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SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES

JULY, 1953

Trade in Outstanding Securities

Trade in outstanding securities between Canada and other countries in July resulted in a capital outflow of \$4 million, down sharply from June when a purchase balance of \$23 million was recorded. The volume of security trading was light in comparison with preceding months. The turnover of \$57 million in July contrasted with monthly rates in excess of \$85 million in each of the earlier months of 1953. The principal factor contributing to the change from June was a marked reduction in the rate of liquidation of non-resident holdings of Government of Canada direct and guaranteed issues. Net repatriation of these issues, mainly from the United States, fell from \$22 million in June to \$4 million in July.

Trade with the United States resulted in a purchase balance of \$8.4 million, while trade with the United Kingdom and with other countries resulted in sales balances of \$1.4 million and \$2.9 million respectively.

Long-term government bond prices remained relatively stable in Canada and the United Kingdom in July, while the price of United States issues increased somewhat. The yield on a representative United States issue fell by 13 base points to average 2.98%, but even after this drop, which followed eight successive months of increase, the yield was higher than for any post-war month prior to 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 will be found in the annual reports on The Canadian Balance of International Payments and in The Canadian Balance of International Payments in the Post-War Years, 1946-1952, which is to be published shortly. A new quarterly series of reports is also available covering estimates of the current account and details of capital movements not covered in this bulletin; the current issue includes preliminary data for the first and second quarters of 1953.

Prepared in Balance of Payments Section.

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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 (7 mos.).....	300.1	325.9	- 25.8	242.6	294.0	-51.4	24.3	12.2	+12.1	33.2	19.6	+13.6
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.....	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.....												
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

July, 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	6,619	10,197	2,951	9,380	1,344	447	2,324	370
<i>Canadian Issues:</i>								
Government of Canada — Direct	1,198	2,709	557	2,223	352	215	289	271
Government of Canada — Guaranteed	668	3,008	663	2,991	-	10	5	7
Provincial	1,705	1,295	299	1,285	187	1	1,219	9
Municipal	10	808	8	796	-	12	2	-
Railway, not guaranteed by Government	473	360	396	348	42	7	35	5
Other Corporations	1,911	764	476	666	661	59	774	39
<i>United States Issues:</i>								
Government.....	313	913	313	908	-	-	-	5
Other	135	179	135	145	-	-	-	34
<i>United Kingdom Issues:</i>								
Government	87	117	5	2	82	115	-	-
Other	10	11	4	1	6	10	-	-
Other Foreign Countries Issues	109	33	95	15	14	18	-	-
<i>Common & Preference Stocks:</i>								
Canadian	14,814	15,804	11,731	14,147	1,047	598	2,036	1,059
United States	4,238	4,104	4,225	3,965	-	-	13	139
United Kingdom	113	2	4	1	100	1	9	-
Other Foreign Countries	1	2	-	-	-	2	1	-
<i>Short-Term Securities (1 yr. or less):</i>								
Canadian	-	-	-	-	-	-	-	-
Other Countries	16	9	16	9	-	-	-	-
<i>Other Securities:</i>								
Canadian	536	259	460	239	-	-	76	20
Other Countries	-	-	-	-	-	-	-	-
Total	26,337	30,377	19,387	27,741	2,491	1,048	4,459	1,588

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

Seven months ending July, 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.....	69.5	126.1	-56.5	41.7	114.6	-72.9	12.5	3.8	+ 8.7	15.4	7.6	+ 7.7
<i>Canadian Issues:</i>												
Government of Canada — Direct	27.8	67.9	-40.1	13.5	59.6	-46.2	5.4	2.0	+ 3.4	9.0	6.3	+ 2.7
Government of Canada — Guaranteed	3.1	13.4	-10.3	2.9	13.3	-10.4	-	-	-	0.2	0.1	+ 0.2
Provincial	9.0	16.7	- 7.7	3.8	16.4	-12.7	2.3	0.2	+ 2.1	2.9	-	+ 2.8
Municipal	0.4	1.8	- 1.4	0.3	1.7	- 1.4	0.1	0.1	-	-	-	-
Railway, not guaranteed by Government	5.4	3.2	+ 2.2	4.5	2.8	+ 1.8	0.5	0.3	+ 0.2	0.3	0.1	+ 0.2
Other Corporations	13.7	11.2	+ 2.5	8.3	9.9	- 1.7	2.6	0.6	+ 2.0	2.9	0.7	+ 2.1
<i>United States Issues:</i>												
Government	5.2	8.5	- 3.3	5.2	8.5	- 3.3	-	-	-	-	-	-
Other	2.5	2.2	+ 0.3	2.4	2.0	+ 0.4	-	-	-	-	0.1	- 0.1
<i>United Kingdom Issues:</i>												
Government	0.9	0.3	+ 0.6	0.1	-	+ 0.1	0.8	0.2	+ 0.6	-	-	-
Other	0.6	0.1	+ 0.4	-	-	-	0.5	0.1	+ 0.4	-	-	-
Other Foreign Countries Issues	0.9	0.7	+ 0.2	0.7	0.2	+ 0.5	0.2	0.3	- 0.1	-	0.2	- 0.1
<i>Common & Preference Stocks:</i>												
Canadian	172.2	146.4	+25.8	143.9	127.9	+16.0	11.2	7.4	+ 3.8	17.2	11.1	+ 6.0
United States	53.3	48.8	+ 4.5	53.0	47.6	+ 5.4	-	0.5	- 0.5	0.3	0.7	- 0.4
United Kingdom	1.0	0.3	+ 0.7	0.5	0.2	+ 0.3	0.4	0.1	+ 0.3	-	-	-
Other Foreign Countries	0.3	0.2	-	0.1	-	+ 0.1	-	0.2	- 0.2	0.1	0.1	-
<i>Short-Term Securities (1 yr. or less):</i>												
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	-	-	-
<i>Other Securities:</i>												
Canadian	3.4	2.9	+ 0.5	3.2	2.8	+ 0.4	-	-	-	0.2	0.1	+ 0.2
Other Countries	0.1	0.5	- 0.4	0.1	0.5	- 0.4	-	-	-	-	-	-
Total	300.1	325.9	-25.8	242.6	294.0	-51.4	24.3	12.2	+12.1	33.2	19.6	+13.6

