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Vol. 11Herbert Marshall, B.A., F.S.S.  
C. D. Blyth, B.A.  
No. 8SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIESAUGUST, 1945

Total net sales of securities by Canada to all countries in August of \$20.4 million continued at the unusually high levels characteristic since May. This inflow of capital compares with \$21.7 million in July and \$35.1 million in June. Sales of Canadian bonds represented the largest part of the import of capital in August while sales of Canadian and United States stocks remained below the higher levels reached earlier in the year.

Net sales of securities to the United States of \$20.9 million, being the major part of trade with all countries, were also at the high level prevailing since May. Sales of Canadian bonds accounted for \$17.9 million, the largest concentration of \$14.6 million being in Dominion issues. Sales of provincials were \$1.6 million while Dominion Guarantees and other corporations were each \$0.6 million. Net sales of Canadian stocks to the United States were \$0.1 million and net sales of United States stocks were \$2.1 million.

Net repurchases of securities from the United Kingdom were \$0.6 million, divided, principally between Canadian bonds and stocks.

There were net sales of securities to other countries of \$0.1 million.

In the eight months ending August, 1945, net sales of securities to all countries were \$141.2 million compared with \$77.9 million in the corresponding period of 1944. Most of this increase arises from net sales of Canadian bonds which were \$38.9 million larger than in the corresponding period of 1944. The remainder of the increase results chiefly from increased sales of Canadian stocks of \$4.8 million in 1945 compared with repurchases of \$4.6 million in 1944, and from net sales of United States stocks of \$24.6 million in 1945 an increase of \$12.8 million over the same period of 1944.

In the table showing index number of common stocks prices in Canada and the United States the Canadian mining stocks were slightly higher, while the industrials dropped fractionally. 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**

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	264.0	83.1	+ 180.9	0.1	10.7	- 10.6	3.8	1.9	+ 1.9
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	+ 0.3
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 .....	259.1	117.9	+ 141.2	254.8	92.5	+ 162.3	0.1	22.7	- 22.6	4.2	2.7	+ 1.5
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 .....	30.7	11.8	+ 18.9	30.5	8.5	+ 22.0	(1)	3.1	- 3.1	0.2	0.2	-
June .....	67.5	32.4	+ 35.1	67.2	23.9	+ 43.3	(1)	8.2	- 8.2	0.2	0.2	-
July .....	31.8	10.1	+ 21.7	30.5	6.6	+ 23.9	(1)	2.6	- 2.6	1.3	0.9	+ 0.4
August (x)...	29.3	8.9	+ 20.4	28.9	8.0	+ 20.9	(1)	0.6	- 0.6	0.4	0.3	+ 0.1

(1) Less than 0.05.

(x) Subject to revision.



ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, AUGUST 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 .....	\$ 21,394,864	\$ 2,755,273	\$ 21,031,941	\$ 2,363,775	\$ 720	\$ 133,673	\$ 362,203	\$ 257,825
Canadian New Issues .....	2,099	-	-	-	-	-	2,099	-
Canadian Outstanding Issues								
Dominion .....	16,480,035	1,690,768	16,138,841	1,564,105	-	1,507	341,194	125,156
Provincial .....	1,654,277	145,424	1,654,277	67,248	-	76,141	-	2,035
Municipal .....	112,324	22,605	112,324	8,078	-	14,527	-	-
Guaranteed by the Dominion .....	635,527	22,837	635,527	3,464	-	-	-	19,373
Railway, Other .....	491,902	8,184	491,902	8,184	-	-	-	-
Other Corporations .....	720,966	283,940	702,308	145,393	-	41,498	18,658	97,049
United States New Issues								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United States Outstanding Issues								
Government .....	240,808	184,425	240,808	184,425	-	-	-	-
Other .....	262,695	147,036	262,443	133,394	-	-	252	13,642 <sup>a</sup>
United Kingdom New Issues								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government .....	-	-	-	-	-	-	-	-
Other .....	181,565	-	180,845	-	720	-	-	-
Other Countries New Issues	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	84,949	54,994	84,949	54,424	-	-	-	570
Unspecified Bonds & Debentures .....	527,717	195,060	527,717	195,060	-	-	-	-
Common & Preference Stocks								
Canadian .....	3,848,636	4,218,472	3,811,437	3,687,940	492	504,915	36,707	25,617
United States .....	4,087,572	1,933,939	4,074,505	1,931,455	10,938	431	2,129	2,053
United Kingdom .....	-	24,891	-	-	-	24,891	-	-
Other Countries .....	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian .....	-	-	-	-	-	-	-	-
United States .....	-	-	-	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
<b>TOTAL .....</b>	<b>29,331,072</b>	<b>8,932,575</b>	<b>28,917,883</b>	<b>7,983,170</b>	<b>12,150</b>	<b>663,910</b>	<b>401,039</b>	<b>285,495</b>

## ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, EIGHT MONTHS ENDING AUGUST 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 & Debentures, Total .....	159,601,660	47,680,522	155,908,947	40,147,177	25,280	5,351,870	3,667,433	2,181,475
Canadian New Issues .....	935,657	-	49,475	-	-	-	886,182	-
Canadian Outstanding Issues .....								
Dominion .....	84,372,542	24,574,522	81,683,884	23,533,296	-	273,463	2,688,658	764,763
Provincial .....	19,199,493	3,346,841	19,197,008	1,739,523	-	1,547,660	2,485	59,638
Municipal .....	6,548,831	2,059,479	6,548,881	1,373,209	-	686,270	-	-
Guaranteed by the Dominion ...	11,031,786	1,176,119	11,025,434	275,201	-	28,355	6,352	872,563
Railway, other .....	4,837,627	863,021	4,834,732	657,713	2,895	205,308	-	-
Other Corporations .....	16,273,507	5,571,932	16,196,348	2,579,734	11,163	2,545,426	65,994	446,772
United States New Issues .....								
Government .....	-	363,602	-	363,602	-	-	-	-
Other .....	-	480,673	-	480,673	-	-	-	-
United States Outstanding Issues .....								
Government .....	4,033,700	3,078,297	4,033,700	3,078,297	-	-	-	-
Other .....	4,898,487	1,875,854	4,898,235	1,843,848	-	9,690	252	22,310
United Kingdom New Issues .....								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues .....								
Government .....	132,706	69,784	122,206	69,784	10,500	-	-	-
Other .....	209,582	28,910	208,862	16,404	720	12,506	-	-
Other Countries New Issues ....	-	45,700	-	45,700	-	-	-	-
Other Countries Outstanding Issues .....	1,905,897	1,138,049	1,888,387	1,079,454	-	43,192	17,510	15,403
Unspecified Bonds & Debentures .....	5,221,795	3,007,739	5,221,795	3,007,739	-	-	-	-
Common & Preference Stocks .....								
Canadian .....	53,601,070	48,762,615	53,054,748	31,229,216	30,014	17,104,789	516,308	428,610
United States .....	45,768,953	21,174,547	45,725,822	21,109,463	10,938	19,625	32,193	45,459
United Kingdom .....	65,071	253,668	57,255	683	-	252,985	7,816	-
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 .....	9,667	-	9,667	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
TOTAL .....	259,048,829	117,875,907	254,758,847	92,488,824	66,232	22,730,404	4,223,750	2,656,679



SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES  
BY NATIONALITY AND CLASS OF SECURITY  
(SUMMARY TABLE) AUGUST 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 ....	23,945,766	6,392,230	23,540,616	5,484,412	492	638,588	398,658	269,230
Bonds & Debentures .....	20,097,130	2,173,758	19,735,179	1,796,472	-	133,673	361,951	243,613
Common & Preference Stocks ...	3,848,636	4,218,472	3,811,437	3,687,940	492	504,915	36,707	25,617
Other Securities .....	-	-	-	-	-	-	-	-
United States Securities, Total	4,591,075	2,265,400	4,577,755	2,249,274	10,938	431	2,381	15,695
Bonds & Debentures .....	503,503	331,461	503,251	317,819	-	-	252	13,642
Common & Preference Stocks,...	4,087,572	1,933,939	4,074,505	1,931,455	10,938	431	2,129	2,053
Other Securities .....	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	181,565	24,891	180,845	-	720	24,891	-	-
Bonds & Debentures .....	181,565	-	180,845	-	720	-	-	-
Common & Preference Stocks ...	-	24,891	-	-	-	24,891	-	-
Other Securities .....	-	-	-	-	-	-	-	-
Other Countries Securities, Total	84,949	54,994	84,949	54,424	-	-	-	570
Bonds & Debentures .....	84,949	54,994	84,949	54,424	-	-	-	570
Common & Preference Stocks ...	-	-	-	-	-	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or or less ) .....	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures.	527,717	195,060	527,717	195,060	-	-	-	-
TOTAL .....	29,331,072	8,932,575	28,917,883	7,983,170	12,150	663,910	401,039	285,495

**SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES**  
**BY NATIONALITY AND CLASS OF SECURITY**  
**FOR THE EIGHT MONTHS ENDING AUGUST, 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	196,800,563	86,354,529	192,590,510	61,390,892	44,074	22,391,271	4,165,979	2,572,366
Bonds & Debentures .....	143,199,493	37,591,914	139,535,762	30,161,676	14,060	5,286,482	3,649,671	2,143,756
Common & Preference Stocks	53,601,070	48,762,615	53,054,748	31,229,216	30,014	17,104,789	516,308	428,610
Other Securities .....	-	-	-	-	-	-	-	-
United States Securities,								
Total .....	54,710,807	26,972,973	54,667,424	26,875,883	10,938	29,315	32,445	67,775
Bonds & Debentures .....	8,932,187	5,798,426	8,931,935	5,766,420	-	9,690	252	22,316
Common & Preference Stocks	45,768,953	21,174,547	45,725,822	21,109,463	10,938	19,625	32,193	45,459
Other Securities .....	9,667	-	9,667	-	-	-	-	-
United Kingdom Securities,								
Total .....	407,359	352,362	388,323	86,871	11,220	265,491	7,816	-
Bonds & Debentures .....	342,288	98,694	331,068	86,188	11,220	12,506	-	-
Common & Preference Stocks	65,071	253,668	57,255	683	-	252,985	7,816	-
Other Securities .....	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total .....	1,908,305	1,188,304	1,890,795	1,127,439	-	44,327	17,510	16,638
Bonds & Debentures .....	1,905,897	1,183,749	1,888,387	1,125,154	-	43,192	17,510	15,403
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 & De Debentures .....	5,221,795	3,007,739	5,221,795	3,007,739	-	-	-	-
TOTAL .....	259,048,829	117,875,907	254,758,847	92,488,624	66,232	22,730,404	4,223,750	2,656,679



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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 <sup>x</sup>	Price	Yield
<u>1943</u>									
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
June	13	.....	103.69	2.95	111.56	1.08	2.04	102.85	2.39
July	18	.....	103.55	2.96	111.66	1.04	2.00	103.20	2.30
August	15	.....	103.73	2.93	111.13	1.10	2.06	103.25	2.28

+ 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.

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)	
1943				
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
April .....	94.2	85.3	90.5	114.4
May .....	97.2	90.6	94.3	118.2
June .....	102.5	92.2	96.5	120.7
July .....	100.5	88.0	93.1	118.4
August .....	99.6	89.7	93.7	117.9





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