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SALES AND PURCHASES OF SECURITIES  
BETWEEN CANADA AND OTHER COUNTRIES

September, 1952

Trade in Outstanding Securities

Trade in outstanding securities between Canada and other countries resulted in a purchase balance of \$50 million in the third quarter of 1952, following on net purchases of \$14 million in the second quarter and contrasting with a sales balance of \$8 million in the first. Dominating transactions during the quarter were repurchases by Canadians of \$44 million Government of Canada direct and guaranteed issues and \$21 million other Canadian bonds. But there continued to be inflows of capital for investment in Canadian stocks, although net sales of this group of securities of \$16 million were less than in preceding quarters. There was also a small balance of sales of United States securities by Canadians.

Since September 1951 Canadians have repurchased \$219 million Government of Canada direct and guaranteed debt. After taking into account retirements, repatriation in the twelve month period has more than equalled the net movement of foreign capital into this group of issues during the whole of 1950 when massive inflows took place.

In the month of September there was a purchase balance of \$13.8 million. Net purchases from the United States, as in July and August, outweighed net sales to the United Kingdom and other countries. Canadian stocks were sold on balance to purchasers in the United States but were out-valued by the movement of Canadian bonds from the United States to Canada. In transactions with the United Kingdom and other countries there were sales balances in both stocks and bonds.

Comment on Other Capital Movements

In the third quarter of 1952 sales of new issues of Canadian securities in the United States, not included in the security trade covered in this bulletin, fell to about \$20 million, bringing the total for nine months to over \$270 million. Retirements in the quarter were relatively small, and net new issues for the nine months were about \$220 million.

In addition, inflows of foreign capital for direct investment in Canadian industry, mainly from the United States, were heavier than in earlier quarters; for the nine months of the year the rate has been near that prevailing over the whole of 1951 when the total for the year reached \$300 million.

The strong demand for Canadian funds arising from these two substantial groups of capital inflows and from current account transactions is reflected in the rising value of the Canadian dollar in terms of United States funds in the first nine months. The strength of the Canadian dollar in turn contributed to the capital outflow on outstanding securities account covered in this bulletin, and to other equilibrating short-term capital outflows mainly in the form of increases in private balances and receivables, and decreases of commercial and other short-term indebtedness abroad.

On balance capital movements during the nine months have decreased Canada's net international debtor position, apart from the effects of reinvested earnings. The small current account surplus which Canada had with all countries in the first nine months of 1952 contrasts with a substantial current deficit in the corresponding months of 1951.

Prepared in Balance of Payments Section.

7503-504  
20-11-52

Table 1

**Sales and Purchases of Securities Between Canada and Other Countries**  
(Millions of dollars)

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. -
1950												
Total (12 mos.) .....	565.0	326.6	+ 238.4	546.0	290.3	+ 255.7	5.3	28.1	- 22.8	13.7	8.3	+ 5.4
1951												
Total (12 mos.) .....	596.4	578.7	+ 17.7	539.6	545.3	- 5.7	11.2	18.7	- 7.5	45.6	14.6	+ 31.0
January .....	67.8	49.6	+ 18.2	62.2	46.2	+ 16.0	0.5	2.3	- 1.8	5.0	1.1	+ 3.9
February .....	75.8	52.8	+ 23.0	69.5	49.3	+ 20.2	0.7	2.3	- 1.6	5.6	1.2	+ 4.4
March .....	55.9	47.0	+ 8.9	51.4	44.7	+ 6.7	0.5	1.1	- 0.6	4.0	1.2	+ 2.8
April .....	45.4	39.2	+ 6.2	38.7	36.8	+ 1.9	0.5	1.0	- 0.5	6.3	1.4	+ 4.9
May .....	35.6	37.5	- 1.9	31.8	34.0	- 2.2	0.7	2.3	- 1.6	3.1	1.2	+ 1.9
June .....	31.5	28.8	+ 2.7	27.9	26.5	+ 1.4	0.3	1.6	- 1.3	3.3	0.8	+ 2.5
July .....	27.2	26.1	+ 1.1	24.9	24.7	+ 0.2	0.5	0.7	- 0.2	1.9	0.8	+ 1.1
August .....	33.4	30.6	+ 2.8	29.4	29.0	+ 0.4	1.2	0.6	+ 0.6	2.8	1.0	+ 1.8
September .....	53.0	56.0	- 3.0	47.6	52.6	- 5.0	0.6	1.6	- 1.0	4.8	1.8	+ 3.0
October .....	66.5	96.7	- 30.2	61.7	93.1	- 31.4	1.9	1.9	0.0	2.8	1.6	+ 1.2
November .....	42.1	64.3	- 22.2	36.9	61.6	- 24.7	1.9	1.3	+ 0.6	3.3	1.3	+ 2.0
December .....	62.3	50.1	+ 12.2	57.5	46.8	+ 10.7	2.0	2.0	0.0	2.8	1.3	+ 1.5
1952												
Total (9 mos.) .....	401.7	457.4	- 55.7	360.7	424.7	- 64.0	15.8	18.3	- 2.5	25.2	14.4	+ 10.8
January .....	56.1	49.6	+ 6.5	49.8	45.8	+ 4.0	1.2	1.5	- 0.3	5.0	2.2	+ 2.8
February .....	46.1	44.7	+ 1.4	41.4	40.4	+ 1.0	1.0	2.3	- 1.3	3.7	2.0	+ 1.7
March .....	47.8	47.6	+ 0.2	43.8	43.8	0.0	1.2	2.0	- 0.8	2.7	1.8	+ 0.9
April .....	69.5	66.7	+ 2.8	64.4	61.0	+ 3.4	2.5	3.7	- 1.2	2.6	2.0	+ 0.6
May .....	44.4	53.7	- 9.3	40.8	49.7	- 8.9	2.3	2.9	- 0.6	1.4	1.2	+ 0.2
June .....	33.0	40.4	- 7.4	28.0	36.4	- 8.4	2.2	2.6	- 0.4	2.8	1.4	+ 1.4
July .....	34.2	50.5	- 16.3	29.8	47.7	- 17.9	1.8	1.5	+ 0.3	2.5	1.4	+ 1.1
August .....	37.0	56.8	- 19.8	33.4	54.7	- 21.3	1.7	0.9	+ 0.8	1.9	1.2	+ 0.7
September .....	33.7	47.5	- 13.8	29.3	45.1	- 15.8	2.0	1.1	+ 0.9	2.5	1.3	+ 1.2
October .....												
November .....												
December .....												

