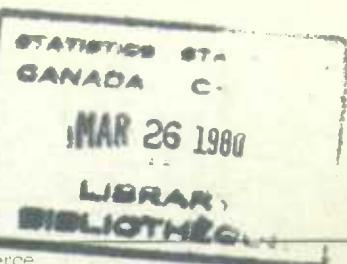


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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

OCTOBER 1950

The unprecedented inflow of capital arising out of international security transactions in August and September was sharply reduced in October, but remained considerably in excess of corresponding monthly inflows in recent years.

The sales balance in transactions with the United States was \$20.4 million, compared with \$54.1 million in August and \$147.1 million in September. The October balance with the United States, however, was six times as large as the average monthly balance in the first half of the year. Dominion Government bonds continued to be the principal type of security sold to American investors and stocks of American companies were also prominent. Canadian repurchases from the United States of Dominion Government bonds in October amounted to \$15.5 million - more than twice the September figure but nevertheless a small amount compared to sales of such securities totalling \$173.6 million in August and September. These figures indicate that only a very small proportion of the Canadian bonds bought by Americans in August and September were liquidated in October.

Net sales of all types of securities to the United States in the first ten months, at \$252.5 million, were considerably larger than the corresponding twelve month totals for any year on record.

Transactions with the United Kingdom in October resulted in net purchases of \$4.2 million, the highest since September 1949. Repurchases of Canadian stocks again were the dominating factor, exceeding the high mark in the previous month.

Transactions with Other Countries produced a sales balance for the 16th consecutive month, both sales and purchases being heavier than in any month in recent years.

In Table 4 which lists prices and yields of representative government bonds, the United Kingdom issue continued to advance in price while the Canadian and United States issues receded from the previous month.

Increases occurred in all stock price indexes listed in Table 5, in particular in the index of United States stocks. Quotations for the U.S. dollar in Canada had a daily average of \$1.0532 in October. This compares with the fixed official buying rate of \$1.10 in September prior to the adoption of a floating rate.

Statistics in this bulletin cover transactions reported by investment firms, stock exchanges and other security dealers in Canada. Not included are: New issues of Canadian securities floated abroad, redemptions of called or matured Canadian bonds owned abroad, and some transactions by other than the reporting agencies. Complete statistics regarding Capital movements are included in the annual reports on the Canadian Balance of International Payments.

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES  
(Millions of dollars)

