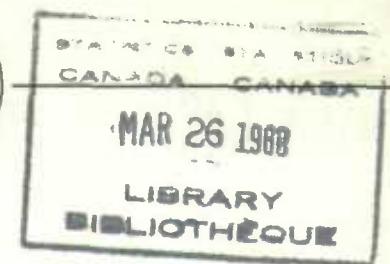


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DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

Published by Authority of the Rt. Hon. C. D. Howe, Minister of Trade and Commerce



Vol. 20, No. 10 October, 1954

Price: \$1.00 per year, 10¢ per copy

SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES

Trade in Outstanding Securities - October, 1954

In October, Canadian trading in outstanding issues of securities led to a sales balance or capital import of \$7.7 million, following two months during which Canadians had been, on balance, purchasers. The turnover, which exceeded \$160 million, was the highest for the past three years.

Trading with the United States led to a small sales balance of \$0.9 million. There were net sales of \$9.3 million of Canadian stocks to United States residents (including Canadian investment companies formed by United States interests). On the other hand, there were net repurchases by Canadians of United States holdings of other Canadian securities, mainly provincial government bonds, amounting to \$6.0 million. Against net sales of Canadian securities, there were purchases from the United States of \$2.4 million of foreign securities, mainly stocks.

Net sales to the United States of Canadian stocks in the ten months of the year have totalled \$60 million. By the end of October, the capital raised in the United States since June for investment in Canada through newly formed diversified management investment companies was well in excess of \$100 million. Net trading in all outstanding Canadian securities in the ten months has resulted, however, in a capital outflow of \$4 million because of heavy repatriation of bonds and debentures, and of sales of Canadian stocks by some United States holders.

Transactions with the United Kingdom and with other overseas countries in October led to sales balances of \$3.9 million and \$2.8 million respectively. In each case, sales of Canadian stocks accounted for the major part of the total.

During October, the differential between average yields on the Canadian and United States long-term Government issues shown in Table 4 fell to 39 base points. This differential of less than four-tenths of one per cent, which was lower than for any month in well over six years, represented a reduction of more than one half of one per cent since February. As has been pointed out in previous bulletins, this change in relative interest rates combined with the higher value of the Canadian dollar on the exchange market would be factors conducive to repatriation of Canadian bonds held abroad.

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 retirements 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.

Prepared in the Balance of Payments Section, International Trade Division.
7503-504: 17-12-54

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. -
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
1953												
Total (12 mos.)	494.3	506.2	- 11.9	380.4	442.0	-61.6	53.3	24.0	+29.3	60.6	40.2	+20.4
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	42.3	38.0	+ 4.3	31.5	31.0	+ 0.5	6.4	2.9	+ 3.5	4.4	4.0	+ 0.3
December	49.8	45.1	+ 4.7	38.1	40.1	- 2.0	7.3	2.0	+ 5.3	4.4	3.0	+ 1.4
1954												
Total (10mos.)	628.3	569.0	+ 59.3	477.2	470.4	+ 6.8	60.1	43.2	+16.9	91.0	55.4	+35.6
January	47.4	41.1	+ 6.3	33.7	31.9	+ 1.8	7.1	4.7	+ 2.4	6.5	4.4	+ 2.1
February	53.1	40.4	+ 12.7	40.6	34.1	+ 6.6	6.5	3.3	+ 3.2	6.0	3.1	+ 2.9
March	56.1	54.8	+ 1.3	42.3	42.6	- 0.3	7.4	3.6	+ 3.8	6.5	8.6	- 2.1
April	59.8	52.3	+ 7.5	46.8	43.9	+ 2.9	5.3	2.7	+ 2.6	7.7	5.7	+ 2.0
May	54.3	51.5	+ 2.8	43.7	41.6	+ 2.0	4.6	4.8	- 0.2	6.0	5.1	+ 1.0
June	78.4	57.6	+ 20.9	54.8	44.4	+10.4	6.6	6.4	+ 0.2	17.0	6.7	+10.3
July	72.8	61.2	+ 11.6	46.8	51.0	- 4.3	5.5	3.6	+ 1.9	20.5	6.6	+13.9
August	61.9	69.3	- 7.5	50.8	57.5	- 6.7	5.6	5.7	- 0.2	5.5	6.1	- 0.6
September	60.5	64.5	- 4.0	48.5	55.0	- 6.5	3.9	4.7	- 0.8	8.1	4.8	+ 3.2
October	83.9	76.3	+ 7.7	69.4	68.4	+ 0.9	7.6	3.6	+ 3.9	7.0	4.2	+ 2.8
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, 1954