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

EX-005

# Analysis of Trade in Securities Between Canada and Other Countries

SEPTEMBER 1952

TABLE 2

(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 .....	4,613	24,004	3,388	23,617	830	330	394	56
Canadian New Issues *	-	-	-	-	-	-	-	-
Canadian Outstanding Issues:								
Dominion .....	1,557	5,905	1,443	5,805	18	98	96	2
Provincial .....	900	3,887	420	3,862	301	2	179	22
Municipal .....	13	907	3	900	10	7	-	-
Guaranteed by the Dominion .....	111	2,279	8	2,276	103	3	-	-
Railway, other .....	173	472	167	311	6	150	-	11
Other Corporations .....	1,001	9,938	764	9,904	118	19	119	15
United States New Issues:								
Government .....	-	42	-	42	-	-	-	-
Other .....	-	71	-	71	-	-	-	-
United States Outstanding Issues:								
Government .....	106	164	31	164	74	-	-	-
Other .....	212	109	212	109	-	-	-	-
United Kingdom Issues:								
Government .....	186	44	-	4	186	40	-	-
Other .....	20	42	9	33	11	6	-	3
Other Countries Issues .....	153	28	150	20	3	5	-	3
Unspecified Bonds and Debentures .....	181	116	181	116	-	-	-	-
Common & Preference Stocks:								
Canadian .....	24,512	18,722	21,375	16,928	1,062	544	2,075	1,249
United States .....	3,899	3,980	3,898	3,980	1	-	-	-
United Kingdom .....	22	178	-	-	22	178	-	-
Other Countries .....	-	-	-	-	-	-	-	-
Short-Term Securities (1 yr. or less) .....	-	601	-	601	-	-	-	-
Other Securities:								
Canadian .....	597	2	594	2	-	-	3	-
United States .....	-	-	-	-	-	-	-	-
United Kingdom .....	36	-	-	-	36	-	-	-
Other Countries .....	8	3	8	3	-	-	-	-
Total .....	33,687	47,490	29,263	45,131	1,951	1,052	2,472	1,305

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

\* Limited to Domestic Issues Floated in Canada.

