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DOMINION BUREAU OF STATISTICS - CANADA
INTERNATIONAL PAYMENTS BRANCH

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No. 9

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

September, 1944.

Net sales of securities by Canada to other countries in September were \$3.4 million compared with \$8.4 million in August and \$9.7 million in July. This represents a smaller inflow of capital than in any month since September 1943 and mainly reflects a contraction in sales of Canadian bonds to the United States.

While smaller in volume, the net sales of bonds to the United States of \$3.3 million continued to be distributed among each group of Canadian bonds with the exception of Dominion issues which were repurchased on balance. Canadian stocks were also repurchased from the United States. There were net sales of United States stocks of about \$1.6 million arising from a smaller volume of trading.

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

There were net sales of \$0.3 million to other countries.

In the first three quarters of 1944 the balance of sales to all countries was \$81.3 million compared with \$136.8 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 \$68.9 million in the nine months of 1944 compared with \$111.7 million in the same months of 1943. In this period of 1944 repurchases of Canadian stocks of \$5.3 million compare with net sales of Canadian stocks of \$1.2 million in the first three quarters of 1943. Sales of United States securities in this period were \$13.9 million in 1944 compared with \$20.8 million in 1943.

Each of the index numbers of common stock prices in Canada and the United States shown in Table 5 declined in September while the government bonds shown in Table 4 remained relatively stable. The official buying and selling rates for foreign exchange remained at the levels fixed in September, 1939.

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
September .	10.8	4.0	+ 6.8	10.8	3.7	+ 7.1	(1)	0.3	- 0.3	(1)	(1)	-
October ...	20.2	4.8	+ 15.4	20.1	4.4	+ 15.7	(1)	0.4	- 0.4	0.1	(1)	+ 0.1
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	164.5	83.2	+ 81.3	159.4	68.7	+ 90.7	0.5	12.3	-11.8	4.6	2.2	+ 2.4
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(x)	11.6	8.2	+ 3.4	11.1	6.1	+ 5.0	(1)	1.9	- 1.9	0.5	0.2	+ 0.3

(1) Less than 0.05

(x) Subject to revision

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -- SEPTEMBER, 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	6,377,945	3,914,121	5,911,308	2,324,944	2,230	1,398,567	464,407	190,610
Canadian New Issues	-	-	-	-	-	-	-	-
Canadian Outstanding Issues								
Dominion	1,387,076	1,245,966	1,013,831	1,137,966	-	4,294	373,245	103,706
Provincial	1,878,114	208,113	1,860,597	14,251	-	193,862	17,517	-
Municipal	462,423	1,014,415	462,423	77,016	-	937,399	-	-
Guaranteed by the Dominion.	413,030	6,117	413,030	6,117	-	-	-	-
Railway, Other	178,784	87,382	178,784	69,800	-	15,277	-	2,305
Other Corporations	876,213	458,478	819,223	136,394	-	244,885	56,990	77,199
United States New Issues								
Government	-	25,460	-	25,460	-	-	-	-
Other	-	75,137	-	75,137	-	-	-	-
United States Outstanding Issues								
Government	264,812	495,997	264,812	495,997	-	-	-	-
Other	495,870	150,482	495,870	150,482	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	2,230	-	-	-	2,230	-	-	-
Other	-	-	-	-	-	-	-	-
Other Countries New Issues	-	8,854	-	1,454	-	-	-	7,400
Other Countries Outstanding Issues	207,573	17,290	190,918	14,440	-	2,850	16,655	-
Unspecified Bonds & Debentures .	211,820	120,430	211,820	120,430	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	2,472,682	3,139,700	2,390,063	2,548,599	11,227	534,406	71,392	56,695
United States	2,740,787	1,176,463	2,740,787	1,175,361	-	-	-	1,102
United Kingdom	44,454	1,540	11,785	1,540	32,669	-	-	-
Other Countries	-	3,350	-	3,350	-	-	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
<u>Other Securities</u>								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	11,635,863	8,235,174	11,053,943	6,053,794	46,126	1,932,973	535,799	248,407

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -- NINE MONTHS ENDING SEPTEMBER, 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	110,561,024	37,714,948	106,283,352	28,219,667	305,052	7,728,402	3,972,620	1,766,879
Canadian New Issues	233,334	-	162,452	-	-	-	70,882	-
Canadian Outstanding Issues								
Dominion	31,053,017	10,007,540	27,883,743	9,058,597	300,558	41,139	2,868,716	907,804
Provincial	24,206,318	2,922,689	24,186,011	1,028,218	-	1,879,679	20,307	14,792
Municipal	9,832,144	4,568,217	9,830,657	913,361	-	3,636,743	1,487	18,113
Guaranteed by the Dominion.	11,590,432	406,095	11,585,432	336,520	-	708	5,000	68,867
Railway, Other	7,889,945	2,971,294	7,774,645	2,588,635	-	227,835	115,300	154,824
Other Corporations	10,691,838	5,771,998	10,069,384	3,322,495	-	1,918,062	622,454	531,441
United States New Issues								
Government	-	294,428	-	294,428	-	-	-	-
Other	-	178,623	-	178,623	-	-	-	-
United States Outstanding Issues								
Government	4,070,158	4,769,515	4,070,158	4,768,865	-	-	-	650
Other	3,736,507	2,099,125	3,736,507	2,097,189	-	-	-	1,936
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	1,650	-	1,650	-	-	-	-
United Kingdom Outstanding Issues								
Government	118,607	-	114,113	-	4,494	-	-	-
Other	775,300	169,589	666,800	164,382	-	5,207	108,500	-
Other Countries New Issues	-	60,084	-	19,249	-	11,610	-	29,225
Other Countries Outstanding Issues	2,069,718	462,554	1,909,744	415,908	-	7,419	159,974	39,227
Unspecified Bonds & Debentures .	4,293,706	3,031,547	4,293,706	3,031,547	-	-	-	-
Common & Preference Stocks								
Canadian	25,556,920	30,847,211	24,811,388	25,905,299	108,525	4,491,399	637,007	450,513
United States	27,527,109	14,118,141	27,510,085	14,091,677	14,643	22,181	2,381	4,283
United Kingdom	594,077	64,356	530,029	35,604	63,975	28,752	73	-
Other Countries	2,322	4,470	1,048	3,350	-	-	1,274	1,120
Short-Term Securities (1 year or less) ...	251,025	396,006	251,025	394,954	-	1,052	-	-
Other Securities								
Canadian	650	5,823	650	5,804	-	-	-	19
United States	618	-	618	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	164,493,745	83,150,955	159,388,195	68,656,355	492,195	12,271,786	4,613,355	2,222,814

