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Vol. 11

No. 3

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

March, 1945.

Net sales of securities by Canada to other countries amounted to \$10.0 million in March compared with \$11.3 million in February and \$9.7 million in January.

Sales of Canadian bonds to the United States were the principal element in this inflow of capital to Canada, amounting to \$6.6 million. As in January and February, sales of Dominions, provincials and other corporations were high, accounting for \$2.1 million, \$2.5 million and \$1.1 million respectively. Net sales of Canadian stocks to the United States were \$1.6 million. Net sales of United States stocks were also \$1.6 million.

Net repurchases of securities from the United Kingdom of \$1.2 were distributed between stocks and bonds.

There were net sales of \$0.5 million to other countries.

In the first three months of 1945 net sales of securities amounted to \$31.1 million compared with \$24.3 million in the corresponding months of 1944. The increase resulted chiefly from increased sales of Canadian stocks which were \$3.8 million in 1945 compared with repurchases of \$2.4 million in 1944, and from net sales of United States stocks which were \$8.8 million, representing an increase of \$3.4 million for the first three months of 1945 over the same three months of 1944.

The index numbers of common stocks prices in Canada and the United States declined slightly in March. 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 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 I.

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.
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
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	0.5	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	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	-
1945												
TOTAL	74.0	42.9	+ 31.1	71.9	36.1	+ 35.8	(1)	5.7	- 5.7	2.0	1.0	+ 1.0
January	26.0	16.3	+ 9.7	25.5	13.8	+ 11.7	(1)	2.2	- 2.2	0.5	0.3	+ 0.2
February	27.2	15.9	+ 11.3	26.3	13.0	+ 13.3	(1)	2.3	- 2.3	0.9	0.6	+ 0.3
March (x)	20.6	10.6	+ 10.0	20.0	9.3	+ 10.7	(1)	1.2	- 1.2	0.6	0.1	+ 0.5

(1) Less than 0.05

(x) Subject to revision.

Table 2.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES MARCH 1945

	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	\$ 11,217,574	\$ 3,444,147	\$ 10,654,450	\$ 3,158,423	\$ 5,197	\$ 239,614	\$ 557,927	\$ 46,110
Canadian New Issues	31,118	-	-	-	-	-	31,118	-
Canadian Outstanding Issues								
Dominion	3,710,807	1,190,422	3,184,998	1,143,400	-	6,768	525,809	40,254
Provincial	2,777,590	342,916	2,777,590	279,700	-	63,216	-	-
Municipal	624,390	285,704	624,390	233,648	-	52,056	-	-
Guaranteed by the Dominion	444,387	12,521	444,387	12,521	-	-	-	-
Railway, Other	279,905	265,752	279,905	223,409	-	42,343	-	-
Other Corporations	1,355,522	287,193	1,354,522	206,106	-	75,231	1,000	5,856
United States New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues								
Government	247,152	430,627	247,152	430,627	-	-	-	-
Other	812,533	475,879	812,533	475,879	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	5,197	-	-	-	5,197	-	-	-
Other	7,010	-	7,010	-	-	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	236,153	13,605	236,153	13,605	-	-	-	-
Unspecified Bonds & Debentures	685,810	139,528	685,810	139,528	-	-	-	-
Common & Preference Stocks								
Canadian	5,066,757	4,387,148	5,007,734	3,379,499	-	920,449	59,023	87,200
United States	4,385,343	2,802,357	4,385,343	2,790,553	-	11,804	-	-
United Kingdom	-	8,624	-	-	-	8,624	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	20,669,674	10,642,276	20,047,527	9,328,475	5,197	1,180,491	616,950	133,310

Table 2A ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES THREE MONTHS ENDING MARCH 1945

