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SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES
OCTOBER, 1953

Trade in Outstanding Securities - October, 1953

Trade in outstanding securities between Canada and other countries in October led to a sales balance or capital inflow of \$4.5 million, compared with \$0.8 million in September and with outflows in the five preceding months. The volume of transactions was heavier than in recent months and the turnover exceeded \$82 million for the first time since June. Heavier trading in government bonds accounted for the rise of \$21 million over September.

Transactions with the United States resulted in a purchase balance of \$4.8 million reflecting net repurchases by Canadians of \$6.2 million Canadian bonds and \$2.4 million Canadian stocks, and net sales of \$3.7 million United States securities. But this purchase balance was more than offset by relatively large sales balances of \$5.6 million and \$3.8 million with the United Kingdom and with other countries respectively, arising largely from net sales of Canadian securities, mainly bonds and debentures. Net sales of Canadian securities to overseas countries have totalled nearly \$39 million in the ten months of 1953.

During October the spread between yields on the representative long-term Canadian and United States government issues quoted in Table 4 averaged 95 base points, an increase of 15 base points over September. This spread has been steadily rising since June when the interest differential was only 59 base points. The change from June occurred entirely on the United States issue whose yield fell from 3.11 % to 2.75 %. While the spread on long-term issues has now regained the level prevailing before the tightening which occurred in the United States bond market in the early part of 1953, the relationship of shorter-term issues has changed with falling United States and rising Canadian rates. Although for many years yields on Canadian 3-month treasury bills (not covered in the statistics in this bulletin) have been below those on United States issues, by mid-October this relationship had been reversed.

The liquidation of United States holdings of Government of Canada bonds which occurred in some volume in October did so in spite of the widening of differentials mentioned above.

Statistics in this bulletin cover transactions in outstanding securities reported by investment firms, stock exchanges, and other security dealers in Canada. Not included are sales of new issues and redemptions of called or matured securities, security transactions of a short-term character analogous to changes in bank balances, and some transactions by other than reporting agencies. More complete statistics of capital movements will be found in the annual and quarterly reports on The Canadian Balance of International Payments and in The Canadian Balance of International Payments in the Post-War Years, 1946-1952.

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 Foreign 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. -
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
1952												
Total (12 mos.)	507.7	585.6	- 77.9	450.1	542.5	-92.4	25.2	25.3	- 0.1	32.4	17.8	+14.6
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	30.5	62.8	- 32.3	26.2	58.0	-31.8	2.1	3.7	- 1.6	2.3	1.2	+ 1.1
November	30.7	34.1	- 3.4	24.9	31.4	- 6.5	3.8	1.8	+ 2.0	2.0	0.8	+ 1.2
December	44.7	31.3	+ 13.4	38.3	28.4	+ 9.9	3.5	1.4	+ 2.1	2.9	1.4	+ 1.5
1953												
Total (10 mos.)	402.2	423.1	- 20.9	310.8	370.9	-60.1	39.6	19.1	+20.5	51.8	33.1	+18.7
January	43.3	48.6	- 5.3	38.7	45.1	- 6.4	2.0	2.4	- 0.4	2.7	1.2	+ 1.5
February	48.3	45.8	+ 2.5	42.2	42.2	0.0	2.9	1.3	+ 1.6	3.1	2.2	+ 0.9
March	56.3	42.1	+ 14.2	46.1	36.4	+ 9.7	6.1	1.6	+ 4.5	4.2	4.1	+ 0.1
April	43.7	44.2	- 0.5	34.2	39.7	- 5.5	4.1	2.0	+ 2.1	5.3	2.4	+ 3.0
May	43.2	53.4	- 10.1	32.1	48.5	-16.4	2.7	1.4	+ 1.2	8.5	3.4	+ 5.1
June	38.9	61.4	- 22.6	30.0	54.3	-24.4	4.0	2.4	+ 1.7	4.8	4.7	+ 0.1
July	26.3	30.4	- 4.0	19.4	27.7	- 8.4	2.5	1.0	+ 1.4	4.5	1.6	+ 2.9
August	27.6	28.0	- 0.4	20.5	22.1	- 1.6	2.6	1.7	+ 0.9	4.5	4.2	+ 0.3
September	30.9	30.1	+ 0.8	22.7	25.0	- 2.2	3.6	1.7	+ 1.9	4.6	3.5	+ 1.1
October	43.5	39.0	+ 4.5	24.9	29.7	- 4.8	9.0	3.4	+ 5.6	9.6	5.8	+ 3.8
November												
December												

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

TABLE 2. Analysis of Trade in Securities Between Canada and Other Countries

October, 1953

(Thousands of dollars)

