115.1	77.81	6.83	5.75	4.82	6.40	..	5.01	5.50	5.66	- .29
December .....	116.5	81.33	6.83	5.76	4.54	6.63	..	4.96	4.75	4.87	- .33
1967 - March .....	129.2	89.42	6.65	5.48	4.42	5.39	..	4.13	4.15	4.25	- .13
June .....	131.5	91.43	7.07	5.87	4.93	5.54	..	4.28	3.46	3.54	+ .25
September .....	136.4	95.81	7.43	6.19	5.04	5.95	..	4.76	4.63	4.75	+ 1.18
December .....	130.9	95.30	7.59	6.54	5.35	6.57	6.25	5.95	4.99	5.87	+ .50
1968 - March .....	118.9	89.09	7.93	6.91	5.42	7.39	6.25	6.98	5.19	5.33	+ 1.91
June .....	131.5	100.53	8.05	6.62	5.15	7.20	6.75	6.56	5.24	5.38	+ 1.26
September .....	141.6	101.34	7.82	6.60	5.09	6.19	6.19	5.66	5.15	5.29	+ .90
December .....	151.9	106.48	8.18	7.27	5.82	6.65	7.06	6.24	6.20	6.39	+ .37
1969 - March .....	149.2	99.30	8.43	7.22	6.07	7.04	8.44	6.58	5.95	6.12	- .58
June .....	149.5	99.14	8.89	7.50	6.04	7.82	10.50	7.13	6.52	6.72	- 1.58
September .....	146.8	94.51	8.91	7.81	6.41	8.43	11.31	7.77	7.16	7.39	- .50
December .....	156.2	91.11	9.29	8.33	6.92	9.17	10.13	7.81	8.10	8.38	- .06
1970 - March .....	150.3	88.65	9.24	7.93	6.33	7.89	8.50	7.00	6.25	6.45	+ .08
June .....	126.1	75.59	9.24	8.09	6.59	7.31	9.00	5.94	6.63	6.84	- 1.40
September .....	134.6	82.58	9.19	7.88	6.52	6.70	8.38	5.39	5.81	5.98	- .66
December .....	142.5	90.05	8.83	6.99	6.05	5.57	6.44	4.44	4.83	4.96	- .42
1971 - January .....	146.3	93.54	8.19	6.67	5.78	5.45	5.81	4.68	4.20	4.30	+ .72
February .....	146.7	97.11	8.30	6.85	5.92	5.05	5.44	4.06	3.50	3.58	+ 1.03
March .....	150.1	99.60	8.37	6.76	5.54	3.39	5.31	3.16	3.52	3.60	+ .20
April .....	153.2	103.04	8.43	6.97	5.82	3.74	6.25	3.00	3.87	3.97	- .64
May .....	148.5	101.64	8.47	7.38	5.90	4.10	7.56	3.03	4.48	4.59	- 1.25
June .....	150.6	99.72	8.52	7.30	5.98	3.98	6.50	3.37	5.08	5.22	- 1.39
July .....											
August .....											
September .....											
October .....											
November .....											
December .....											

- (1) Source: McLeod, Young, Weir and Company Limited. Average term to maturity about 20 years; composition of portfolio available upon request from McLeod, Young, Weir and Company Limited. Wednesday average yield.  
 (2) Source: Bank of Canada. ) Treasury bill rates: average of tenders on 90-day bills bid in last week of each month. United States bills, ) quoted as percentage of maturity value for 360-day year. Long-term government averages include all issues due ) or callable in 10 years or more.  
 (3) Source: United States Federal Reserve Bulletin.  
 (4) Source: Morgan Guaranty Trust Company. Prime banks' bid for 3 month Euro-dollar deposits in London, at or near end of month.  
 (5) Rates per annum computed on basis of average 90-day forward spread on the spot noon rates. Average of daily figures.  
 .. Figures not available.

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010511619