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INTERNAL TRADE BRANCH

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Sales and Purchases of Securities Between Canada and
Other Countries, 1933 to 1935

An important item in Canada's international trade is the purchase and sale of securities. There is a continuous movement over the border and across the seas of securities purchased or sold for investment or speculative purposes, for sinking funds or retirements, and so forth. This business amounts to large sums annually. In 1934 sales of securities by Canadians to other countries totalled \$321 millions and purchases from other countries \$312 millions. In these multitudinous transactions, Canadians may be selling abroad the securities of Canadian governments and corporations or they may be reselling British and foreign securities owned in Canada. On the other hand, they may be repurchasing from abroad Canadian securities held in other countries or they may be purchasing the government or corporation securities of other countries. In recent years the business has consisted almost entirely in old securities as distinct from new issues. Prior to the autumn of 1931 Canada floated many new bond issues of governments and corporations in New York. The largest percentage of these international transactions in securities in recent years probably have been in outstanding bonds, though stocks have played an important role.

International business in securities is, of course, subject to many influences, hence its extent shows great fluctuations. For example, in the first half of 1933 Great Britain purchased \$15 million in securities in Canada, this being while the pound sterling was at a discount. In the last half of 1933, when the pound rose to a premium, sales rose to \$66 millions or \$81 millions for the year. Throughout 1934 the pound sterling was strong, rising in several months to a premium over Canadian dollars. In that year Great Britain purchased \$102 millions of securities from Canada in the regular market. During 1933 United States purchases of Canadian securities amounted to \$206 millions and Canadian purchases from the United States to \$203 millions. For a portion of the year there was some tendency towards a flight of capital from the United States owing to the uncertain monetary situation. This was reflected in a purchase of Canadian securities principally those with optional payment in Canada, London and New York. Moreover, owing to the premium on New York funds which prevailed to October, there was an investment demand for Canadian securities. When the Canadian dollar began to approach parity with the United States dollar, and particularly when it reached a premium over the latter, the Canadian market absorbed a lot of profit-taking on the part of those Americans who had purchased our securities earlier in the year. In the stock market there were considerable purchases of Canadian gold and liquor stocks by Americans.

In 1934 Canadians purchased from the United States securities to the value of \$284 millions and sold to the United States securities worth \$216 millions. The favourable Canadian exchange situation probably accounts for the preponderance of purchases over sales. There was probably also a further profit-taking on securities purchased when exchange was highly favourable to the United States dollar.

The sale and purchase of securities abroad, as reported to the Dominion Bureau of Statistics for the month of May, 1935, by investment dealers, banks, stock exchanges and others, totalled \$23,759,785 for sales to other countries and \$14,320,567 for purchases from other countries. Sales to purchasers in the United States were \$22,057,755 and purchases by Canadians from the United States were \$10,976,937. Great Britain purchased from Canada \$1,362,195 and sold to Canadians \$2,929,576. Other countries purchased \$339,835 from Canada and sold to Canadians \$414,054.

For the first five months of 1933, 1934 and 1935, the record of purchases and sales was as follows:-

THE UNITED STATES OF AMERICA
DO hereby certify that
the following is a true and correct
copy of the original as the same
exists in the records of the
Department of the Interior.

Witness my hand and the seal of the
Department of the Interior at
Washington, D.C., this 1st day of
January, 1901.

JOHN W. FOSTER,
Secretary of the Interior.

Approved: _____

Whereas the following is a true and correct
copy of the original as the same
exists in the records of the
Department of the Interior.

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exists in the records of the
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Department of the Interior.

I

Month	Sales to United States			Purchases from United States		
	1933	1934	1935	1933	1934	1935
January	10,480,773	14,231,545	16,001,508	5,562,997	26,544,836	23,044,678
February	12,253,088	13,678,043	14,691,217	11,117,876	26,106,450	11,969,013
March	5,881,772	18,137,073	27,046,720	5,529,611	24,382,427	12,050,506
April	14,645,463	23,015,121	22,834,736	8,168,815	19,121,847	13,935,444
May	19,260,645	17,450,321	22,057,755	10,917,961	21,759,197	10,976,937
Total, 5 mos.	62,521,741	86,512,103	102,631,936	41,297,260	117,914,757	71,976,578

II

Month	Sales to Great Britain			Purchases from Great Britain		
	1933	1934	1935	1933	1934	1935
January	2,009,131	16,577,137	4,263,321	1,705,384	880,262	2,460,766
February	1,484,762	15,329,851	1,560,990	3,905,345	1,103,952	2,817,360
March	1,563,026	15,532,035	1,820,261	1,513,519	1,614,296	5,586,692
April	2,184,369	7,427,210	1,085,282	3,000,028	1,488,030	5,587,232
May	3,130,583	7,427,874	1,362,195	2,258,916	2,731,998	2,929,576
Total, 5 mos.	10,371,871	62,294,107	10,092,049	12,383,192	7,818,538	19,381,626