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>1948</u>												
Total (12 mos.)..	217.6	235.3	- 17.7	207.4	225.1	- 17.7	5.0	6.4	- 1.4	5.2	4.0	+ 1.2
October .....	17.5	18.0	- 0.5	16.3	17.2	- 0.9	0.9	0.5	+ 0.4	0.4	0.4	0.0
November .....	21.8	20.2	+ 1.6	19.7	19.8	- 0.1	1.6	0.1	+ 1.5	0.5	0.3	+ 0.2
December .....	17.7	18.3	- 0.6	16.4	17.6	- 1.2	0.3	0.4	- 0.1	0.9	0.3	+ 0.6
<u>1949</u>												
Total (12 mos.)..	235.4	228.9	+ 6.5	225.7	209.7	+ 16.0	5.2	16.0	- 10.8	4.5	3.2	+ 1.3
January .....	18.4	18.0	+ 0.4	17.8	17.3	+ 0.5	0.1	0.3	- 0.2	0.4	0.4	0.0
February .....	11.4	12.6	- 1.2	10.6	11.9	- 1.3	0.2	0.2	0.0	0.6	0.5	+ 0.1
March .....	14.6	13.8	+ 0.8	14.1	13.1	+ 1.0	0.1	0.3	- 0.2	0.4	0.4	0.0
April .....	21.4	17.2	+ 4.2	20.5	16.6	+ 3.9	0.4	0.3	+ 0.1	0.5	0.3	+ 0.2
May .....	14.6	14.8	- 0.2	14.0	14.4	- 0.4	0.2	0.3	- 0.1	0.3	0.2	+ 0.1
June .....	36.7	42.5	- 5.8	36.2	41.4	- 5.2	0.3	0.7	- 0.4	0.2	0.4	- 0.2
July .....	10.9	10.0	+ 0.9	10.3	9.5	+ 0.8	0.3	0.3	0.0	0.3	0.2	+ 0.1
August .....	13.6	14.2	- 0.6	13.1	13.9	- 0.8	0.3	0.2	+ 0.1	0.2	0.0	+ 0.2
September .....	21.6	25.0	- 3.4	21.1	20.3	+ 0.8	0.2	4.5	- 4.3	0.3	0.2	+ 0.1
October .....	25.1	21.3	+ 3.8	22.1	16.6	+ 5.5	2.7	4.5	- 1.8	0.3	0.2	+ 0.1
November .....	23.0	19.8	+ 3.2	22.1	17.0	+ 5.1	0.2	2.6	- 2.4	0.7	0.2	+ 0.5
December .....	24.1	19.6	+ 4.5	23.7	17.6	+ 6.1	0.1	1.7	- 1.6	0.3	0.2	+ 0.1
<u>1950</u>												
Total (10 mos.)..	489.3	252.8	+236.5	474.8	222.6	+252.2	4.1	25.0	- 20.9	10.4	5.2	+ 5.2
January .....	20.9	19.0	+ 1.9	19.9	16.4	+ 3.5	0.4	2.3	- 1.9	0.6	0.2	+ 0.4
February .....	17.6	18.3	- 0.7	15.9	15.6	+ 0.3	0.8	2.3	- 1.5	0.9	0.5	+ 0.4
March .....	29.3	25.1	+ 4.2	28.2	22.6	+ 5.6	0.5	2.1	- 1.6	0.7	0.4	+ 0.3
April .....	21.0	21.9	- 0.9	20.1	19.4	+ 0.7	0.1	2.2	- 2.1	0.8	0.3	+ 0.5
May .....	25.9	24.1	+ 1.8	24.6	21.1	+ 3.5	0.4	2.4	- 2.0	0.8	0.6	+ 0.2
June .....	34.4	31.4	+ 3.0	33.5	27.1	+ 6.4	0.2	3.9	- 3.7	0.7	0.5	+ 0.2
July .....	27.9	17.7	+ 10.2	26.8	16.2	+ 10.6	0.3	1.1	- 0.8	0.8	0.4	+ 0.4
August .....	73.3	19.4	+ 53.9	72.0	17.9	+ 54.1	0.1	1.0	- 0.9	1.1	0.5	+ 0.6
September .....	175.4	29.5	+145.9	173.2	26.1	+147.1	0.5	2.9	- 2.4	1.7	0.5	+ 1.2
October .....	63.7	46.4	+ 17.3	60.6	40.2	+ 20.4	0.8	5.0	- 4.2	2.3	1.2	+ 1.1

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, OCTOBER 1950  
 (Thousands of dollars)

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 and Debentures, Total .....	35,752	19,820	34,816	18,424	525	1,174	410	222
Canadian New Issues .....	1,305	-	803	-	423	-	78	-
Canadian Outstanding Issues .....								
Dominion .....	26,489	15,630	26,167	15,460	55	10	267	160
Provincial .....	666	655	663	75	3	575	-	5
Municipal .....	261	112	261	24	-	88	-	-
Guaranteed by the Dominion .....	315	25	315	17	-	4	-	4
Railway, other .....	1,270	374	1,270	360	-	11	-	3
Other Corporations .....	3,068	1,225	3,003	892	-	283	65	50
United States New Issues .....								
Government .....	-	230	-	230	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United States Outstanding Issues ...								
Government .....	1,305	919	1,305	919	-	-	-	-
Other .....	461	44	461	44	-	-	-	-
United Kingdom New Issues .....								
Government .....	-	-	-	-	-	-	-	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues ...								
Government .....	21	-	-	-	21	-	-	-
Other .....	19	9	-	-	19	9	-	-
Other Countries New Issues .....	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues .	151	230	147	36	4	194	-	-
Unspecified Bonds and Debentures ...	421	367	421	367	-	-	-	-
Common & Preference Stocks								
Canadian .....	16,666	18,917	14,558	14,082	226	3,865	1,882	970
United States .....	7,438	3,260	7,437	3,260	-	-	1	-
United Kingdom .....	2	-	-	-	2	-	-	-
Other Countries .....	-	1	-	1	-	-	-	-
Short-Term Securities(1 yr. or less)	577	1,543	577	1,543	-	-	-	-
Other Securities								
Canadian .....	3,176	2,875	3,176	2,875	-	-	-	-
United States .....	42	-	42	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
Other Countries .....	-	1	-	-	-	1	-	-
TOTAL .....	63,653	46,417	60,606	40,185	753	5,040	2,293	1,192