	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds and Debentures, Total	20,413	17,351	7,657	11,469	5,790	1,894	6,966	3,988
<i>Canadian Issues:</i>								
Government of Canada — Direct	9,345	12,379	1,692	8,115	2,712	1,160	4,941	3,104
Government of Canada — Guaranteed	2,543	845	1,579	836	-	5	964	4
Provincial	2,398	802	122	800	1,956	2	320	-
Municipal	582	348	531	314	51	34	-	-
Railway, not guaranteed by Government	381	415	282	415	68	-	31	-
Other Corporations	2,076	1,240	637	515	864	450	575	275
<i>United States Issues:</i>								
Government	2,689	440	2,689	314	-	6	-	120
Other	226	102	91	102	-	-	135	-
<i>United Kingdom Issues:</i>								
Government	85	-	-	-	85	-	-	-
Other	26	-	2	-	24	-	-	-
Other Foreign Countries Issues	62	780	32	58	30	237	-	485
<i>Common & Preference Stocks:</i>								
Canadian	17,331	17,724	11,999	14,401	2,872	1,509	2,460	1,814
United States	5,143	3,667	4,993	3,627	-	4	150	36
United Kingdom	356	13	-	11	351	2	5	-
Other Foreign Countries	1	2	-	-	1	-	-	2
<i>Short-Term Securities (1 yr. or less):</i>								
Canadian	35	18	35	18	-	-	-	-
Other Countries	1	-	1	-	-	-	-	-
<i>Other Securities:</i>								
Canadian	189	211	189	211	-	-	-	-
Other Countries	66	40	29	7	28	33	9	-
Total	43,535	39,026	24,903	29,744	9,042	3,442	9,590	5,840

TABLE 2A. Analysis of Trade in Securities Between Canada and Other Countries
 Ten months ending October, 1953

(Millions of dollars)

	Total Sales	Total Purchases	Net Sales + Purch. -	United States			United Kingdom			Other Foreign Countries		
				Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -	Sales to	Purchases from	Net Sales + Purch. -
Bonds and Debentures, Total	103.4	159.4	-56.0	55.8	136.8	-81.0	21.0	6.5	+14.5	26.7	16.1	10.6
<i>Canadian Issues:</i>												
Government of Canada — Direct	42.2	86.5	-44.2	17.4	69.9	-52.6	9.2	3.5	+ 5.7	15.7	13.0	+ 2.7
Government of Canada — Guaranteed	6.6	16.0	- 9.4	4.8	15.9	-11.1	0.6	-	+ 0.6	1.2	0.1	+ 1.1
Provincial	12.9	19.7	- 6.8	4.4	19.3	-14.9	4.4	0.3	+ 4.1	4.1	0.1	+ 4.0
Municipal	1.4	3.5	- 2.1	1.0	3.3	- 2.3	0.2	0.2	-	0.2	-	+ 0.2
Railway, not guaranteed by Government	6.5	4.3	+ 2.2	5.3	3.9	+ 1.4	0.7	0.3	+ 0.4	0.5	0.1	+ 0.3
Other Corporations	18.9	14.4	+ 4.5	10.4	12.0	- 1.6	3.9	1.1	+ 2.8	4.6	1.3	+ 3.3
<i>United States Issues:</i>												
Government	8.8	10.2	- 1.4	8.7	10.0	- 1.3	-	-	-	0.1	0.2	- 0.1
Other	3.0	2.3	+ 0.7	2.7	2.1	+ 0.6	-	-	-	0.2	0.1	+ 0.1
<i>United Kingdom Issues:</i>												
Government	1.2	0.3	+ 0.9	0.1	-	-	1.1	0.2	+ 0.8	-	-	-
Other	0.7	0.1	+ 0.6	0.1	-	+ 0.1	0.6	0.1	+ 0.5	-	-	-
Other Foreign Countries Issues	1.2	2.0	- 0.8	0.8	0.3	+ 0.5	0.3	0.7	- 0.4	0.1	1.0	- 0.9
<i>Common & Preference Stocks:</i>												
Canadian	221.8	195.1	+26.7	181.1	167.9	+13.2	16.8	11.5	+ 5.4	23.8	15.7	+ 8.1
United States	69.8	63.1	+ 6.7	69.0	61.5	+ 7.6	-	0.5	- 0.5	0.7	1.1	- 0.4
United Kingdom	2.0	0.3	+ 1.7	0.5	0.2	+ 0.3	1.4	0.1	+ 1.3	0.1	-	+ 0.1
Other Foreign Countries	0.3	0.3	-	0.2	-	+ 0.1	-	0.2	- 0.1	0.1	0.1	-
<i>Short-Term Securities (1 yr. or less):</i>												
Canadian	0.1	0.6	- 0.6	-	0.4	- 0.4	0.1	0.2	- 0.2	-	-	-
Other Countries	0.2	-	+ 0.2	0.1	-	+ 0.1	0.1	-	+ 0.1	-	-	-
<i>Other Securities:</i>												
Canadian	4.3	3.7	+ 0.6	3.9	3.6	+ 0.3	-	-	-	0.4	0.1	+ 0.3
Other Countries	0.3	0.6	- 0.3	0.2	0.5	- 0.3	0.1	0.1	-	0.1	0.1	-
Total	402.2	423.1	-20.9	310.8	370.9	-60.1	39.6	19.1	+20.5	51.8	33.1	+18.7

