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Dominion Statistician: S. A. Cudmore, M.A. (Oxon.) F.S.S., F.R.S.C.
Chief, International Payments Branch C. D. Blyth, B.A.

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

November, 1944.

Net sales of securities by Canada to other countries in November were \$4.0 million compared with \$8.2 million in October and \$3.4 million in September. This represents one of the smallest monthly inflows of capital during recent years.

Sales of Canadian bonds to the United States continued to be the principal element in this inflow of capital to Canada, amounting to \$3.9 million on balance. These sales were distributed among each group of bonds; although sales of Other Corporations issues accounted for \$2.0 million of the total net sales of Canadian bonds to the United States. Canadian stocks were sold on balance in the trade with the United States while the liquidation of United States stocks amounted to \$0.8 million.

Net repurchases of securities from the United Kingdom of \$1.9 million were distributed between Canadian stocks and bonds.

There were net sales of \$0.2 million to other countries.

In the first eleven months of 1944 the balance of sales to all countries was \$94.2 million compared with \$164.3 million in the same months of 1943. Reduced sales of Canadian bonds account for most of the decline in capital inflow, net sales of these being \$77.3 million in the eleven months of 1944 compared with \$135.2 million in the same period of 1943. In this period of 1944 repurchases of Canadian stocks of \$5.4 million compare with net sales of Canadian stocks of \$1.3 million in the corresponding period of 1943. Sales of United States securities in this period were \$17.1 million compared with \$23.6 million in 1943.

The investors price index of common stocks in Canada and the index of United States stocks declined slightly as did the index numbers of composite mining stock in Canada. The prices of government bonds remained relatively stable. The official buying and selling rates for foreign exchange remained at the levels fixed in September 1943.

The international trade in securities shown by statistics in this bulletin was carried on through the medium of the investment dealers, stock exchanges, banks Canadian branches of United States houses and other agencies in Canada. It should be noted that certain types of international security transactions are not included in these statistics. Besides some transactions carried on directly outside of Canada independently of the reporting agencies the most important group of security transactions not included are new issues of Canadian securities floated abroad, the redemption of called or matured Canadian bonds owned abroad, and official repatriation operations. For a period of years, retirements of Canadian bonds owned outside of Canada have exceeded flotations of new issues abroad by substantial amounts. Statistics of these capital movements are included in the annual reports of the Canadian Balance of International Payments.

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
(in millions of dollars to nearest hundred thousand)

Table 1.

