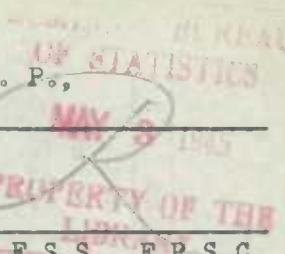


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DEPARTMENT OF TRADE AND COMMERCE  
DOMINION BUREAU OF STATISTICS - CANADA  
INTERNATIONAL PAYMENTS BRANCH



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Vol. 11

No. 2

### SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

February, 1945.

Net sales of securities by Canada to other countries amounted to \$11.3 million in February compared with \$9.7 million in January and \$2.9 million in December.

Sales of Canadian bonds to the United States were the principal element in this inflow of capital to Canada, amounting to \$6.7 million. As in January, sales of provincials and other corporation bonds were high accounting for \$2.6 million and \$2.7 million respectively. A feature of the security trade with the United States in February, however, was an expansion in net sales of Canadian stocks to the United States to \$3.5 million. This was the largest inflow of capital arising from this trade in years. The total volume of transactions in Canadian stocks was also exceptionally heavy. The liquidation of Canadian holdings of United States stocks amounted to \$2.5 million while sales of United States bonds were \$0.3 million.

Net repurchases from the United Kingdom of \$2.3 million were distributed between Canadian bonds and stocks.

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

In the first two months of 1945 net sales of securities amounted to \$21.0 million compared with \$13.6 million for the same period of 1944. The increase resulted chiefly from increased sales of Canadian stocks, which were \$3.1 million in 1945 compared with repurchases of \$1.5 million in 1944, and from sales of United States stocks which showed an increase of \$3.8 million in the first two months of 1945 over the same two months of 1944.

Each of the index numbers of common stocks prices in Canada and the United States shown in Table 5 continued to increase sharply in February. The prices of 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 flotation 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.

## SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

Table 1.

(in millions of dollars to nearest hundred thousand)

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.-
<b>1943</b>												
TOTAL .....	267.9	95.7	+ 172.2	254.0	83.1	+ 180.9	0.1	10.7	- 10.6	3.8	1.9	+ 1.9
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
<b>1944</b>												
TOTAL .....	213.0	116.0	+ 97.0	206.3	93.4	+ 112.9	0.5	19.2	- 18.7	6.1	3.3	+ 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 ....	13.5	9.5	+ 4.0	13.0	7.3	+ 5.7	(1)	1.9	- 1.9	0.5	0.3	+ 0.2
December ....	18.1	15.2	+ 2.9	17.3	10.9	+ 6.4	(1)	3.5	- 3.5	0.8	0.8	-
<b>1945</b>												
TOTAL .....	53.3	32.3	+ 21.0	51.9	26.3	+ 25.1	(1)	4.6	- 4.6	1.4	0.9	+ 0.5
January ....	26.0	16.3	+ 9.7	25.5	15.8	+ 11.7	(1)	2.2	- 2.2	0.5	0.3	+ 0.2
February (x).	27.2	15.9	+ 11.3	26.3	13.0	+ 13.3	(1)	2.3	- 2.3	0.9	0.6	+ 0.3

(1) Less than 0.05.

(x) Subject to revision.

## ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES FEBRUARY 1945

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 .....	13,408,865	7,272,661	12,614,769	5,187,626	-	1,566,997	794,096	518,038
Canadian New Issues .....	83,896	-	-	-	-	-	83,896	-
Canadian Outstanding Issues								
Dominion .....	2,460,845	2,493,716	1,753,765	2,466,509	-	1,061	707,080	26,146
Provincial .....	2,931,235	866,746	2,931,235	275,556	-	536,940	-	54,250
Municipal .....	1,042,958	414,232	1,042,958	297,422	-	116,810	-	-
Guaranteed by the Dominion ..	502,080	319,133	502,080	13,085	-	-	-	306,068
Railway, Other .....	1,095,153	266,233	1,095,153	219,030	-	47,203	-	-
Other Corporations .....	2,803,509	1,251,936	2,900,389	269,500	-	855,293	3,120	127,143
United States New Issue								
Government .....	-	331,521	-	331,521	-	-	-	-
Other .....	-	2,858	-	2,858	-	-	-	-
United States Outstanding Issues								
Government .....	490,000	580,467	490,000	580,467	-	-	-	-
Other .....	945,119	231,864	945,119	222,174	-	9,690	-	-
United Kingdom New Issues								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government .....	-	-	-	-	-	-	-	-
Other .....	9,022	13,710	9,022	13,710	-	-	-	-
Other Countries New Issues .....	-	36,032	-	36,032	-	-	-	-
Other Countries Outstanding Issues	237,234	4,730	237,234	299	-	-	-	4,431
Unspecified Bonds & Debentures ..	707,814	459,483	707,814	459,483	-	-	-	-
<u>Common &amp; Preference Stocks</u>								
Canadian .....	7,616,048	4,887,958	7,532,665	4,077,300	2,958	740,303	80,425	70,355
United States .....	6,209,408	3,757,780	6,209,408	3,753,040	-	-	-	4,740
United Kingdom .....	-	-	-	-	-	-	-	-
Other Countries .....	-	1,135	-	-	-	1,135	-	-
Short-Term Securities (1 year or less) ....	-	-	-	-	-	-	-	-
<u>Other Securities</u>								
Canadian .....	-	-	-	-	-	-	-	-
United States .....	3,500	-	3,500	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
TOTAL .....	27,237,821	15,919,534	26,360,342	13,017,966	2,958	2,308,435	874,521	593,133

## ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES-TWO MONTHS ENDING FEBRUARY, 1945

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 .....	\$ 26,422,324	\$ 15,705,264	\$ 25,182,305	\$ 12,105,461	\$ -	\$ 2,835,987	\$ 1,240,019	\$ 763,816
Canadian New Issues .....	177,601	-	985	-	-	-	176,616	-
Canadian Outstanding Issues								
Dominion .....	4,686,122	4,161,911	3,632,191	3,998,320	-	77,644	1,053,931	85,947
Provincial .....	5,403,632	1,709,089	5,403,632	872,083	-	781,468	-	55,538
Municipal .....	1,880,600	519,167	1,880,600	530,227	-	188,940	-	-
Guaranteed by the Dominion.	994,440	592,370	988,088	245,949	-	-	6,352	346,421
Railway, Other .....	1,653,752	299,419	1,653,752	240,181	-	59,238	-	-
Other Corporations .....	6,580,468	3,234,776	6,577,348	1,246,185	-	1,717,112	3,120	271,479
United States New Issues								
Government .....	-	342,602	-	342,602	-	-	-	-
Other .....	-	467,592	-	467,592	-	-	-	-
United States Outstanding Issues								
Government .....	1,003,991	1,222,659	1,003,991	1,222,659	-	-	-	-
Other .....	2,112,320	582,654	2,112,320	572,964	-	9,690	-	-
United Kingdom New Issues								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government .....	2,197	26,530	2,197	23,530	-	-	-	-
Other .....	19,878	18,299	19,878	16,404	-	1,895	-	-
Other Countries New Issues .....	-	36,032	-	36,032	-	-	-	-
Other Countries Outstanding Issues	763,183	930,079	763,183	925,648	-	-	-	4,431
Unspecified Bonds & Debentures .	1,144,140	1,560,085	1,144,140	1,560,085	-	-	-	-
<u>Common &amp; Preference Stocks</u>								
Canadian .....	13,210,102	10,095,713	13,045,433	8,251,303	4,958	1,725,196	159,661	118,714
United States .....	13,626,104	6,452,534	13,626,104	5,447,644	-	-	-	4,740
United Kingdom .....	17,188	995	17,188	-	-	995	-	-
Other Countries .....	2,343	1,182	2,343	47	-	1,135	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
<u>Other Securities</u>								
Canadian .....	-	-	-	-	-	-	-	-
United States .....	3,500	-	3,500	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
TOTAL .....	53,281,561	32,255,538	51,876,923	26,804,955	4,958	4,563,313	1,399,680	887,270

Table 3

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES -  
BY NATIONALITY AND CLASS OF SECURITY. (SUMMARY TABLE) FEBRUARY, 1945