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

TABLE 3. Sales and Purchases of Securities Between Canada and Other Countries by Nationality and Class of Security

October, 1953

(Thousands of dollars)

	Total Sales	Total Purchases	United States		United Kingdom		Other Foreign Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Canadian Securities, Total	34,880	33,982	17,066	25,625	8,523	3,160	9,291	5,197
Bonds and Debentures	17,325	16,029	4,843	10,995	5,651	1,651	6,831	3,383
Common and Preference Stocks	17,331	17,724	11,999	14,401	2,872	1,509	2,460	1,814
Short-term securities (1 yr. or less)	35	18	35	18	-	-	-	-
Other Securities	189	211	189	211	-	-	-	-
United States Securities, Total	8,058	4,209	7,773	4,043	-	10	285	156
Bonds and Debentures	2,915	542	2,780	416	-	6	135	120
Common and Preference Stocks	5,143	3,667	4,993	3,627	-	4	150	36
United Kingdom Securities, Total	467	13	2	11	460	2	5	-
Bonds and Debentures	111	-	2	-	109	-	-	-
Common and Preference Stocks	356	13	-	11	351	2	5	-
Other Foreign Countries Securities, Total....	63	782	32	58	31	237	-	487
Bonds and Debentures	62	780	32	58	30	237	-	485
Common and Preference Stocks	1	2	-	-	1	-	-	2
Foreign Short-Term Securities (1 yr. or less)	1	-	1	-	-	-	-	-
Foreign Other Securities	66	40	29	7	28	33	9	-
Total	43,535	39,026	24,903	29,744	9,042	3,442	9,590	5,840

TABLE 3A. Sales and Purchases of Securities Between Canada and Other Countries by Nationality and Class of Security

Ten months ending October, 1953

(Millions of dollars)

	Total Sales	Total Purchases	Net Sales + Purch.-	United States			United Kingdom			Other Foreign Countries		
				Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
Canadian Securities, Total	314.7	343.9	-29.1	228.3	296.2	-67.9	35.9	17.2	+18.8	50.5	30.5	+20.0
Bonds and Debentures	88.6	144.5	-55.9	43.3	124.3	-81.0	19.0	5.5	+13.5	26.3	14.7	+11.6
Common and Preference Stocks	221.8	195.1	+26.7	181.1	167.9	+13.2	16.8	11.5	+ 5.4	23.8	15.7	+ 8.1
Short-term securities (1 yr. or less)	0.1	0.6	- 0.6	-	0.4	- 0.4	0.1	0.2	- 0.2	-	-	-
Other Securities	4.3	3.7	+ 0.6	3.9	3.6	+ 0.3	-	-	-	0.4	0.1	+ 0.3
United States Securities, Total	81.5	75.5	+ 6.0	80.5	73.6	+ 6.9	-	0.6	- 0.5	1.0	1.4	- 0.4
Bonds and Debentures	11.7	12.5	- 0.7	11.4	12.1	- 0.7	-	-	-	0.3	0.3	-
Common and Preference Stocks	69.8	63.1	+ 6.7	69.0	61.5	+ 7.6	-	0.5	- 0.5	0.7	1.1	- 0.4
United Kingdom Securities, Total	3.9	0.8	+ 3.2	0.8	0.2	+ 0.5	3.1	0.5	+ 2.6	0.1	-	-
Bonds and Debentures	1.9	0.4	+ 1.5	0.2	0.1	+ 0.2	1.7	0.3	+ 1.3	-	-	-
Common and Preference Stocks	2.0	0.3	+ 1.7	0.5	0.2	+ 0.3	1.4	0.1	+ 1.3	0.1	-	+ 0.1
Other Foreign Countries Securities, Total	1.4	2.3	- 0.8	1.0	0.3	+ 0.6	0.3	0.8	- 0.5	0.2	1.1	- 0.9
Bonds and Debentures	1.2	2.0	- 0.8	0.8	0.3	+ 0.5	0.3	0.7	- 0.4	0.1	1.0	- 0.9
Common and Preference Stocks	0.3	0.3	-	0.2	-	+ 0.1	-	0.2	- 0.1	0.1	0.1	-
Foreign Short-Term Securities (1 yr. or less)	0.2	-	+ 0.2	0.1	-	+ 0.1	0.1	-	+ 0.1	-	-	-
Foreign Other Securities	0.3	0.6	- 0.3	0.2	0.5	- 0.3	0.1	0.1	-	0.1	0.1	-
Total	402.2	423.1	-20.9	310.8	370.9	-60.1	39.6	19.1	+20.5	51.8	33.1	+18.7