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

## ANALYSIS OF TRADE IN SECURITIES BETWEEN CANADA AND OTHER COUNTRIES, TEN MONTHS ENDING OCTOBER 1950

Table 2A

(Thousands of dollars)

	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 .....	305,139	85,121	301,271	79,701	2,218	4,327	1,651	1,093
Canadian New Issues .....	2,994	-	2,291	-	607	-	95	-
Canadian Outstanding Issues .....								
Dominion .....	216,228	40,625	215,239	39,924	247	152	742	548
Provincial .....	16,454	2,096	16,205	895	178	1,116	71	88
Municipal .....	1,642	1,183	1,499	236	143	941	-	5
Guaranteed by the Dominion .....	7,935	246	7,935	194	-	32	-	19
Railway, other .....	7,487	1,813	7,386	1,470	20	338	81	4
Other Corporations .....	27,290	17,136	25,675	15,717	955	992	662	428
United States New Issues .....								
Government .....	-	1,096	-	1,096	-	-	-	-
Other .....	-	194	-	194	-	-	-	-
United States Outstanding Issues .....								
Government .....	13,100	11,728	13,100	11,728	-	-	-	-
Other .....	3,846	1,205	3,846	1,205	-	-	-	-
United Kingdom New Issues .....								
Government .....	-	9	-	-	-	-	9	-
Other .....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues .....								
Government .....	42	34	-	10	42	24	-	-
Other .....	33	9	11	-	22	9	-	-
Other Countries New Issues .....	-	57	-	37	-	20	-	-
Other Countries Outstanding Issues ..	1,792	1,162	1,788	467	4	694	-	(1)
Unspecified Bonds and Debentures ....	6,296	6,528	6,296	6,528	-	-	-	-
<u>Common &amp; Preference Stocks</u>								
Canadian .....	109,631	124,846	99,329	100,132	1,708	20,684	8,593	4,030
United States .....	66,978	33,947	66,774	33,908	143	-	60	39
United Kingdom .....	52	206	41	206	11	-	-	-
Other Countries .....	138	23	41	4	6	12	91	7
Short-Term Securities (1 yr. or less) .....	3,810	5,512	3,810	5,512	-	-	-	-
<u>Other Securities</u>								
Canadian .....	3,333	3,124	3,333	3,124	-	-	-	-
United States .....	147	-	147	-	-	-	-	-
United Kingdom .....	-	-	-	-	-	-	-	-
Other Countries .....	26	10	26	-	-	9	-	(1)
TOTAL .....	489,254	252,789	474,772	222,587	4,086	25,032	10,395	5,170

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

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

SUMMARY TABLE, OCTOBER 1950  
(Thousands of dollars)

