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DOMINION BUREAU
OF STATISTICS

JUL 31 1945

2-4020

Published by Authority of the HON. JAMES A. MACKINNON, M.P. May, 1945.
Minister of Trade and Commerce

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

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Vol. 11

No. 5

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIESMAY, 1945

Total net sales of securities by Canada to other countries amounted to \$18.9 million in May compared with \$14.1 million in April and \$10.0 million in March. Sales of Canadian bonds represented a larger part of the import of capital in May than in the preceding months.

Net sales of securities to the United States of \$22.0 million in May were exceptionally high. Sales of Canadian bonds accounted for \$12.8 million and were distributed among each group of issues. Sales of Dominions at \$7.4 million were at a higher level than usual. Sales of provincials were \$1.9 million, other railway issues \$1.0 million, and the remaining sales were distributed among each of the other groups. Net sales of Canadian stocks to the United States were \$4.1 million, and net sales of United States stocks were \$3.1 million.

Net repurchases of securities from the United Kingdom increased to \$3.1 million, of which \$2.7 million was made up of Canadian stocks and the remainder divided between Canadian bonds and United Kingdom stocks.

The trade with other countries was small and practically in equilibrium.

In the first five months of 1945 net sales of securities amounted to \$64.0 million compared with \$49.6 million in the corresponding months of 1944. This increase results chiefly from increased sales of Canadian stocks of \$6.6 million in 1945, compared with repurchases of \$3.3 million in 1944, and from net sales of United States stocks of \$15.0 million in 1945, an increase of \$6.1 million over the same period of 1944.

The index numbers of common stocks prices in Canada and the United States all increased sharply to new high levels in May. 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.

\$1.00 a year; single copies 10 cents.

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	Pur-chases from	Net Sales + Purch.-	Sales to	Pur-chases from	Net Sales + Purch.-	Sales to	Pur-chases from	Net Sales + Purch.-	Sales to	Pur-chases from	Net Sales + Purch.-
<u>1943</u>												
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
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
<u>1944</u>												
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	-
<u>1945</u>												
TOTAL	130.4	66.4	+ 64.0	128.1	54.0	+ 74.1	(1)	11.1	- 11.1	2.3	1.3	+ 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	20.6	10.6	+ 10.0	20.0	9.3	+ 10.7	(1)	1.2	- 1.2	0.6	0.1	+ 0.5
April	25.8	11.7	+ 14.1	25.6	9.3	+ 16.3	(1)	2.3	- 2.3	0.2	0.1	+ 0.1
May (x)	30.7	11.8	+ 18.9	30.5	8.5	+ 22.0	(1)	3.1	- 3.1	0.2	0.2	-

(1) Less than 0.05.

(x) Subject to revision.

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ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, MAY 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	16,816,810	2,249,043	16,696,854	1,913,489	-	212,537	119,956	123,017
Canadian New Issues	13,776	-	7,600	-	-	-	6,176	-
Canadian Outstanding Issues								
Dominion	8,206,581	783,602	8,118,946	758,328	-	3,784	87,635	21,490
Provincial	2,115,434	296,079	2,114,950	194,470	-	101,609	484	-
Municipal	700,634	74,050	700,634	7,909	-	66,141	-	-
Guaranteed by the Dominion ...	900,001	83,554	900,001	-	-	13,027	-	70,527
Railway, Other	1,079,739	52,013	1,079,739	52,013	-	-	-	-
Other Corporations	1,245,144	375,152	1,235,854	322,888	-	27,976	9,290	24,288
United States New Issues								
Government	-	21,000	-	21,000	-	-	-	-
Other	-	-	-	-	-	-	-	-
United States Outstanding Issues								
Government	1,174,797	96,331	1,174,797	96,331	-	-	-	-
Other	286,689	117,165	286,689	117,165	-	-	-	-
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other Countries New Issues								
Other Countries Outstanding Issues	83,182	12,584	66,811	5,872	-	-	16,371	6,712
Unspecified Bonds & Debentures ..	1,010,833	337,513	1,010,833	337,513	-	-	-	-
Common & Preference Stocks								
Canadian	7,569,301	6,178,147	7,536,489	3,388,420	2,558	2,723,548	30,254	66,179
United States	6,296,351	3,246,108	6,296,351	3,246,108	-	-	-	-
United Kingdom	39,667	182,496	39,667	-	-	182,496	-	-
Other Countries	-	1,135	-	-	-	-	-	1,135
Short-Term Securities(1 year or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	30,722,129	11,856,929	30,569,361	8,548,017	2,558	3,118,581	150,210	190,331

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, FIVE MONTHS ENDING MAY 1945