Year and Month.	Total Transactions			United States			United Kingdom			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.-
1942												
TOTAL	167.0	61.5	+ 105.5	165.1	56.0	+ 109.1	0.1	4.3	- 4.2	1.8	1.2	+ 0.6
November ..	9.5	4.3	+ 5.2	9.4	3.9	+ 5.5	(1)	0.3	- 0.3	0.1	(1)	+ 0.1
December ..	13.5	5.7	+ 7.8	13.3	5.1	+ 8.2	-	0.4	- 0.4	0.3	0.2	+ 0.1
1943												
TOTAL	267.9	95.7	+ 172.2	264.0	83.1	+ 180.9	0.1	10.7	- 10.6	3.8	1.9	+ 1.9
January ...	19.2	7.9	+ 11.3	18.9	7.4	+ 11.5	(1)	0.5	- 0.5	0.3	(1)	+ 0.3
February ..	22.2	7.2	+ 15.0	21.7	6.6	+ 15.1	(1)	0.5	- 0.5	0.4	0.1	+ 0.3
March	25.5	12.1	+ 13.4	25.1	11.1	+ 14.0	(1)	0.7	- 0.7	0.4	0.3	+ 0.1
April	28.7	7.5	+ 21.2	28.6	6.9	+ 21.7	(1)	0.4	- 0.4	0.2	0.3	- 0.1
May	17.6	7.5	+ 10.1	17.3	6.6	+ 10.7	(1)	0.6	- 0.6	0.2	0.2	-
June	35.2	7.3	+ 27.9	34.8	6.1	+ 28.7	(1)	0.9	- 0.9	0.4	0.3	+ 0.1
July	31.7	9.7	+ 22.0	31.1	8.2	+ 22.9	(1)	1.2	- 1.2	0.6	0.3	+ 0.3
August	20.5	7.3	+ 13.2	20.2	6.2	+ 14.0	(1)	1.0	- 1.0	0.3	0.1	+ 0.2
September .	10.2	7.6	+ 2.6	9.8	5.3	+ 4.5	(1)	2.2	- 2.2	0.3	0.1	+ 0.2
October....	27.9	6.8	+ 21.1	27.8	6.0	+ 21.8	(1)	0.7	- 0.7	0.1	0.1	-
November ..	12.1	5.7	+ 6.4	12.0	5.0	+ 7.0	(1)	0.6	- 0.6	0.1	0.1	-
December ..	17.0	9.2	+ 7.8	16.7	7.7	+ 9.0	(1)	1.4	- 1.4	0.3	0.1	+ 0.2
1944												
TOTAL	194.9	100.7	+ 94.2	189.0	82.5	+ 106.5	0.5	15.6	- 15.1	5.4	2.6	+ 2.8
January ...	16.6	10.5	+ 6.1	15.7	7.9	+ 7.8	(1)	2.1	- 2.1	0.9	0.5	+ 0.4
February ..	16.1	8.6	+ 7.5	15.6	6.6	+ 9.0	(1)	1.9	- 1.9	0.5	0.1	+ 0.4
March	20.4	9.7	+ 10.7	19.3	7.9	+ 11.4	(1)	1.2	- 1.2	1.1	0.6	+ 0.5
April	12.9	6.3	+ 6.6	12.8	5.8	+ 7.0	(1)	0.5	- 0.4	0.1	(1)	(1)
May	26.9	8.2	+ 18.7	26.5	6.8	+ 19.7	(1)	1.1	- 1.1	0.4	0.3	+ 0.1
June	20.5	10.3	+ 10.2	20.4	9.0	+ 11.4	(1)	1.3	- 1.3	0.2	0.1	+ 0.1
July	20.8	11.1	+ 9.7	20.0	9.7	+ 10.3	0.3	1.2	- 0.9	0.5	0.2	+ 0.3
August	18.5	10.1	+ 8.4	18.0	8.9	+ 9.1	0.1	1.0	- 0.9	0.4	0.2	+ 0.2
September .	11.6	8.2	+ 3.4	11.1	6.1	+ 5.0	(1)	1.9	- 1.9	0.5	0.2	+ 0.5
October ...	16.1	7.9	+ 8.2	15.9	6.4	+ 9.5	(1)	1.4	- 1.4	0.2	0.1	+ 0.3
November(x)	13.5	9.5	+ 4.0	13.0	7.3	+ 5.7	(1)	1.9	- 1.9	0.5	0.3	+ 0.2

(1) Less than 0.05

(x) Subject to revision

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES NOVEMBER 1944

Table 2.

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds & Debentures, Total	\$ 8,167,909	\$ 4,656,100	\$ 7,685,037	\$ 3,193,910	\$ -	\$ 1,413,378	\$ 482,872	\$ 48,812
Canadian New Issues	38,900	-	21,800	-	-	-	17,100	-
Canadian Outstanding Issues								
Dominion	2,925,337	1,744,826	2,462,585	1,708,888	-	9,251	462,752	26,687
Provincial	715,512	207,918	715,512	19,547	-	188,371	-	-
Municipal	199,851	161,863	199,851	59,337	-	102,526	-	-
Guaranteed by the Dominion.	253,623	-	253,623	-	-	-	-	-
Railway, Other	206,481	227,216	206,481	156,714	-	70,502	-	-
Other Corporations.....	2,187,394	1,280,960	2,186,871	217,803	-	1,041,728	523	21,429
United States New Issues								
Government	-	1,000	-	-	-	1,000	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues								
Government	447,381	454,096	447,381	454,096	-	-	-	-
Other	514,826	357,432	514,826	357,432	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	312,428	6,761	309,931	6,065	-	-	2,497	696
Unspecified Bonds & Debentures .	366,176	214,028	366,176	214,028	-	-	-	-
Common & Preference Stocks								
Canadian	2,781,701	3,087,827	2,730,985	2,370,875	1,581	480,015	49,135	236,937
United States	2,612,192	1,758,129	2,612,192	1,758,129	-	-	-	-
United Kingdom	-	29,291	-	29,291	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	2,135	-	2,135	-	-	-	-	-
TOTAL	13,563,937	9,531,347	13,030,349	7,352,205	1,581	1,893,393	532,007	285,749

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES—ELEVEN MONTHS ENDING NOVEMBER, 1944

Table 2A.