Table 3

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<u>Canadian Securities, Total .....</u>	53,216	39,813	50,216	33,785	707	4,836	2,292	1,192
Bonds and Debentures .....	33,374	18,021	32,482	16,828	481	971	410	222
Common and Preference Stocks .....	16,666	18,917	14,558	14,082	226	3,865	1,882	970
Other Securities .....	3,176	2,875	3,176	2,875	-	-	-	-
<u>United States Securities, Total .....</u>	9,246	4,453	9,245	4,453	-	-	1	-
Bonds and Debentures .....	1,766	1,193	1,766	1,193	-	-	-	-
Common and Preference Stocks .....	7,438	3,260	7,437	3,260	-	-	1	-
Other Securities .....	42	-	42	-	-	-	-	-
<u>United Kingdom Securities, Total ...</u>	42	9	-	-	42	9	-	-
Bonds and Debentures .....	40	9	-	-	40	9	-	-
Common and Preference Stocks .....	2	-	-	-	2	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
<u>Other Countries Securities, Total ..</u>	151	232	147	37	4	195	-	-
Bonds and Debentures .....	151	230	147	36	4	194	-	-
Common and Preference Stocks .....	-	1	-	1	-	-	-	-
Other Securities .....	-	1	-	-	-	1	-	-
<u>Short-Term Securities (1 yr. or less)</u>	577	1,543	577	1,543	-	-	-	-
<u>Unspecified Bonds and Debentures ...</u>	421	367	421	367	-	-	-	-
<b>TOTAL .....</b>	<b>63,653</b>	<b>46,417</b>	<b>60,606</b>	<b>40,185</b>	<b>753</b>	<b>5,040</b>	<b>2,293</b>	<b>1,192</b>

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES  
BY NATIONALITY AND CLASS OF SECURITY  
FOR THE TEN MONTHS ENDING OCTOBER 1950  
(Thousands of dollars)

Table 3A

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
<u>Canadian Securities, Total .....</u>	392,994	191,069	378,892	161,692	3,858	24,255	10,244	5,122
Bonds and Debentures .....	280,030	63,099	276,230	58,436	2,150	3,571	1,651	1,092
Common and Preference Stocks .....	109,631	124,846	99,329	100,132	1,708	20,684	8,593	4,030
Other Securities .....	3,333	3,124	3,333	3,124	-	-	-	-
<u>United States Securities, Total .....</u>	84,071	48,170	83,867	48,131	143	-	60	39
Bonds and Debentures .....	16,946	14,223	16,946	14,223	-	-	-	-
Common and Preference Stocks .....	66,978	33,947	66,774	33,908	143	-	60	39
Other Securities .....	147	-	147	-	-	-	-	-
<u>United Kingdom Securities, Total ....</u>	127	258	52	216	75	42	-	-
Bonds and Debentures .....	75	52	11	10	64	42	-	-
Common and Preference Stocks .....	52	206	41	206	11	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
<u>Other Countries Securities, Total ...</u>	1,956	1,252	1,855	508	10	735	91	9
Bonds and Debentures .....	1,792	1,219	1,788	504	4	714	-	1
Common and Preference Stocks .....	138	23	41	4	6	12	91	7
Other Securities .....	26	10	26	-	-	9	-	1
<u>Short-Term Securities(1 yr. or less)</u>	3,810	5,512	3,810	5,512	-	-	-	-
<u>Unspecified Bonds and Debentures ....</u>	6,296	6,528	6,296	6,528	-	-	-	-
<b>TOTAL .....</b>	<b>489,254</b>	<b>252,789</b>	<b>474,772</b>	<b>222,587</b>	<b>4,086</b>	<b>25,032</b>	<b>10,395</b>	<b>5,170</b>

N.B. As above figures are rounded, totals do not necessarily equal the sum of their component parts.

