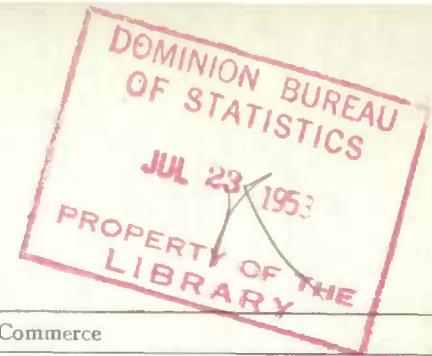




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SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES

MAY, 1953

Trade in Outstanding Securities

Trade in outstanding securities between Canada and other countries resulted in a capital outflow of \$10 million in May reducing the net inflow for five months to less than \$1 million. Net repurchases from the United States of Canadian bonds (mainly government issues) in the amount of \$23 million were of major importance in the month, but other sales mainly of United States and Canadian stocks reduced the net repatriation from the United States to \$16 million.

Transactions with the United Kingdom led to a sales balance of \$1 million, while heavy sales of government bonds to other overseas countries contributed to a balance of \$5 million in May.

Following closely the developments in United States interest rates referred to in last month's bulletin, increases of up to $\frac{1}{2}\%$ were announced early in May in rates on U.S. Government-backed home mortgages. The mortgage market is of particular significance to life insurance companies and other institutional lenders who are important holders of government bonds. In the ensuing readjustment in the United States bond market, the yield on the representative Government issue shown in Table 4 rose 15 base points to average 3.05%; the yield on the Canadian issue rose only 2 base points to 3.64%. It seems likely that the altered relationship of yields in the two countries, and anticipated extension of activity in the United States home mortgage market, was a leading factor in the sudden but limited liquidation of non-resident bond holdings which occurred in May.

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. Complete statistics of capital movements are published in the annual reports on The Canadian Balance of International Payments, while preliminary comment on the first quarter of 1953 will be found in the March issue of this series.

Prepared in Balance of Payments Section.

7503-504:
16-7-53

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	585.8	- 77.9	450.1	542.5	- 92.4	25.2	25.3	- 0.1	32.4	17.8	+14.6
January	56.1	49.8	+ 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	68.7	+ 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	- 0.8	1.4	1.2	+ 0.2
June	33.0	40.4	- 7.4	28.0	36.4	- 8.4	2.2	2.8	- 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	58.8	- 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	- 1.8	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 (5 mos.).....	234.9	234.1	+ 0.8	193.3	212.0	- 18.7	17.7	8.8	+ 8.9	23.9	13.3	+10.6
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												
July												
August												
September												
October												
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

May, 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	11,401	28,404	4,352	26,430	1,068	235	5,981	1,739
<i>Canadian Issues:</i>								
Government of Canada — Direct	7,388	22,951	2,005	21,402	416	7	4,967	1,542
Government of Canada — Guaranteed	118	2,145	99	2,122	-	3	19	20
Provincial	607	1,120	38	1,107	248	8	321	5
Municipal	26	258	17	238	-	15	9	5
Railway, not guaranteed by Government	648	703	531	636	19	50	98	17
Other Corporations	1,664	950	794	699	321	139	549	112
<i>United States Issues:</i>								
Government	533	162	529	162	4	-	-	-
Other	282	25	263	16	1	9	18	-
<i>United Kingdom Issues:</i>								
Government	25	6	-	6	25	-	-	-
Other	1	-	1	-	-	-	-	-
<i>Other Foreign Countries Issues</i>	109	84	75	42	34	4	-	38
<i>Common & Preference Stocks:</i>								
Canadian	22,235	18,586	18,265	15,969	1,453	1,027	2,517	1,590
United States	9,044	5,750	9,024	5,466	-	182	20	102
United Kingdom	128	-	-	-	128	-	-	-
Other Foreign Countries	2	15	-	-	-	1	2	14
<i>Short-Term Securities (1 yr. or less):</i>								
Canadian	-	383	-	383	-	-	-	-
Other Countries	23	-	23	-	-	-	-	-
<i>Other Securities:</i>								
Canadian	403	224	403	224	-	-	-	-
Other Countries	13	6	1	6	12	-	-	-
Total	43,249	53,368	32,068	48,478	2,661	1,445	8,520	3,445