Table 3. SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -
BY NATIONALITY AND CLASS OF SECURITY. (SUMMARY TABLE) SEPTEMBER, 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	7,668,322	6,160,171	7,137,951	3,990,143	11,227	1,930,123	519,144	239,905
Bonds & Debentures	5,195,640	3,020,471	4,747,888	1,441,544	-	1,395,717	447,752	183,210
Common & Preference Stocks .	2,472,682	3,139,700	2,390,063	2,548,599	11,227	534,406	71,392	56,695
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total.	3,501,469	1,923,539	3,501,469	1,922,457	-	-	-	1,102
Bonds & Debentures	760,682	747,076	760,682	747,076	-	-	-	-
Common & Preference Stocks .	2,740,787	1,176,463	2,740,787	1,175,361	-	-	-	1,102
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	46,684	1,540	11,785	1,540	34,899	-	-	-
Bonds & Debentures	2,230	-	-	-	2,230	-	-	-
Common & Preference Stocks .	44,454	1,540	11,785	1,540	32,669	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	207,573	29,494	190,918	19,244	-	2,850	16,655	7,400
Bonds & Debentures	207,573	26,144	190,918	15,894	-	2,850	16,655	7,400
Common & Preference Stocks .	-	3,350	-	3,350	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures .	211,820	120,430	211,820	120,430	-	-	-	-
TOTAL	11,635,868	8,235,174	11,053,943	6,053,794	46,126	1,932,973	535,799	248,407

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

Table 3A.

For the nine months ending September, 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...	121,054,598	57,500,867	116,304,362	43,158,929	409,083	12,195,565	4,341,153	2,146,373
Bonds & Debentures	95,497,028	26,647,833	91,492,324	17,247,826	300,558	7,704,166	3,704,146	1,695,841
Common & Preference Stocks	25,556,920	30,847,211	24,811,388	25,905,299	108,525	4,491,399	637,007	450,513
Other Securities	650	5,823	650	5,804	-	-	-	19
United States Securities,								
Total	35,334,392	21,459,832	35,317,368	21,430,782	14,643	22,181	2,381	6,869
Bonds & Debentures	7,806,665	7,341,691	7,806,665	7,339,105	-	-	-	2,586
Common & Preference Stocks	27,527,109	14,118,141	27,510,085	14,091,677	14,643	22,181	2,381	4,283
Other Securities	618	-	618	-	-	-	-	-
United Kingdom Securities,								
Total	1,487,984	235,595	1,310,942	201,636	68,469	33,959	108,573	-
Bonds & Debentures	893,907	171,239	780,913	166,032	4,494	5,207	108,500	-
Common & Preference Stocks	594,077	64,356	530,029	35,604	63,975	28,752	73	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total	2,072,040	527,108	1,910,792	438,507	-	19,029	161,248	69,572
Bonds & Debentures	2,069,718	522,638	1,909,744	435,157	-	19,029	159,974	68,452
Common & Preference Stocks	2,322	4,470	1,048	3,350	-	-	1,274	1,120
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) ...	251,025	396,006	251,025	394,954	-	1,052	-	-
Unspecified Bonds & Debentures	4,293,706	3,031,547	4,293,706	3,031,547	-	-	-	-
TOTAL	164,493,745	83,150,955	159,388,195	68,656,355	492,195	12,271,786	4,613,355	2,222,814

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

Table 4.

		United Kingdom		United States			Dominion of Canada	
		3½ 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
<u>1942</u>								
June	17 ..	104.91	2.95	110.78	1.73	2.67	99.75	3.02
July	15 ..	105.52	2.88	110.53	1.75	2.69	99.75	3.02
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
<u>1943</u>								
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 ..	104.48	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
<u>1944</u>								
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	101.38	2.74
September	13 ..	103.31	3.04	110.56	1.42	2.38	101.50	2.71

+ 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 16½% to December 31, 1939; 18% to June, 1940; and 20.9% to July, August and September; and 24% in October and thereafter.



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- 8 -

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			
	Inventors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Mining Stocks		
		Gold Stocks (22)	Composite Mining Index (25)	
1942				
March	62.3	40.1	51.9	66.0
April	61.1	37.5	49.3	63.3
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	51.6	75.2
December	71.3	44.7	54.7	74.7
1943				
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
1944				
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