(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	33,943	37,642	29,025	34,910	2,798	1,339	2,120	1,393
<i>Canadian Issues:</i>								
Government of Canada — Direct	27,156	27,617	24,187	25,590	1,810	949	1,159	1,078
Government of Canada — Guaranteed	224	2,418	151	2,408	27	-	46	10
Provincial	1,903	4,957	961	4,791	460	132	482	34
Municipal	1,477	188	1,251	184	-	4	226	-
Railway, not guaranteed by Government	545	533	345	442	188	86	12	5
Other Corporations	1,726	1,559	1,367	1,172	174	121	185	266
<i>United States Issues:</i>								
Government.....	248	91	246	68	2	23	-	-
Other	265	60	265	60	-	-	-	-
<i>United Kingdom Issues:</i>								
Government	18	25	-	3	18	22	-	-
Other	135	35	22	35	113	-	-	-
Other Foreign Countries Issues	246	159	230	157	6	2	10	-
<i>Common & Preference Stocks:</i>								
Canadian	37,992	24,315	28,861	19,580	4,425	2,164	4,706	2,571
United States	10,540	12,611	10,521	12,486	-	-	19	125
United Kingdom	117	14	87	4	30	10	-	-
Other Foreign Countries	26	981	26	970	-	-	-	11
<i>Short-Term Securities (1 yr. or less):</i>								
Canadian	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
<i>Other Securities:</i>								
Canadian	1,294	695	832	450	276	124	186	121
Other Countries	31	8	-	8	31	-	-	-
Total	83,943	76,266	69,352	68,408	7,560	3,637	7,031	4,221

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

Ten months ending October, 1954

(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	191.0	228.2	-37.3	119.8	179.5	-59.7	23.4	23.6	- 0.2	47.7	25.1	+22.6
<i>Canadian Issues:</i>												
Government of Canada — Direct	112.3	121.1	- 8.8	64.7	87.6	-22.9	8.9	13.0	- 4.1	38.7	20.5	+18.2
Government of Canada — Guaranteed	10.8	36.3	-25.5	6.8	33.7	-26.9	1.5	2.2	- 0.7	2.5	0.4	+ 2.1
Provincial	10.6	33.3	-22.7	3.6	30.1	-26.5	4.8	2.9	+ 1.8	2.2	0.2	+ 2.0
Municipal	7.8	5.1	+ 2.7	6.7	3.9	+ 2.9	0.8	1.2	- 0.4	0.3	-	+ 0.3
Railway, not guaranteed by Government	5.1	4.3	+ 0.8	3.4	3.4	+ 0.1	1.0	0.3	+ 0.8	0.6	0.7	-
Other Corporations	28.0	15.7	+12.4	19.4	9.8	+ 9.6	5.5	3.5	+ 1.9	3.1	2.3	+ 0.8
<i>United States Issues:</i>												
Government	6.6	5.4	+ 1.2	6.5	5.0	+ 1.4	0.1	0.1	-	0.1	0.3	- 0.2
Other	5.9	1.8	+ 4.0	5.7	1.3	+ 4.4	-	0.1	- 0.1	0.2	0.5	- 0.3
<i>United Kingdom Issues:</i>												
Government	0.6	1.4	- 0.8	-	1.3	- 1.3	0.5	-	+ 0.5	-	-	-
Other	0.2	0.9	- 0.7	0.1	0.8	- 0.8	0.2	0.1	+ 0.1	-	-	-
Other Foreign Countries Issues	3.1	3.0	+ 0.1	2.9	2.7	+ 0.2	0.2	0.1	-	-	0.2	- 0.2
<i>Common & Preference Stocks:</i>												
Canadian	316.4	228.3	+88.1	243.4	183.0	+60.4	32.1	17.6	+14.5	40.9	27.7	+13.2
United States	109.5	101.1	+ 8.4	108.0	99.2	+ 8.8	0.1	-	+ 0.1	1.3	1.8	- 0.5
United Kingdom	1.1	0.5	+ 0.6	0.2	0.3	- 0.2	0.9	0.2	+ 0.7	-	-	-
Other Foreign Countries	0.2	2.5	- 2.3	0.2	2.4	- 2.2	-	-	-	-	0.1	- 0.1
<i>Short-Term Securities (1 yr. or less):</i>												
Canadian	1.3	0.2	+ 1.1	0.1	-	+ 0.1	1.2	0.2	+ 1.0	-	-	-
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Securities:</i>												
Canadian	7.7	7.6	+ 0.1	4.9	5.4	- 0.5	1.9	1.6	+ 0.3	0.9	0.6	+ 0.3
Other Countries	1.1	0.5	+ 0.6	0.6	0.5	+ 0.1	0.5	-	+ 0.5	-	-	-
Total	628.3	569.0	+59.3	477.2	470.4	+ 6.8	60.1	43.2	+16.9	91.0	55.4	+35.6