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

TABLE 4. Quotations and Yields for Domestic Government Bonds
in Canada, The United Kingdom and United States

Year and Month	Canada		United Kingdom		United States	
	3% due Sept. 1, 1961-68		3% due April 15, 1959-69		U. S. Treasury $2\frac{1}{2}\%$ due Dec. 15, 1963-68	
	Price	Yield	Price	Yield	Price	Yield
1945 — December	100.87	2.94	100.58	2.95	102.45	2.33
1946 — December	104.77	2.61	108.35	2.22	104.19	2.20
1947 — December	104.75	2.59	100.82	2.92	101.99	2.35
1948 — December	100.75	2.93	103.42	2.62	101.34	2.39
1949 — December	102.65	2.73	97.17	3.20	104.88	2.10
1950 — 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	93.56	3.59	86.20	4.17	97.42	2.70
November	93.75	3.58	86.84	4.11	98.00	2.65
December	93.74	3.58	86.45	4.15	97.69	2.68
1953 — January	93.68	3.59	86.39	4.16	96.96	2.74
February	93.57	3.60	87.21	4.09	96.51	2.77
March	93.62	3.60	88.55	3.97	95.58	2.85
April	93.51	3.62	89.69	3.87	95.00	2.90
May	93.26	3.64	90.16	3.83	93.24	3.05
June	92.69	3.70	90.02	3.85	92.56	3.11
July	92.63	3.72	89.62	3.89	94.13	2.98
August	92.55	3.73	90.23	3.83	94.37	2.96
September	92.56	3.73	91.24	3.74	94.77	2.93
October	92.91	3.70	92.04	3.68	96.88	2.75
November						
December						

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

TABLE 5. Exchange Rates and Index Numbers of Common Stocks Prices in Canada and the United States
(1935-1939 = 100)

Year and Month	U. S. dollar in Canada (noon average in cents)	Canada (Dominion Bureau of Statistics)			United States Standard and Poor's Composite Stock Index of Industrials, Railroads and Utilities
		Investors' Price Index	Mining Stocks		
			(Industrials Utilities Banks)	Gold Stocks	Composite Mining Index
1945 — December	110.25	112.5	104.0	108.2	139.7
1946 — December	100.25	106.4	70.9	83.7	125.5
1947 — December	100.25	106.2	74.8	86.6	122.4
1948 — December	100.25	115.8	63.0	84.2	119.4
1949 — December	110.25	117.9	74.2	92.4	132.7
1950 — December	105.31	146.3	59.8	88.2	158.4
1951 — January	105.17	153.8	68.8	97.6	168.6
February	104.92	166.5	74.3	104.7	174.7
March	104.73	162.9	71.2	100.3	170.3
April	105.99	165.6	66.8	96.7	172.3
May	106.37	164.2	63.7	92.5	173.9
June	106.94	160.7	63.7	90.6	171.7
July	106.05	162.0	65.5	92.7	172.8
August	105.56	169.7	69.7	97.7	181.5
September	105.56	179.8	73.7	104.0	187.3
October	105.08	183.3	75.3	107.5	185.0
November	104.35	174.0	71.9	102.4	177.7
December	102.56	177.3	73.2	103.4	182.5
1952 — January	100.48	181.7	72.0	104.2	187.1
February	100.11	179.5	71.2	102.6	183.2
March	99.60	177.6	73.4	102.7	185.2
April	98.09	175.8	77.0	102.8	183.6
May	98.38	169.0	75.1	101.4	183.7
June	97.92	171.6	75.5	102.0	187.6
July	96.91	174.9	76.6	107.0	192.1
August	96.11	176.0	77.6	110.2	191.1
September	95.98	171.6	74.4	106.6	188.2
October	96.43	163.6	69.5	99.1	183.4
November	97.66	167.3	71.1	100.8	189.8
December	97.06	168.4	73.2	103.4	197.0
1953 — January	97.05	172.3	73.5	106.0	197.6
February	97.73	169.0	72.2	103.2	195.9
March	98.33	170.0	70.1	101.7	198.0
April	98.37	160.8	69.2	96.5	190.0
May	99.41	159.8	68.9	93.8	189.6
June	99.44	156.8	66.8	90.2	182.8
July	99.18	160.7	66.3	91.4	185.5
August	98.83	161.2	67.5	90.7	187.3
September	98.43	152.9	62.5	85.0	179.2
October	98.25	151.9	60.1	82.7	183.4
November					
December					