# Analysis of Trade in Securities Between Canada and Other Countries

NINE MONTHS ENDING SEPTEMBER 1952

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
<b>Bonds and Debentures, Total .....</b>	80,166	207,878	67,435	201,266	8,930	5,234	3,806	1,381
Canadian New Issues *	7,703	-	7,335	-	275	-	93	-
Canadian Outstanding Issues:								
Dominion .....	24,507	118,855	20,761	115,667	3,014	2,736	733	451
Provincial .....	4,703	23,572	2,210	23,292	1,614	175	879	105
Municipal .....	708	4,296	610	4,069	98	221	-	6
Guaranteed by the Dominion .....	1,961	25,488	1,693	25,271	177	122	92	96
Railway, other .....	4,085	4,005	4,016	3,535	48	402	20	69
Other Corporations .....	27,196	20,747	24,690	20,012	1,142	433	1,367	302
United States New Issues:								
Government .....	-	3,452	-	3,452	-	-	-	-
Other .....	-	259	-	259	-	-	-	-
United States Outstanding Issues:								
Government .....	2,431	1,550	2,356	1,550	74	-	-	-
Other .....	1,091	455	855	455	237	-	-	-
United Kingdom Issues:								
Government .....	2,097	417	4	4	1,949	329	144	84
Other .....	394	161	157	43	237	115	-	3
Other Countries Issues .....	1,408	1,549	866	585	65	701	478	265
Unspecified Bonds and Debentures .....	1,882	3,072	1,882	3,072	-	-	-	-
Common & Preference Stocks:								
Canadian .....	259,723	196,160	232,569	171,493	5,962	11,826	21,192	12,840
United States .....	51,367	45,442	51,353	45,251	11	106	1	85
United Kingdom .....	665	877	46	87	619	790	-	-
Other Countries .....	186	349	116	336	12	-	58	12
Short-Term Securities (1 yr. or less) .....	1,700	902	1,700	603	-	299	-	-
Other Securities:								
Canadian .....	7,061	5,653	6,967	5,511	-	66	93	76
United States .....	536	145	536	145	-	-	-	-
United Kingdom .....	203	5	-	3	203	2	-	-
Other Countries .....	86	15	16	10	70	5	-	-
Total .....	401,693	457,426	360,738	424,705	15,807	18,328	25,150	14,394

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

\* Limited to Domestic Issues located in Canada.

**Sales and Purchases of Securities Between Canada and Other Countries by Nationality and Class of Security**  
**SUMMARY TABLE, SEPTEMBER 1952**

**TABLE 3**

(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
<b>Canadian Securities, Total .....</b>	28,864	42,112	24,774	39,988	1,618	823	2,472	1,299
Bonds and Debentures .....	3,755	23,388	2,805	23,058	556	279	394	50
Common and Preference Stocks .....	24,512	18,722	21,375	16,928	1,062	544	2,075	1,249
Other Securities .....	597	2	594	2	-	-	3	-
<b>United States Securities, Total .....</b>	4,217	4,366	4,141	4,366	75	-	-	-
Bonds and Debentures .....	318	386	243	386	74	-	-	-
Common and Preference Stocks .....	3,899	3,980	3,898	3,980	1	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
<b>United Kingdom Securities, Total .....</b>	264	264	9	37	255	224	-	3 1
Bonds and Debentures .....	206	86	9	37	197	46	-	3 5
Common and Preference Stocks .....	22	178	-	-	22	178	-	-
Other Securities .....	36	-	-	-	36	-	-	-
<b>Other Countries Securities, Total .....</b>	161	31	158	23	3	5	-	3
Bonds and Debentures .....	153	28	150	20	3	5	-	3
Common and Preference Stocks .....	-	-	-	-	-	-	-	-
Other Securities .....	8	3	8	3	-	-	-	-
<b>Short-Term Securities (1 yr. or less) ....</b>	-	601	-	601	-	-	-	-
<b>Unspecified Bonds and Debentures .....</b>	181	116	181	116	-	-	-	-
<b>Total .....</b>	33,687	47,490	29,263	45,131	1,951	1,052	2,472	1,305

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 NINE MONTHS ENDING SEPTEMBER 1952