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds & Debentures, Total	\$ 128,957,566	\$ 46,336,298	\$ 124,023,335	\$ 33,256,343	\$ 305,052	\$ 10,231,540	\$ 4,629,179	\$ 1,848,415
Canadian New Issues	452,166	-	211,605	-	-	-	240,561	-
Canadian Outstanding Issues								
Dominion	36,080,202	12,858,562	32,437,879	11,853,305	300,558	51,550	3,341,765	953,707
Provincial	26,841,819	3,253,678	26,821,512	1,081,879	-	2,155,798	20,307	16,001
Municipal	10,607,486	5,645,044	10,605,999	1,065,608	-	4,559,112	1,487	20,324
Guaranteed by the Dominion.	14,083,268	411,475	14,078,268	341,900	-	708	5,000	68,867
Railway, Other	8,192,151	3,238,076	8,076,851	2,778,580	-	304,672	115,300	154,824
Other Corporations	13,828,362	7,410,671	13,195,876	3,713,249	-	3,134,464	632,486	562,958
United States New Issues								
Government	-	295,935	-	294,935	-	1,000	-	-
Other	-	178,623	-	178,623	-	-	-	-
United States Outstanding Issues								
Government	4,789,802	6,019,496	4,789,802	6,018,846	-	-	-	650
Other	5,100,778	2,915,896	5,100,778	2,913,960	-	-	-	1,936
United Kingdom New Issues								
Government	-	507	-	507	-	-	-	-
Other	-	1,650	-	1,650	-	-	-	-
United Kingdom Outstanding Issues								
Government	118,607	-	114,113	-	4,494	-	-	-
Other	780,707	169,589	672,207	164,382	-	5,207	108,500	-
Other Countries New Issues	-	60,084	-	19,249	-	11,610	-	29,225
Other Countries Outstanding Issues	2,888,386	478,944	2,724,613	431,602	-	7,419	163,773	39,923
Unspecified Bonds & Debentures .	5,193,832	3,398,068	5,193,832	3,398,068	-	-	-	-
Common & Preference Stocks								
Canadian	31,609,863	37,038,470	30,754,983	31,029,241	124,247	5,299,554	730,633	709,675
United States	33,375,569	16,829,638	33,358,545	16,749,334	14,643	76,021	2,381	4,283
United Kingdom	665,164	107,600	601,116	78,848	63,975	28,752	73	-
Other Countries	2,322	15,715	1,048	14,595	-	-	1,274	1,120
Short-Term Securities (1 year or less) ...	251,745	396,006	251,745	394,954	-	1,052	-	-
Other Securities								
Canadian	650	8,383	650	5,804	-	2,560	-	19
United States	618	-	618	-	-	-	-	-
United Kingdom	2,135	-	2,135	-	-	-	-	-
TOTAL	194,865,632	100,732,110	188,994,175	82,529,119	507,917	15,639,479	5,363,540	2,563,512

Table 3.

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -
BY NATIONALITY AND CLASS OF SECURITY. (SUMMARY TABLE) NOVEMBER, 1944.