	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	\$ 37,639,898	\$ 19,149,411	35,836,755	15,263,884	5,197	3,075,601	1,797,946	809,926
Canadian New Issues	208,719	-	985	-	-	-	207,734	-
Canadian Outstanding Issues								
Dominion	8,396,929	5,352,333	6,817,189	5,141,720	-	84,412	1,579,740	126,201
Provincial	8,181,222	2,052,005	8,181,222	1,151,783	-	844,684	-	55,538
Municipal	2,504,990	804,871	2,504,990	563,875	-	240,996	-	-
Guaranteed by the Dominion	1,438,827	604,891	1,432,475	258,470	-	-	6,352	346,421
Railway, Other	1,933,657	565,171	1,933,657	463,590	-	101,581	-	-
Other Corporations	7,935,990	3,521,969	7,931,870	1,452,291	-	1,792,343	4,120	277,335
United States New Issues								
Government	-	342,602	-	342,602	-	-	-	-
Other	-	467,592	-	467,592	-	-	-	-
United States Outstanding Issues								
Government	1,251,143	1,653,286	1,251,143	1,653,286	-	-	-	-
Other	2,924,853	1,058,533	2,924,853	1,048,843	-	9,690	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	7,394	28,530	2,197	28,530	5,197	-	-	-
Other	26,888	18,299	26,888	16,404	-	1,895	-	-
Other Countries New Issues	-	36,032	-	36,032	-	-	-	-
Other Countries Outstanding Issues								
999,336	943,684	999,336	939,253	-	-	-	-	4,431
Unspecified Bonds & Debentures ..	1,829,950	1,699,613	1,829,950	1,699,613	-	-	-	-
Common & Preference Stocks								
Canadian	18,276,859	14,482,361	18,053,217	11,631,302	4,958	2,645,645	218,684	205,914
United States	18,011,447	9,254,741	18,011,447	9,238,197	-	11,804	-	4,740
United Kingdom	17,188	9,619	17,188	-	-	9,619	-	-
Other Countries	2,343	1,182	2,343	47	-	1,135	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	3,500	-	3,500	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	73,951,235	42,897,814	71,924,450	36,133,430	10,155	5,743,804	2,016,630	1,020,580

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

Table 3

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales	Purchases	Sales	Purchases	Sales	Purchases
			to	from	to	from	to	from
Canadian Securities, Total	\$ 14,290,476	\$ 6,771,656	13,673,526	5,478,283	-	\$ 1,160,063	\$ 616,950	\$ 133,310
Bonds & Debentures	9,223,719	2,384,508	8,665,792	2,098,784	-	239,614	557,927	46,110
Common & Preference Stocks	5,066,757	4,387,148	5,007,734	3,379,499	-	920,449	59,023	87,200
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total	5,445,028	3,708,863	5,445,028	3,697,059	-	11,804	-	-
Bonds & Debentures	1,059,685	906,506	1,059,685	906,506	-	-	-	-
Common & Preference Stocks	4,385,343	2,802,357	4,385,343	2,790,553	-	11,804	-	-
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total ...	12,207	8,624	7,010	-	5,197	8,624	-	-
Bonds & Debentures	12,207	-	7,010	-	5,197	-	-	-
Common & Preference Stocks	-	8,624	-	-	-	8,624	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total ..	236,153	13,605	236,153	13,605	-	-	-	-
Bonds & Debentures	236,153	13,605	236,153	13,605	-	-	-	-
Common & Preference Stocks	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	685,810	139,528	685,810	139,528	-	-	-	-
TOTAL	20,669,674	10,642,276	20,047,527	9,328,475	5,197	1,180,491	\$ 616,950	\$ 133,310

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
For the Three Months Ending March 1945.

Table 3A

	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	48,877,193	27,384,101	46,855,605	20,663,031	4,958	5,709,661	2,016,630	1,011,409
Bonds & Debentures	30,600,334	12,901,240	28,802,388	9,031,729	-	3,064,016	1,797,946	805,495
Common & Preference Stocks ..	18,276,859	14,482,861	18,053,217	11,631,302	4,958	2,645,645	218,684	205,914
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total	22,190,943	12,776,754	22,190,943	12,750,520	-	21,494	-	4,740
Bonds & Debentures	4,175,996	3,522,013	4,175,996	3,512,323	-	9,690	-	-
Common & Preference Stocks ..	18,011,447	9,254,741	18,011,447	9,238,197	-	11,804	-	4,740
Other Securities	3,500	-	3,500	-	-	-	-	-
United Kingdom Securities, Total	51,470	56,448	46,273	44,934	5,197	11,514	-	-
Bonds & Debentures	34,282	46,829	29,085	44,934	5,197	1,895	-	-
Common & Preference Stocks ..	17,188	9,619	17,188	-	-	9,619	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	1,001,679	980,898	1,001,679	975,332	-	1,135	-	4,431
Bonds & Debentures	999,336	979,716	999,336	975,285	-	-	-	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	1,829,950	1,699,613	1,829,950	1,699,613	-	-	-	-
TOTAL	73,951,235	42,897,814	71,924,450	36,133,430	10,155	5,743,804	2,016,630	1,020,580

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
1942							
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 ...	104.48	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
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	101.38	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
1945							
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
March 14 ...	104.01	2.92	111.97	1.09	2.05	102.25	2.54

* 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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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.)	
	Dominion Bureau of Statistics		Stocks		
	Investors' Price Index (95)	Mining			
	(68 Industrials 19 Utilities 8 Banks)	Gold Stocks (22)	Composite Mining Index (25)	(354 Industrials 20 Railroads 28 Utilities)	
1942					
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	
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	
1945					
January	89.4	80.5	85.6	108.4	
February	92.9	87.3	91.7	113.0	
March	93.2	84.7	89.8	111.8	