QUOTATIONS AND YIELDS FOR DOMESTIC GOVERNMENT BONDS  
IN CANADA, THE UNITED KINGDOM AND UNITED STATES

Table 4

	Canada		United Kingdom		United States	
	3% due		3% due		U.S. Treasury	
	Sept. 1, 1961-66	April 15, 1959-69	2½% due	Dec. 15, 1963-68		
	Price	Yield	Price	Yield	Price	Yield
<u>1948</u>						
January .....	102.25	2.80	100.92	2.90	101.03	2.42
February .....	101.85	2.83	101.00	2.90	101.03	2.42
March .....	100.27	2.98	101.30	2.86	101.10	2.42
April .....	100.37	2.97	99.71	3.02	101.16	2.41
May .....	100.73	2.93	100.82	2.91	101.46	2.39
June .....	100.63	2.94	100.98	2.89	101.59	2.38
July .....	100.72	2.93	101.04	2.89	101.10	2.41
August .....	100.43	2.96	101.81	2.80	101.03	2.42
September .....	100.51	2.95	102.31	2.75	101.03	2.42
October .....	100.41	2.96	102.90	2.68	101.03	2.42
November .....	100.65	2.94	103.27	2.64	101.15	2.41
December .....	100.75	2.93	103.42	2.62	101.34	2.39
<u>1949</u>						
January .....	100.72	2.93	103.55	2.60	101.60	2.37
February .....	100.77	2.93	103.58	2.60	101.92	2.35
March .....	100.80	2.92	103.54	2.60	102.05	2.35
April .....	100.88	2.91	103.72	2.58	102.07	2.33
May .....	100.88	2.91	103.50	2.60	102.09	2.33
June .....	100.88	2.91	101.92	2.78	102.27	2.32
July .....	101.12	2.89	99.40	3.04	103.77	2.17
August .....	101.71	2.83	95.68	3.30	104.09	2.17
September .....	101.96	2.81	96.72	3.23	104.45	2.14
October .....	103.04	2.70	96.18	3.27	104.51	2.13
November .....	103.08	2.69	95.11	3.34	104.76	2.11
December .....	102.65	2.73	97.17	3.20	104.88	2.10
<u>1950</u>						
January .....	102.65	2.73	95.84	3.29	104.80	2.10
February .....	102.71	2.72	96.47	3.25	104.25	2.14
March .....	102.70	2.72	95.68	3.31	103.76	2.18
April .....	102.39	2.75	96.72	3.23	103.37	2.21
May .....	102.68	2.72	97.01	3.21	103.15	2.23
June .....	102.55	2.73	98.08	3.14	102.91	2.25
July .....	102.20	2.77	96.72	3.23	102.73	2.26
August .....	102.41	2.75	97.10	3.21	102.69	2.26
September .....	102.88	2.70	98.11	3.14	102.41	2.29
October .....	102.16	2.77	99.29	3.05	102.16	2.31

The above prices are the average of business days during each month.

INDEX NUMBERS OF COMMON STOCKS PRICES IN CANADA  
AND THE UNITED STATES  
(1935-1939=100)

Table 5.

	CANADA (Dominion Bureau of Statistics)			UNITED STATES (Standard and Poor's Trade Securities)
	Investors' Price Index	Mining Stocks		
		(Industrials Utilities Banks)	Gold Stocks	Composite Mining Index
1941 - December .....	67.2	52.2	63.2	71.8
1942 - December .....	71.5	44.7	54.7	74.7
1943 - December .....	80.5	68.5	74.9	91.8
1944 - December .....	86.0	74.4	80.6	104.7
1945 - December .....	112.5	104.0	108.2	139.7
1946 - December .....	106.4	70.9	83.7	125.5
1947 - December .....	106.2	74.8	86.6	122.4
<u>1948</u> - October .....	116.4	62.2	82.5	127.8
November .....	117.8	60.5	82.7	120.4
December .....	115.8	63.0	84.2	119.4
<u>1949</u> - January .....	114.3	69.1	88.9	121.0
February .....	108.1	68.8	85.9	117.2
March .....	106.4	67.1	82.8	118.0
April .....	106.4	72.3	86.0	118.5
May .....	105.3	69.4	82.5	117.7
June .....	99.6	66.5	78.9	112.0
July .....	104.2	70.6	84.9	117.8
August .....	108.2	75.3	89.6	121.8
September .....	109.6	75.0	89.9	123.8
October .....	114.3	74.9	91.5	127.3
November .....	118.2	77.3	95.2	129.1
December .....	117.9	74.2	92.4	132.7
1950 - January .....	119.0	75.0	92.8	135.1
February .....	118.3	73.2	91.3	136.7
March .....	118.7	73.9	91.0	138.8
April .....	125.9	75.4	93.0	141.8
May .....	128.7	73.6	92.3	146.9
June .....	130.9	70.2	90.5	147.7
July .....	124.3	58.5	80.9	138.2
August .....	135.7	61.6	86.9	147.2
September .....	141.5	62.7	90.0	151.7
October .....	145.4	64.0	91.7	157.8