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Canadian Securities, Total	\$ 9,308,799	\$ 6,710,610	\$ 8,777,708	\$ 4,533,164	\$ 1,581	\$ 1,892,393	\$ 529,510	\$ 285,053
Bonds & Debentures	6,527,098	3,622,783	6,046,725	2,162,289	-	1,412,378	480,375	48,116
Common & Preference Stocks .	2,781,701	3,087,827	2,730,985	2,370,875	1,581	480,015	49,135	236,937
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total.	3,574,399	2,570,657	3,574,399	2,569,657	-	1,000	-	-
Bonds & Debentures	962,207	812,528	962,207	811,528	-	1,000	-	-
Common & Preference Stocks .	2,612,192	1,758,129	2,612,192	1,758,129	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	2,135	29,291	2,135	29,291	-	-	-	-
Bonds & Debentures	-	-	-	-	-	-	-	-
Common & Preference Stocks .	-	29,291	-	29,291	-	-	-	-
Other Securities	2,135	-	2,135	-	-	-	-	-
Other Countries Securities, Total	312,428	6,761	309,931	6,065	-	-	2,497	696
Bonds & Debentures	312,428	6,761	309,931	6,065	-	-	2,497	696
Common & Preference Stocks .	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures .	366,176	214,028	366,176	214,028	-	-	-	-
TOTAL	13,563,937	9,531,347	13,030,349	7,352,205	1,581	1,893,393	532,007	285,749

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY.

Table 3A

For the eleven months ending, November, 1944.

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
			\$	\$	\$	\$	\$	\$
Canadian Securities, Total	141,695,967	69,864,359	136,183,623	51,869,566	424,805	15,508,418	5,087,539	2,486,375
Bonds & Debentures	110,085,454	32,817,506	105,427,990	20,854,521	300,558	10,206,304	4,356,906	1,776,681
Common & Preference Stocks	31,609,863	37,058,470	30,754,983	31,029,241	124,247	5,299,554	730,633	709,675
Other Securities	650	8,383	650	5,804	-	2,560	-	19
United States Securities,								
Total	43,286,767	26,239,588	43,249,743	26,155,698	14,643	77,021	2,381	6,869
Bonds & Debentures	9,890,580	9,409,950	9,890,580	9,406,364	-	1,000	-	2,586
Common & Preference Stocks	33,375,569	16,829,638	33,358,545	16,749,334	14,643	76,021	2,381	4,283
Other Securities	618	-	618	-	-	-	-	-
United Kingdom Securities,								
Total	1,566,613	279,346	1,589,571	245,387	68,469	33,959	108,573	-
Bonds & Debentures	899,314	171,746	786,320	166,539	4,494	5,207	108,500	-
Common & Preference Stocks	665,164	107,600	501,116	78,848	63,975	28,752	73	-
Other Securities	2,135	-	2,135	-	-	-	-	-
Other Countries Securities,								
Total	2,890,708	554,743	2,725,661	465,446	-	19,029	165,047	70,268
Bonds & Debentures	2,888,386	539,028	2,724,613	450,851	-	19,029	163,773	69,148
Common & Preference Stocks	2,322	15,715	1,048	14,595	-	-	1,274	1,120
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) ..	251,745	396,006	251,745	394,954	-	1,052	-	-
Unspecified Bonds & Debentures	5,193,832	3,398,068	5,193,832	3,398,068	-	-	-	-
TOTAL	194,865,632	100,732,110	188,994,175	82,529,119	507,917	15,639,479	5,363,540	2,563,512

BID PRICE AND YIELD FOR DOMESTIC GOVERNMENT BONDS IN UNITED KINGDOM,
UNITED STATES AND CANADA

Table 4.