(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
<b>Canadian Securities, Total .....</b>	<b>337,647</b>	<b>398,776</b>	<b>300,851</b>	<b>368,850</b>	<b>12,330</b>	<b>15,981</b>	<b>24,469</b>	<b>13,945</b>
Bonds and Debentures .....	70,263	196,963	61,315	191,846	6,368	4,089	3,184	1,029
Common and Preference Stocks .....	259,723	196,160	232,569	171,493	5,962	11,826	21,192	12,840
Other Securities .....	7,061	5,653	6,967	5,511	-	66	93	76
<b>United States Securities, Total .....</b>	<b>55,425</b>	<b>51,303</b>	<b>55,100</b>	<b>51,112</b>	<b>322</b>	<b>106</b>	<b>1</b>	<b>85</b>
Bonds and Debentures .....	3,522	5,716	3,211	5,716	311	-	-	-
Common and Preference Stocks .....	51,367	45,442	51,353	45,251	11	106	1	85
Other Securities .....	536	145	536	145	-	-	-	-
<b>United Kingdom Securities, Total .....</b>	<b>3,359</b>	<b>1,460</b>	<b>207</b>	<b>137</b>	<b>3,008</b>	<b>1,236</b>	<b>144</b>	<b>87</b>
Bonds and Debentures .....	2,491	578	161	47	2,186	444	144	87
Common and Preference Stocks .....	665	877	46	87	619	790	-	-
Other Securities .....	203	5	-	3	203	2	-	-
<b>Other Countries Securities, Total .....</b>	<b>1,680</b>	<b>1,913</b>	<b>998</b>	<b>931</b>	<b>147</b>	<b>706</b>	<b>536</b>	<b>277</b>
Bonds and Debentures .....	1,408	1,549	866	585	65	701	478	265
Common and Preference Stocks .....	186	349	116	336	12	-	58	12
Other Securities .....	86	15	16	10	70	5	-	-
<b>Short-Term Securities (1 yr. or less) ....</b>	<b>1,700</b>	<b>902</b>	<b>1,700</b>	<b>603</b>	<b>-</b>	<b>299</b>	<b>-</b>	<b>-</b>
<b>Unspecified Bonds and Debentures .....</b>	<b>1,882</b>	<b>3,072</b>	<b>1,882</b>	<b>3,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total .....</b>	<b>401,693</b>	<b>457,426</b>	<b>360,738</b>	<b>424,705</b>	<b>15,807</b>	<b>18,328</b>	<b>25,150</b>	<b>14,394</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 Sept. 1, 1961-66		3% due April 15, 1959-69		U.S. Treasury 2½% due Dec. 15, 1963-68	
	Price	Yield	Price	Yield	Price	Yield
1950 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
November .....	101.21	2.87	99.26	3.05	101.98	2.32
December .....	100.24	2.97	98.30	3.12	101.73	2.35
1951 January .....	99.94	3.01	98.34	3.12	101.96	2.32
February .....	99.94	3.01	96.44	3.26	101.87	2.33
March .....	97.88	3.17	96.27	3.28	100.19	2.48
April .....	97.49	3.21	95.27	3.35	98.68	2.59
May .....	97.54	3.20	94.25	3.43	97.41	2.69
June .....	97.12	3.24	92.78	3.55	97.24	2.70
July .....	97.51	3.21	93.12	3.53	97.77	2.66
August .....	97.36	3.22	93.14	3.53	98.84	2.58
September .....	97.19	3.24	93.03	3.54	99.06	2.57
October .....	97.00	3.26	92.69	3.57	97.99	2.65
November .....	96.26	3.32	90.98	3.71	97.45	2.69
December .....	94.86	3.45	87.50	4.01	97.22	2.71
1952 January .....	94.40	3.49	86.47	4.10	97.03	2.72
February .....	94.32	3.50	85.81	4.17	97.15	2.71
March .....	94.18	3.52	84.48	4.29	97.39	2.70
April .....	94.23	3.52	85.47	4.21	98.64	2.60
May .....	94.82	3.46	84.59	4.29	99.64	2.53
June .....	94.57	3.49	82.77	4.47	99.32	2.55
July .....	93.74	3.57	82.96	4.45	99.30	2.55
August .....	93.32	3.61	85.07	4.26	98.09	2.65
September .....	93.24	3.62	86.62	4.12	97.56	2.68
October .....						
November .....						
December .....						

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

Index Numbers of Common Stocks Prices in Canada and the United States

Table 5.

(1935-1939 = 100)

	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		
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	
1948—December .....	115.8	63.0	84.2	119.4	
1949—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	
November .....	144.5	61.1	90.0	156.1	
December .....	146.3	59.8	88.2	158.4	
1951—January .....	153.8	68.8	97.6	168.6	
February .....	166.5	74.3	104.7	174.7	
March .....	162.9	71.2	100.3	170.3	
April .....	165.6	66.8	96.7	172.3	
May .....	164.2	63.7	92.5	173.9	
June .....	160.7	63.7	90.6	171.7	
July .....	162.0	65.5	92.7	172.8	
August .....	169.7	69.7	97.7	181.5	
September .....	179.8	73.7	104.0	187.3	
October .....	183.3	75.3	107.5	185.0	
November .....	174.0	71.9	102.4	177.7	
December .....	177.3	73.2	103.4	182.5	
1952—January .....	181.7	72.0	104.2	187.1	
February .....	179.5	71.2	102.6	183.2	
March .....	177.6	73.4	102.7	185.2	
April .....	175.8	77.0	102.8	183.6	
May .....	169.0	75.1	101.4	183.7	
June .....	171.6	75.5	102.0	187.6	
July .....	174.9	76.6	107.0	192.1	
August .....	176.0	77.6	110.2	191.1	
September .....	171.6	74.4	106.6	188.2	