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

Five months ending May, 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.....	52.0	78.7	-26.6	33.2	73.1	-39.9	8.0	1.8	+ 6.2	10.9	3.8	+ 7.1
Canadian Issues:												
Government of Canada — Direct	23.1	44.0	-20.9	11.6	40.9	-29.3	3.5	0.3	+ 3.2	7.9	2.7	+ 5.2
Government of Canada — Guaranteed	1.6	5.0	- 3.4	1.4	4.9	- 3.5	-	-	-	0.1	0.1	+ 0.1
Provincial	5.3	12.8	- 7.5	2.8	12.5	- 9.8	1.8	0.2	+ 1.6	0.7	-	+ 0.7
Municipal	0.4	0.9	- 0.5	0.3	0.9	- 0.6	0.1	0.1	-	-	-	-
Railway, not guaranteed by Government	4.4	2.0	+ 2.4	4.0	1.6	+ 2.3	0.2	0.3	-	0.2	0.1	+ 0.2
Other Corporations	9.0	8.9	+ 0.1	6.2	7.8	- 1.5	1.0	0.5	+ 0.5	1.8	0.7	+ 1.1
United States Issues:												
Government	4.6	2.9	+ 1.7	4.6	2.9	+ 1.7	-	-	-	-	-	-
Other	1.9	1.6	+ 0.3	1.8	1.4	+ 0.4	-	-	-	0.1	- 0.1	+ 4
United Kingdom Issues:												
Government	0.7	0.1	+ 0.6	0.1	-	+ 0.1	0.6	0.1	+ 0.6	-	-	-
Other	0.5	-	+ 0.5	-	-	-	0.5	-	+ 0.5	-	-	-
Other Foreign Countries Issues	0.5	0.5	-	0.4	0.1	+ 0.3	0.1	0.3	- 0.2	-	0.1	- 0.1
Common & Preference Stocks:												
Canadian.....	137.3	112.8	+24.4	115.3	97.7	+17.6	9.4	6.1	+ 3.3	12.6	9.1	+ 3.5
United States	41.9	39.1	+ 2.8	41.7	38.3	+ 3.4	-	0.4	- 0.4	0.2	0.4	- 0.2
United Kingdom	0.8	0.3	+ 0.5	0.5	0.1	+ 0.4	0.2	0.1	+ 0.1	-	-	-
Other Foreign Countries	0.3	0.2	-	0.1	-	+ 0.1	-	0.2	- 0.1	0.1	0.1	+ 0.1
Short-Term Securities (1 yr. or less):												
Canadian	-	0.6	- 0.6	-	0.4	- 0.4	-	0.2	- 0.2	-	-	-
Other Countries	0.2	-	+ 0.2	0.1	-	+ 0.1	0.1	-	+ 0.1	-	-	-
Other Securities:												
Canadian	2.4	2.3	+ 0.1	2.3	2.3	+ 0.1	-	-	-	-	-	-
Other Countries	0.1	0.1	-	0.1	0.1	-	-	-	-	-	-	-
Total	234.9	234.1	+ 0.8	193.3	212.0	-18.7	17.7	8.8	+ 8.9	23.9	13.3	+10.6

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

May, 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	33,089	47,320	22,152	42,780	2,457	1,249	8,480	3,291
Bonds and Debentures	10,451	28,127	3,484	26,204	1,004	222	5,963	1,701
Common and Preference Stocks	22,235	18,586	18,265	15,969	1,453	1,027	2,517	1,590
Short-term securities (1 yr. or less)	-	383	-	383	-	-	-	-
Other Securities	403	224	403	224	-	-	-	-
United States Securities, Total	9,859	5,937	9,816	5,644	5	191	38	102
Bonds and Debentures	815	187	792	178	5	9	18	-
Common and Preference Stocks	9,044	5,750	9,024	5,466	-	182	20	102
United Kingdom Securities, Total	154	6	1	6	153	-	-	-
Bonds and Debentures	26	6	1	6	25	-	-	-
Common and Preference Stocks	128	-	-	-	128	-	-	-
Other Foreign Countries Securities, Total	111	99	75	42	34	5	2	52
Bonds and Debentures	109	84	75	42	34	4	-	38
Common and Preference Stocks	2	15	-	-	-	1	2	14
Foreign Short-Term Securities (1 yr. or less)	23	-	23	-	-	-	-	-
Foreign Other Securities	13	6	1	6	12	-	-	-
Total	43,249	53,368	32,068	48,478	2,661	1,445	8,520	3,445