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

October, 1954

(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	72,317	62,282	57,955	54,617	7,360	3,580	7,002	4,085
Bonds and Debentures	33,031	37,272	28,262	34,587	2,659	1,292	2,110	1,393
Common and Preference Stocks	37,992	24,315	28,861	19,580	4,425	2,164	4,706	2,571
Short-term securities (1 yr. or less)	-	-	-	-	-	-	-	-
Other Securities	1,294	695	832	450	276	124	186	121
United States Securities, Total	11,053	12,762	11,032	12,614	2	23	19	125
Bonds and Debentures	513	151	511	128	2	23	-	-
Common and Preference Stocks	10,540	12,611	10,521	12,486	-	-	19	125
United Kingdom Securities, Total	270	74	109	42	161	32	-	-
Bonds and Debentures	153	60	22	38	131	22	-	-
Common and Preference Stocks	117	14	87	4	30	10	-	-
Other Foreign Countries Securities, Total	272	1,140	256	1,127	6	2	10	11
Bonds and Debentures	246	159	230	157	6	2	10	-
Common and Preference Stocks	26	981	26	970	-	-	-	11
Foreign Short-Term Securities (1 yr. or less)	-	-	-	-	-	-	-	-
Foreign Other Securities	31	8	-	8	31	-	-	-
Total	83,943	76,266	69,352	68,408	7,560	3,637	7,031	4,221

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

Ten months ending October, 1954

(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	500.0	451.8	+48.2	353.1	356.8	- 3.7	57.6	42.4	+15.1	89.3	52.5	+36.8
Bonds and Debentures	174.5	215.7	-41.1	104.7	168.4	-63.7	22.4	23.1	- 0.7	47.4	24.2	+23.3
Common and Preference Stocks	316.4	228.3	+88.1	243.4	183.0	+60.4	32.1	17.6	+14.5	40.9	27.7	+13.2
Short-term securities (1 yr. or less)	1.3	0.2	+ 1.1	0.1	-	+ 0.1	1.2	0.2	+ 1.0	-	-	-
Other Securities	7.7	7.6	+ 0.1	4.9	5.4	- 0.5	1.9	1.6	+ 0.3	0.9	0.6	+ 0.3
United States Securities, Total	122.0	108.4	+13.6	120.2	105.6	+14.6	0.2	0.2	- 0.1	1.6	2.6	- 1.0
Bonds and Debentures	12.5	7.3	+ 5.2	12.2	6.3	+ 5.9	0.1	0.2	- 0.1	0.3	0.7	- 0.5
Common and Preference Stocks	109.5	101.1	+ 8.4	108.0	99.2	+ 8.8	0.1	-	+ 0.1	1.3	1.8	- 0.5
United Kingdom Securities, Total	1.9	2.8	- 0.9	0.3	2.5	- 2.2	1.7	0.3	+ 1.3	-	-	-
Bonds and Debentures	0.8	2.3	- 1.4	0.1	2.2	- 2.1	0.7	0.1	+ 0.6	-	-	-
Common and Preference Stocks	1.1	0.5	+ 0.6	0.2	0.3	- 0.2	0.9	0.2	+ 0.7	-	-	-
Other Foreign Countries Securities, Total	3.2	5.5	- 2.2	3.0	5.0	- 2.0	0.2	0.2	-	0.1	0.3	- 0.2
Bonds and Debentures	3.1	3.0	+ 0.1	2.9	2.7	+ 0.2	0.2	0.1	-	-	0.2	- 0.2
Common and Preference Stocks	0.2	2.5	- 2.3	0.2	2.4	- 2.2	-	-	-	-	0.1	- 0.1
Foreign Short-Term Securities (1 yr. or less)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Other Securities	1.1	0.5	+ 0.6	0.6	0.5	+ 0.1	0.5	-	+ 0.5	-	-	-
Total	628.3	569.0	+59.3	477.2	470.4	+ 6.8	60.1	43.2	+16.9	91.0	55.4	+35.6

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**

Year and Month	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
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 — 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	93.37	3.65	92.03	3.68	96.64	2.77
December	93.88	3.61	91.79	3.70	97.45	2.71
1954 — January	94.60	3.53	92.60	3.63	98.69	2.61
February	95.66	3.43	92.80	3.62	99.66	2.53
March	97.85	3.22	93.10	3.59	100.60	2.43
April	99.63	3.04	93.75	3.54	101.13	2.37
May	99.92	3.01	94.37	3.49	100.47	2.44
June	100.07	2.99	95.21	3.41	100.30	2.45
July	100.80	2.88	95.82	3.36	101.28	2.35
August	100.95	2.85	96.84	3.27	101.09	2.37
September	100.81	2.87	96.97	3.26	100.56	2.43
October	100.89	2.86	97.41	3.22	100.22	2.47
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)

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		
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 — 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	97.77	154.2	60.1	83.7	187.5	
December	97.31	153.6	57.3	79.9	190.7	
1954 — January	97.29	157.4	60.3	81.9	195.4	
February	96.65	163.2	62.1	83.4	199.6	
March	97.08	165.0	61.5	84.3	204.9	
April	98.25	173.6	64.8	89.3	212.7	
May	98.43	179.5	64.4	89.4	219.8	
June	98.13	180.5	63.9	90.0	221.8	
July	97.44	182.3	64.9	92.0	231.1	
August	97.02	187.0	67.8	95.6	236.4	
September	96.97	189.5	68.3	96.4	238.5	
October	96.98	190.2	66.2	95.0	243.5	
November						
December						