Table 2 A

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
	\$	\$	\$	\$	\$	\$	\$	\$
Bonds and Debentures, Total ..	67,650,989	25,150,479	65,596,362	20,356,759	13,395	3,833,870	2,041,232	959,850
Canadian New Issues	233,603	-	8,585	-	-	-	225,018	-
Canadian Outstanding Issues								
Dominion	18,650,742	7,294,831	16,880,800	7,032,609	-	100,516	1,769,942	161,706
Provincial	12,402,606	2,808,017	12,402,122	1,525,026	-	1,227,453	484	55,538
Municipal	3,934,749	990,323	3,934,749	635,548	-	354,775	-	-
Guaranteed by the Dominion ..	5,726,101	693,025	5,719,749	259,486	-	16,591	6,352	416,948
Railway, Other	3,471,282	772,964	3,468,387	570,656	2,895	202,308	-	-
Other Corporations	11,769,989	4,405,439	11,746,924	2,195,071	-	1,900,359	23,065	310,009
United States New Issues								
Government	-	363,602	-	363,602	-	-	-	-
Other	-	467,592	-	467,592	-	-	-	-
United States Outstanding Issues								
Government	3,029,166	2,477,263	3,029,166	2,477,263	-	-	-	-
Other	3,618,266	1,424,540	3,618,266	1,410,344	-	9,690	-	4,506
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	132,706	28,530	122,206	28,530	10,500	-	-	-
Other	26,888	28,910	26,888	16,404	-	12,506	-	-
Other Countries New Issues ...	-	36,032	-	36,032	-	-	-	-
Other Countries Outstanding Issues	1,225,445	983,827	1,209,074	963,012	-	9,672	16,371	11,143
Unspecified Bonds & Debentures.	3,429,446	2,375,584	3,429,446	2,375,584	-	-	-	-
Common & Preference Stocks								
Canadian	32,851,366	26,229,301	32,565,380	18,852,339	7,533	7,077,605	278,453	299,357
United States	29,861,619	14,837,982	29,861,619	14,812,834	-	19,194	-	5,954
United Kingdom	56,855	228,094	56,855	-	-	228,094	-	-
Other Countries	2,408	4,555	2,408	2,285	-	1,135	-	1,135
Short-Term Securities(1 year or less) .	-	-	-	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	3,500	-	3,500	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	130,426,737	66,450,411	128,086,124	54,024,217	20,928	11,159,898	2,319,685	1,266,296

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

Table 3.

	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...	21,830,610	7,842,597	21,694,213	4,724,028	2,558	2,936,085	133,839	182,484
Bonds & Debentures	14,261,309	1,664,450	14,157,724	1,335,608	-	212,537	103,585	116,305
Common & Preference Stocks ...	7,569,301	6,178,147	7,536,489	3,388,420	2,558	2,723,548	30,254	66,179
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total.	7,757,837	3,480,604	7,757,837	3,480,604	-	-	-	-
Bonds & Debentures	1,461,486	234,496	1,461,486	234,496	-	-	-	-
Common & Preference Stocks ...	6,296,351	3,246,108	6,296,351	3,246,108	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	39,667	182,496	39,667	-	-	182,496	-	-
Bonds & Debentures	-	-	-	-	-	-	-	-
Common & Preference Stocks ...	39,667	182,496	39,667	-	-	182,496	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	83,182	13,719	66,811	5,872	-	-	16,371	7,847
Bonds & Debentures	83,182	12,584	66,811	5,872	-	-	16,371	6,712
Common & Preference Stocks ...	-	1,135	-	-	-	-	-	1,135
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	1,010,833	337,513	1,010,833	337,513	-	-	-	-
TOTAL	30,722,129	11,856,929	30,569,361	8,548,017	2,558	3,118,581	150,210	190,331

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
BY NATIONALITY AND CLASS OF SECURITY
For the Five Months Ending May, 1945

Table 3 A

	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 ...	89,040,438	43,193,900	86,726,696	31,070,735	10,428	10,879,607	2,303,314	1,243,558
Bonds & Debentures	56,189,072	16,964,599	54,161,316	12,218,396	2,895	3,802,002	2,024,861	944,201
Common & Preference Stocks ..	32,851,366	26,229,301	32,565,380	18,852,339	7,533	7,077,605	278,453	299,357
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total	36,512,551	19,570,979	36,512,551	19,531,635	-	28,884	-	10,460
Bonds & Debentures	6,647,432	4,732,997	6,647,432	4,718,801	-	9,690	-	4,506
Common & Preference Stocks ..	29,861,619	14,837,982	29,861,619	14,812,834	-	19,194	-	5,954
Other Securities	3,500	-	3,500	-	-	-	-	-
United Kingdom Securities, Total	216,449	285,534	205,949	44,934	10,500	240,600	-	-
Bonds & Debentures	159,594	57,440	149,094	44,934	10,500	12,506	-	-
Common & Preference Stocks ..	56,855	228,094	56,855	-	-	228,094	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	1,227,853	1,024,414	1,211,482	1,001,329	-	10,807	16,371	12,278
Bonds & Debentures	1,225,445	1,019,859	1,209,074	999,044	-	9,672	16,371	11,143
Common & Preference Stocks ..	2,408	4,555	2,408	2,285	-	1,135	-	1,135
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	3,429,446	2,375,584	3,429,446	2,375,584	-	-	-	-
TOTAL	130,426,737	66,450,411	128,086,124	54,024,217	20,928	11,159,898	2,319,685	1,266,296

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>1943</u>									
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
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
<u>1945</u>									
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
April	18	..	104.18	2.89	111.91	1.07	2.03	102.38	2.50
May	16	..	103.90	2.92	111.66	1.09	2.05	102.38	2.50

+ 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 2½% 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		
Gold Stocks (22)		Composite Mining Index (25)		
<u>1942</u>				
November ...	67.6	40.7	51.6	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
December ...	86.6	74.4	80.6	104.7
<u>1945</u>				
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
April	94.2	85.3	90.5	114.4
May	97.2	90.6	94.3	118.2