	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 .....	18,635,724	10,499,954	17,758,245	7,618,382	2,958	2,297,610	874,521	583,962
Bonds & Debentures .....	11,019,376	5,611,996	10,225,580	3,541,082	-	1,557,307	794,096	513,607
Common & Preference Stocks.	7,616,048	4,887,953	7,532,665	4,077,300	2,958	740,303	80,425	70,355
Other Securities .....	-	-	-	-	-	-	-	-
United States Securities, Total.	7,648,027	4,904,490	7,648,027	4,890,060	-	9,690	-	4,740
Bonds & Debentures .....	1,435,119	1,146,710	1,435,119	1,137,020	-	9,690	-	-
Common & Preference Stocks.	6,209,408	3,757,780	6,209,408	3,753,040	-	-	-	4,740
Other Securities .....	3,500	-	3,500	-	-	-	-	-
United Kingdom Securities, Total	9,022	13,710	9,022	13,710	-	-	-	-
Bonds & Debentures .....	9,022	13,710	9,022	13,710	-	-	-	-
Common & Preference Stocks.	-	-	-	-	-	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
Other Countries Securities, Total	237,234	41,897	237,234	36,331	-	1,135	-	4,431
Bonds & Debentures .....	237,234	40,762	237,234	36,331	-	-	-	4,431
Common & Preference Stocks.	-	1,135	-	-	-	1,135	-	-
Other Securities .....	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures .	707,814	459,483	707,814	459,483	-	-	-	-
TOTAL .....	27,237,321	15,919,534	26,360,342	13,017,966	2,958	2,308,435	874,521	593,133

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

Table 3A.

For the two months ending, February, 1945.

	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 .....	34,586,717	20,612,445	33,182,079	15,184,743	4,953	4,549,593	1,399,680	878,099
Bonds & Debentures .....	21,376,615	10,516,732	20,136,596	6,932,945	-	2,824,402	1,240,019	759,385
Common & Preference Stocks ..	13,210,102	10,095,713	13,045,483	8,251,803	4,958	1,725,196	159,661	118,714
Other Securities .....	-	-	-	-	-	-	-	-
United States Securities, Total ..	16,745,915	9,067,891	16,745,915	9,053,461	-	9,690	-	4,740
Bonds & Debentures .....	3,116,311	2,615,507	3,116,311	2,605,817	-	9,690	-	-
Common & Preference Stocks ..	13,626,104	6,452,384	13,626,104	6,447,644	-	-	-	4,740
Other Securities .....	3,500	-	3,500	-	-	-	-	-
United Kingdom Securities, Total ..	39,263	47,824	39,263	44,934	-	2,890	-	-
Bonds & Debentures .....	22,075	46,829	22,075	44,934	-	1,895	-	-
Common & Preference Stocks ..	17,188	995	17,188	-	-	995	-	-
Other Securities .....	-	-	-	-	-	-	-	-
Other Countries Securities, Total ..	765,526	967,293	765,526	961,727	-	1,135	-	4,431
Bonds & Debentures .....	763,183	966,111	763,183	961,680	-	-	-	4,431
Common & Preference Stocks ..	2,343	1,182	2,343	47	-	1,135	-	-
Other Securities .....	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less) .....	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures ..	1,144,140	1,560,085	1,144,140	1,560,085	-	-	-	-
<b>TOTAL .....</b>	<b>53,281,561</b>	<b>32,255,533</b>	<b>51,876,923</b>	<b>26,804,955</b>	<b>4,953</b>	<b>4,563,313</b>	<b>1,399,680</b>	<b>887,270</b>

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				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. <sup>x</sup>	Price	Yield	
<b>1942</b>								
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
<b>1943</b>								
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
<b>1944</b>								
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
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
December	13 ..	103.88	2.95	110.63	1.35	2.31	101.75	2.65
<b>1945</b>								
January	17 ..	104.11	2.91	111.28	1.23	2.19	101.75	2.64
February	14 ..	104.28	2.88	111.53	1.18	2.14	102.00	2.59

\* All prices are quoted on and "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.



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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				
	Investors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Mining Stocks	Composite Mining Index (25)		
<b>1942</b>					
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	
<b>1943</b>					
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	
<b>1944</b>					
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	
December .....	86.6	74.4	80.6	104.7	
<b>1945</b>					
January .....	89.4	80.5	85.6	108.4	
February .....	92.9	87.3	91.7	113.0	