III

Month	Sales to Other Countries			Purchases from Other Countries		
	1933	1934	1935	1933	1934	1935
January	171,677	429,933	210,842	190,291	267,062	263,481
February	196,134	236,817	182,902	987,356	241,558	491,935
March	83,251	278,768	145,869	465,034	222,682	1,676,263
April	284,540	382,524	238,226	431,921	466,830	452,857
May	125,844	299,032	339,835	487,370	207,003	414,054
Total, 5 mos.	861,446	1,627,074	1,117,674	2,562,022	1,405,135	3,296,590

IV

Month	Total Sales to All Countries			Total Purchases from All Countries		
	1933	1934	1935	1933	1934	1935
January	12,661,581	31,238,615	20,475,671	7,458,672	27,692,160	25,768,925
February	13,933,984	29,244,711	16,435,109	16,010,577	27,451,960	15,278,308
March	7,528,049	33,947,876	29,012,850	7,508,214	26,219,405	19,313,461
April	17,114,372	30,824,855	24,158,244	11,600,764	21,076,707	19,975,533
May	22,517,072	25,177,227	23,759,785	13,664,247	24,698,198	14,320,567
Total, 5 mos.	73,755,058	150,433,284	113,841,559	56,242,474	127,138,430	94,656,794

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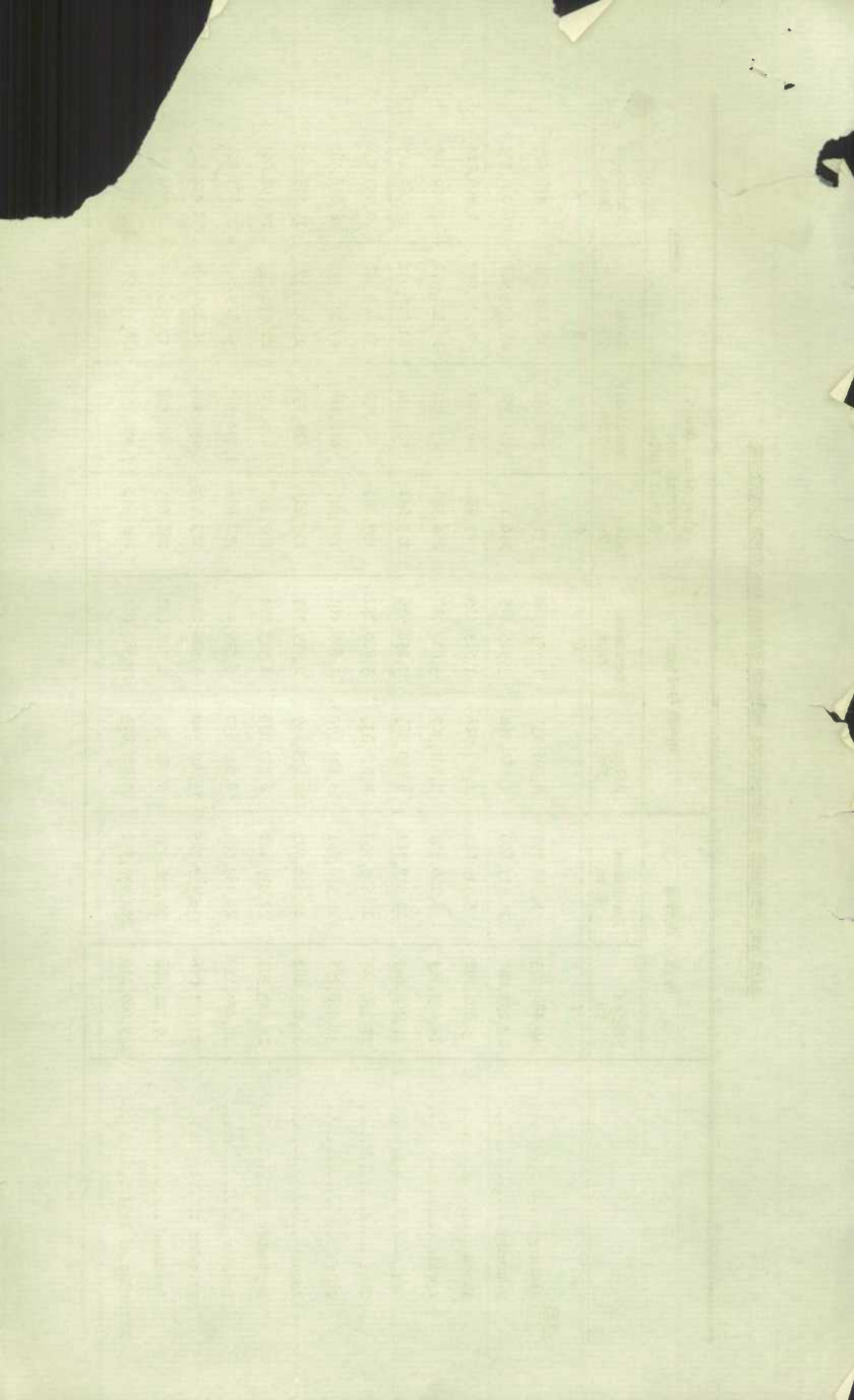
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100,000.00	100,000.00

