

Several new appointments to the Council were announced by the Prime Minister during recent weeks. Colonel Douglas B. Weldon, Chairman of the Board of the Midland Securities Corporation, was named Chairman to succeed Dr. Claude Bissell, whose term expired on April 15, 1962. Colonel Weldon's appointment is until May 17, 1964. Gérard Filion, Publisher of the Montreal daily *Le Devoir*, succeeds Father G.H. Lévesque as Vice-Chairman of the Council for a five-year term. Father Lévesque, a member of the Massey Commission, was appointed to the Council on April 15, 1957. Other new members include Trevor Moore of Toronto, Park Jamieson, Q.C., of Sarnia, Ontario, Samuel Steinberg of Montreal, Professor Luc Lacourcière of Quebec, and Michael Wardell of Fredericton, New Brunswick. Margaret Harvey of Victoria, British Columbia, Gerald Winter of St. John's, Newfoundland, and Frank Lynch-Staunton of Lundbreck, Alberta, have been reappointed for second terms. Retiring from the Council are Samuel Bronfman of Montreal, Dr. L.W. Brockington of Toronto, Emile Tellier of Three Rivers, Quebec, and Lady Dunn of Fredericton.

SALES & PURCHASES OF SECURITIES

Trade in outstanding securities between Canada and other countries underwent a sharp change in May. Non-residents added to their holdings of Canadian securities through market purchases, Canada's net sales balance of \$2.4 million being in sharp contrast to the net repurchases of \$34.1 million of Canadian issues which occurred in April. Canadians, on the other hand, continued to be substantial net buyers of foreign securities as net purchases rose from \$11.6 million in April to \$14.0 million in May.

The sales balance from trade in outstanding Canadian securities arose entirely from the sale of bonds and debentures. Canadians repurchased some \$15.3 million of outstanding stocks. This was the largest monthly repurchase balance since the war, and residents of the United States joined those of overseas countries as net sellers for the first time in more than two years. The striking sales balance of \$17.7 million from trade with non-residents in outstanding Canadian bonds and debentures arose mainly from transactions with the United States. While the largest part of the balance was from trade in Government of Canada issues, there were also net sales of outstanding guaranteed, provincial, municipal and corporate issues.

The net purchases of \$14 million of outstanding foreign issues included about \$10 million of United States stocks and \$3 million of United Kingdom bonds.

There was an abrupt change in the role of non-residents in the Canadian stock market. Gross sales to non-residents, which represented an exceptionally high proportion of over one-third of the value of stock transactions on the principal Canadian exchanges in March and April, fell to an exceptionally low proportion of less than a fifth in May.

During the first five months of 1962, trade in all outstanding securities led to a purchase balance or net capital outflow of over \$98 million, roughly equivalent to the sales balance of capital inflow in the corresponding 1961 period. Purchase balances of \$41 million and \$57 million resulted from trading in Canadian and foreign securities, respectively. Canadians purchased \$29 million of securities from residents of the United States, \$34 million from residents of the United Kingdom, and \$35 million from residents of all other countries.

Included among the influences in these forms of capital movements are the shifts in interest differentials, stock prices, and exchange rates. The interest differential between Canada and the United States widened in May, stock prices in the United States fell relatively more than in Canada, and Canada established a fixed par value for the Canadian dollar involving a further measure of depreciation.

Excluded in the statistics in the report are transactions in Government of Canada treasury bills and other short-term issues, and in commercial and finance paper. In May the net effect of these transactions was to slightly more than offset the net purchase balance of \$11.6 million from trade in outstanding securities.

WINTER WORKS TO CONTINUE

The Federal Government will continue the municipal winter works programme again this winter on the same basis as last year, Labour Minister Starr announced recently.

The programme will run from October 15, 1962, to April 30, 1963. Its purpose is to create additional winter employment. Materials of Canadian manufacture must be used wherever possible. The Federal Government pays one-half the direct payroll costs of a municipality for approved works undertaken in winter time.

Mr. Starr said that last winter's programme had been the most successful up to that time and had substantially reduced the rate of winter unemployment. He said that it had provided "on-site" jobs for an estimated 146,000 men for a total of more than 5,800,000 man-days of work. The total cost of work undertaken was an estimated \$245 million. A total of 8,257 projects had been submitted by 2,746 local authorities last winter, including 46 Indian bands.