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
July, 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	21,315	25,007	14,590	22,695	2,289	902	4,436	1,410
Bonds and Debentures	5,965	8,944	2,399	8,309	1,242	304	2,324	331
Common and Preference Stocks	14,814	15,804	11,731	14,147	1,047	598	2,036	1,059
Short-term securities (1 yr. or less)	-	-	-	-	-	-	-	-
Other Securities	536	259	460	239	-	-	76	20
United States Securities, Total	4,686	5,196	4,673	5,018	-	-	13	178
Bonds and Debentures	448	1,092	448	1,053	-	-	-	39
Common and Preference Stocks	4,238	4,104	4,225	3,965	-	-	13	139
United Kingdom Securities, Total	210	130	13	4	188	126	9	-
Bonds and Debentures	97	128	9	3	88	125	-	-
Common and Preference Stocks	113	2	4	1	100	1	9	-
Other Foreign Countries Securities, Total....	110	35	95	15	14	20	1	-
Bonds and Debentures	109	33	95	15	14	18	-	-
Common and Preference Stocks	1	2	-	-	-	2	1	-
Foreign Short-Term Securities (1 yr. or less)	16	9	16	9	-	-	-	-
Foreign Other Securities	-	-	-	-	-	-	-	-
Total	26,337	30,377	19,387	27,741	2,491	1,048	4,459	1,588

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

Seven months ending July, 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	235.1	264.2	-29.1	180.4	234.9	-54.6	22.1	10.8	+11.3	32.6	18.5	+14.2
Bonds and Debentures	59.5	114.2	-54.8	33.3	103.8	-70.5	10.9	3.2	+ 7.7	15.3	7.3	+ 8.0
Common and Preference Stocks	172.2	146.4	+25.8	143.9	127.9	+16.0	11.2	7.4	+ 3.8	17.2	11.1	+ 6.0
Short-term securities (1 yr. or less)	-	0.6	- 0.6	-	0.4	- 0.4	-	0.2	- 0.2	-	-	-
Other Securities	3.4	2.9	+ 0.5	3.2	2.8	+ 0.4	-	-	-	0.2	0.1	+ 0.2
United States Securities, Total	61.0	59.6	+ 1.4	60.6	58.2	+ 2.4	-	0.5	- 0.5	0.4	0.9	- 0.5
Bonds and Debentures	7.7	10.7	- 3.1	7.6	10.5	- 2.9	-	-	-	-	0.1	- 0.1
Common and Preference Stocks	53.3	48.8	+ 4.5	53.0	47.6	+ 5.4	-	0.5	- 0.5	0.3	0.7	- 0.4
United Kingdom Securities, Total	2.5	0.7	+ 1.8	0.6	0.2	+ 0.4	1.8	0.5	+ 1.4	-	-	-
Bonds and Debentures	1.5	0.4	+ 1.1	0.1	-	+ 0.1	1.4	0.3	+ 1.1	-	-	-
Common and Preference Stocks	1.0	0.3	+ 0.7	0.5	0.2	+ 0.3	0.4	0.1	+ 0.3	-	-	-
Other Foreign Countries Securities, Total	1.2	1.0	+ 0.2	0.9	0.3	+ 0.6	0.2	0.5	- 0.3	0.1	0.3	- 0.1
Bonds and Debentures	0.9	0.7	+ 0.2	0.7	0.2	+ 0.5	0.2	0.3	- 0.1	-	0.2	- 0.1
Common and Preference Stocks	0.3	0.2	-	0.1	-	+ 0.1	-	0.2	- 0.2	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	0.5	- 0.4	0.1	0.5	- 0.4	-	-	-	-	-	-
Total	300.1	325.9	-25.8	242.6	294.0	-51.4	24.3	12.2	+12.1	33.2	19.6	+13.6

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, 1961-68		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						
September						
October						
November.....						
December.....						

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



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

	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						
September						
October						
November						
December						