1916	
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100,000.00	100,000.00
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100,000.00	100,000.00

1917	
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100,000.00	100,000.00
100,000.00	100,000.00
100,000.00	100,000.00
100,000.00	100,000.00

SALE AND PURCHASE OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

	United States		Great Britain		Other than Great Britain and United States		TOTAL	
	Sales To	Purchases From	Sales To	Purchases From	Sales To	Purchases From	Sales To	Purchases From
	\$	\$	\$	\$	\$	\$	\$	\$
<u>1933</u>								
January	10,480,773	5,562,997	2,009,131	1,705,384	171,677	190,291	12,661,581	7,458,672
February	12,253,088	11,117,876	1,484,762	3,905,345	196,134	987,356	13,933,984	16,010,577
March	5,881,772	5,529,611	1,563,026	1,513,519	83,251	465,084	7,528,049	7,508,214
April	14,645,463	8,168,815	2,184,369	3,000,028	284,540	431,921	17,114,372	11,600,764
May	19,260,645	10,917,961	3,130,583	2,258,916	125,844	487,370	22,517,072	13,664,247
June	29,256,349	16,905,735	4,076,333	3,620,252	109,686	427,551	33,442,368	20,953,538
July	31,408,256	26,376,851	15,534,970	1,881,461	177,507	613,168	47,120,733	28,876,480
August	12,803,182	12,671,497	10,835,259	2,479,727	215,211	424,731	23,853,652	15,575,955
September	14,043,301	22,839,188	8,720,076	1,573,474	207,156	489,942	22,970,533	24,902,604
October	22,494,117	25,187,003	8,279,850	2,839,442	251,836	1,794,982	31,025,803	29,821,427
November	23,431,076	36,459,725	13,201,540	1,504,215	172,173	490,263	36,804,789	38,454,203
December	9,722,088	21,202,339	9,787,914	1,306,051	266,633	392,518	19,776,635	22,900,908
12 months of 1933	205,680,110	202,939,598	80,807,813	27,587,814	2,261,648	7,200,177	288,749,571	237,727,727



SALE AND PURCHASE OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

	United States		Great Britain		Other than Great Britain and United States		TOTAL	
	Sales To	Purchases From	Sales To	Purchases From	Sales To	Purchases From	Sales To	Purchases From
	\$	\$	\$	\$	\$	\$	\$	\$
<u>1934</u>								
January	14,231,545	26,544,836	16,577,137	880,262	429,933	257,062	31,238,615	27,692,160
February	13,678,042	26,106,450	15,329,851	1,103,952	236,817	241,558	29,244,711	27,451,960
March	18,137,073	24,382,427	15,532,035	1,614,296	278,768	222,682	33,947,876	26,219,405
April	23,015,121	19,121,847	7,427,210	1,488,030	382,524	466,830	30,824,855	21,076,707
May	17,450,321	21,759,197	7,427,874	2,731,998	299,032	207,003	25,177,227	24,698,198
June	17,470,866	16,450,606	10,284,990	2,449,435	223,907	944,968	27,979,763	19,845,009
July	17,348,983	19,396,713	3,746,970	1,397,213	124,561	341,122	21,220,514	21,135,048
August	23,636,938	33,368,764	5,290,921	2,197,539	249,100	260,646	29,176,959	35,826,949
September	15,483,299	26,393,230	3,304,565	1,229,079	323,614	242,138	19,111,478	27,864,447
October	21,967,108	23,051,235	4,534,646	2,960,556	256,310	301,091	26,758,064	26,312,882
November	16,545,462	19,931,263	8,244,740	2,050,084	141,731	481,641	24,931,933	22,462,988
December	16,981,784	27,655,996	4,411,256	3,654,875	166,453	360,531	21,559,493	31,671,402
12 months of 1934	215,946,543	284,162,564	102,112,195	23,757,319	3,112,750	4,337,272	321,171,488	312,257,155

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