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

Five months ending May, 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	183.5	189.3	-5.9	143.9	168.9	-25.1	16.1	7.7	+ 8.4	23.5	12.7	+10.8
Bonds and Debentures	43.8	73.6	-29.7	26.3	68.6	-42.3	6.7	1.4	+ 5.3	10.8	3.5	+ 7.3
Common and Preference Stocks	137.3	112.8	+24.4	115.3	97.7	+17.6	9.4	6.1	+ 3.3	12.6	9.1	+ 3.5
Short-term securities (1 yr. or less)	-	0.6	- 0.6	-	0.4	- 0.4	-	0.2	- 0.2	-	-	-
Other Securities	2.4	2.3	+ 0.1	2.3	2.3	+ 0.1	-	-	-	-	-	-
United States Securities, Total	48.4	43.6	+ 4.8	48.1	42.6	+ 5.5	-	0.5	- 0.4	0.2	0.5	- 0.2
Bonds and Debentures	6.4	4.5	+ 2.0	6.4	4.3	+ 2.1	-	-	-	-	0.1	- 0.1
Common and Preference Stocks	41.9	39.1	+ 2.8	41.7	38.3	+ 3.4	-	0.4	- 0.4	0.2	0.4	- 0.2
United Kingdom Securities, Total	2.0	0.4	+ 1.6	0.6	0.2	+ 0.4	1.4	0.2	+ 1.2	-	-	-
Bonds and Debentures	1.2	0.1	+ 1.1	0.1	-	+ 0.1	1.1	0.1	+ 1.1	-	-	-
Common and Preference Stocks	0.8	0.3	+ 0.5	0.5	0.1	+ 0.4	0.2	0.1	+ 0.1	-	-	-
Other Foreign Countries Securities, Total	0.8	0.7	+ 0.1	0.6	0.2	+ 0.4	0.1	0.4	- 0.3	0.1	0.1	-
Bonds and Debentures	0.5	0.5	-	0.4	0.1	+ 0.3	0.1	0.3	- 0.2	-	0.1	- 0.1
Common and Preference Stocks	0.3	0.2	-	0.1	-	+ 0.1	-	0.2	- 0.1	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	0.1	0.1	-	0.1	0.1	-	-	-	-	-	-	-
Total	234.9	234.1	+ 0.8	193.3	212.0	-18.7	17.7	8.8	+ 8.9	23.9	13.3	+ 10.6

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

	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 — 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	98.44	3.26	101.87	2.33
March	97.88	3.17	98.27	3.28	100.19	2.48
April	97.49	3.21	95.27	3.35	98.88	2.59
May	97.54	3.20	94.25	3.43	97.41	2.89
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	98.84	2.60
May	94.82	3.48	84.59	4.29	99.84	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	4.28	98.09	2.65
September	93.24	3.62	86.62	4.12	97.56	2.88
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	97.89	2.68
1953 — January	93.68	3.59	88.39	4.18	96.98	2.74
February	93.57	3.60	87.21	4.09	98.51	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						

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

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

	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		
1944 — December.....	86.0	74.4	80.6	104.7	
1945 — December.....	112.5	104.0	108.2	139.7	
1946 — December.....	108.4	70.9	83.7	125.5	
1947 — December.....	108.2	74.8	88.6	122.4	
1948 — December.....	115.8	63.0	84.2	119.4	
1949 — December.....	117.9	74.2	92.4	132.7	
1950 — July	124.3	58.5	80.9	138.2	
August	135.7	81.6	86.9	147.2	
September	141.5	82.7	90.0	151.7	
October	145.4	84.0	91.7	157.8	
November	144.5	81.1	90.0	156.1	
December	148.3	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	68.8	96.7	172.3	
May	164.2	63.7	92.5	173.9	
June	160.7	63.7	90.6	171.7	
July	182.0	85.5	92.7	172.8	
August	189.7	89.7	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	171.8	75.5	102.0	187.6	
July	174.9	76.8	107.0	192.1	
August	178.0	77.6	110.2	191.1	
September	171.6	74.4	106.6	188.2	
October	163.6	89.5	99.1	183.4	
November	167.3	71.1	100.8	189.8	
December	168.4	73.2	103.4	197.0	
1953 — January	172.3	73.5	108.0	197.6	
February	169.0	72.2	103.2	195.9	
March	170.0	70.1	101.7	198.0	
April	160.8	69.2	96.5	190.0	
May	159.8	68.9	93.8	189.6	
June					