	United Kingdom		United States			Dominion of Canada	
	$3\frac{1}{2}$ War Loan Callable on or after Dec. 1, 1952+		3% of Sept. 15, 1955, callable on or after Sept. 15, 1951			3% of June 1, 1955, callable on or after June 1, 1950	
	Price	Yield	Price	Yield	Tax Equiv. ^x	Price	Yield
1942							
August 16 ..	105.04	2.93	110.28	1.76	2.70	99.50	3.05
September 14 ..	105.03	2.92	110.22	1.76	2.70	99.50	3.05
October 14 ..	105.30	2.92	110.22	1.76	2.70	99.50	3.05
November 18 ..	104.37	2.99	110.25	1.74	2.68	99.50	3.05
December 16 ..	104.24	3.00	110.00	1.76	2.70	99.63	3.04
1943							
January 13 ..	105.03	2.91	110.16	1.73	2.67	99.63	3.04
February 17 ..	104.56	2.96	110.19	1.72	2.66	100.00	3.00
March 17 ..	104.43	2.97	110.06	1.72	2.66	100.13	2.98
April 14 ..	104.35	2.98	110.38	1.67	2.61	100.00	3.00
May 12 ..	103.63	3.06	111.06	1.58	2.52	100.00	3.00
June 16 ..	103.24	3.10	111.50	1.51	2.45	100.13	2.98
July 14 ..	103.53	3.06	112.06	1.43	2.37	100.25	2.96
August 18 ..	102.88	3.14	111.75	1.45	2.39	100.38	2.94
September 15 ..	102.74	3.16	111.72	1.44	2.38	100.38	2.94
October 13 ..	103.53	3.05	111.66	1.44	2.38	100.38	2.94
November 17 ..	103.44	3.06	111.34	1.46	2.40	100.38	2.94
December 15 ..	103.18	3.09	111.03	1.49	2.43	100.50	2.92
1944							
January 19 ..	103.16	3.09	111.06	1.47	2.41	100.88	2.85
February 16 ..	103.14	3.09	111.16	1.44	2.38	101.25	2.78
March 15 ..	102.93	3.11	111.34	1.40	2.34	101.38	2.76
April 19 ..	102.91	3.11	111.31	1.39	2.33	101.25	2.78
May 17 ..	103.33	3.05	111.25	1.38	2.34	101.25	2.77
June 14 ..	103.19	3.07	111.13	1.38	2.34	101.25	2.77
July 19 ..	103.10	3.08	111.19	1.36	2.32	101.25	2.77
August 16 ..	103.02	3.08	111.09	1.35	2.31	101.33	2.74
September 13 ..	103.31	3.04	110.56	1.42	2.38	101.50	2.71
October 18 ..	103.42	3.02	110.53	1.40	2.36	101.38	2.73
November 15 ..	104.09	2.93	110.38	1.40	2.36	101.38	2.73

* All prices are quoted on an "and interest" basis. The price of the United Kingdom War Loan has been adjusted from the "flat" basis on which it is quoted in London.

^x Yield on a comparable taxable security which would give an equivalent net return to holders who were subject to income tax at the flat corporation rates. This rate was 16 $\frac{1}{2}\%$ to December 31, 1939; 18% to June, 1940; and 20.9% to July, August and September; and 24% in October and thereafter.

INDEX NUMBERS OF COMMON STOCKS PRICES IN CANADA
AND THE UNITED STATES
(1935-39=100)

Table 5.

	C A N A D A			United States (402) (Standard & Poor's Corp.) (354 Industrials 20 Railroads 28 Utilities)	
	Dominion Bureau of Statistics		Composite Mining Index (25)		
	Inventors' Price Index (95)	Mining Stocks			
	(68 Industrials 19 Utilities 8 Banks)	Gold Stocks (22)	Composite Mining Index (25)		
<u>1942</u>					
May	62.0	39.6	51.7	63.2	
June	62.8	42.6	53.2	66.1	
July	62.4	39.3	50.6	68.2	
August	61.6	38.0	49.4	68.3	
September	62.6	38.4	49.7	69.4	
October	65.0	33.3	46.2	74.2	
November	67.6	40.7	51.8	75.2	
December	71.3	44.7	54.7	74.7	
<u>1943</u>					
January	76.3	50.1	60.0	79.7	
February	78.7	52.0	61.5	84.8	
March	79.1	55.6	65.0	88.2	
April	82.6	59.0	68.6	91.3	
May	83.7	56.6	66.9	95.2	
June	86.3	59.1	68.4	96.7	
July	91.0	62.8	71.5	98.5	
August	88.9	66.4	75.1	94.4	
September	89.3	71.9	79.2	95.6	
October	86.4	68.5	77.2	94.8	
November	79.6	65.9	72.9	91.4	
December	80.5	68.5	74.9	91.8	
<u>1944</u>					
January	81.5	72.2	78.5	94.6	
February	82.0	71.3	77.5	94.4	
March	81.5	70.1	76.0	96.6	
April	79.3	70.4	78.0	95.1	
May	79.9	69.2	77.5	97.2	
June	83.7	74.1	82.2	101.5	
July	87.5	80.0	87.3	104.3	
August	86.8	78.4	85.3	102.7	
September	85.0	77.4	84.9	100.7	
October	86.2	75.6	84.1	103.5	
November	86.0	75.9	83.1	102.7	