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SALES AND PURCHASES OF SECURITIES
BETWEEN CANADA AND OTHER COUNTRIES

Trade in Outstanding Securities - April, 1954

Trade in outstanding securities between Canada and other countries in April resulted in a sales balance of \$7.5 million, compared with \$1.3 million in March. There were net imports of portfolio investment capital through trading with the United States, the United Kingdom, and the other overseas countries, contrasting with March when a sales balance occurred only in the trade with the United Kingdom.

The sales balance of \$2.9 million recorded with the United States was mainly the result of net Canadian sales of \$4.3 million United States stocks and \$3.2 million Canadian stocks, partially offset by \$5.4 million net purchases of Canadian bonds. United States residents sold \$7.4 million Canadian government bonds, including minor amounts of provincial and municipal issues, but added \$2.0 million to their holdings of corporate bonds and debentures.

The capital imports of \$2.6 million and \$2.0 million from trade in outstanding securities with the United Kingdom and with other overseas countries respectively arose mainly from sales of Canadian stocks.

Some of the influences affecting the divergent movements in trade with the United States can be readily identified. While interest rates in both Canada and the United States continued to fall in April, the greater decline occurred in Canada. The spread between average yields on the representative long-term bonds of the two governments reported in table 4 was reduced from 79 base points in March to 67 in April. This compared with the spread of 92 base points in January and of 59 base points during May and June of 1952. These changing relationships affected not only the volume of new Canadian issues placed in the New York market, but also the trade in outstanding bonds. The repatriation of over \$12 million of United States holdings of Canadian government direct and guaranteed bonds in March and April was probably influenced by this change. The lower value of the Canadian dollar on the exchange market in April may also have influenced the volume of international bond trading. Its price effects, however, were more than offset by the changing pattern of interest rates, and in April the average price of the Government of Canada 3's of 1966, when expressed in United States funds, was higher than that of United States Treasury 2½'s of 1968 for the first time in some months. Yields in the United Kingdom have also been dropping, but the volume of trading between that country and Canada is relatively small and it is not easy to isolate the importance of interest rates as a factor.

Movements in the indexes of common stock prices in Canada and the United States shown in table 5 have been roughly parallel during the first four months of 1954. This has been the experience since 1952 with the exception of the fourth quarter of last year when the indexes diverged as a result of a marked rise in United States prices. Although both indexes have been rising, United States prices have been well above the levels of 1952, while Canadian prices have not yet regained the levels of the earlier part of that year. This may well have been an important consideration in the net sales of Canadian and foreign stocks in recent months.

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.
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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. -
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 (4 mos.)	216.4	188.6	+ 27.8	163.4	152.5	+10.9	26.2	14.3	+11.9	26.8	21.9	+ 4.9
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												
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
April, 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	14,163	18,114	9,918	14,744	1,631	1,496	2,614	1,874
<i>Canadian Issues:</i>								
Government of Canada - Direct	7,393	13,972	5,317	11,807	181	845	1,895	1,320
Government of Canada - Guaranteed ...	572	575	473	531	49	14	50	30
Provincial	1,101	1,247	108	887	771	350	222	10
Municipal	23	135	23	104	-	31	-	-
Railway, not guaranteed by Government	401	173	294	135	84	16	23	22
Other Corporations	3,419	1,299	2,497	652	500	165	422	482
<i>United States Issues:</i>								
Government.....	392	228	392	175	-	53	-	-
Other	169	35	169	35	-	-	-	-
<i>United Kingdom Issues:</i>								
Government	42	13	-	-	42	13	-	-
Other	3	-	-	-	3	-	-	-
<i>Other Foreign Countries Issues</i>	<i>648</i>	<i>437</i>	<i>645</i>	<i>418</i>	<i>1</i>	<i>9</i>	<i>2</i>	<i>10</i>
Common & Preference Stocks:								
Canadian	30,481	23,041	22,232	19,002	3,361	1,061	4,888	2,978
United States	14,209	10,506	14,002	9,705	24	-	183	801
United Kingdom	18	42	-	-	18	42	-	-
Other Foreign Countries	6	14	6	7	-	-	-	7
Short-Term Securities (1 yr. or less):								
Canadian	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Other Securities:								
Canadian	833	423	519	275	257	113	57	35
Other Countries	79	129	79	129	-	-	-	-
Total	59,789	52,269	46,756	43,862	5,291	2,712	7,742	5,695

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

Four months ending April, 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.....	62.8	71.8	- 9.0	39.7	52.7	-13.0	11.4	8.8	+ 2.7	11.7	10.3	+ 1.4
<i>Canadian Issues:</i>												
Government of Canada — Direct	26.4	38.9	-12.5	15.3	24.8	- 9.4	4.5	5.8	- 1.3	6.6	8.3	- 1.7
Government of Canada — Guaranteed	7.8	11.3	- 3.5	4.8	10.1	- 5.3	1.1	1.0	+ 0.1	1.9	0.2	+ 1.7
Provincial	4.2	5.1	- 0.9	0.8	4.2	- 3.4	2.3	0.9	+ 1.4	1.1	-	+ 1.1
Municipal	1.2	1.9	- 0.8	1.1	1.8	- 0.7	0.1	0.1	-	-	-	-
Railway, not guaranteed by Government	2.4	1.6	+ 0.8	1.6	1.5	+ 0.1	0.6	-	+ 0.6	0.2	-	+ 0.2
Other Corporations	13.7	5.5	+ 8.2	9.4	3.6	+ 5.7	2.6	0.9	+ 1.8	1.7	1.0	+ 0.7
<i>United States Issues:</i>												
Government	2.2	3.0	- 0.8	2.1	2.7	- 0.5	-	0.1	-	-	0.3	- 0.2
Other	2.7	0.8	+ 1.8	2.5	0.4	+ 2.2	-	-	-	0.1	0.5	- 0.3
<i>United Kingdom Issues:</i>												
Government	0.2	1.3	- 1.1	-	1.3	- 1.3	0.2	-	+ 0.2	-	-	-
Other	-	0.7	- 0.7	-	0.7	- 0.7	-	-	-	-	-	-
Other Foreign Countries Issues	2.1	1.6	+ 0.5	2.0	1.5	+ 0.5	-	-	-	-	-	-
<i>Common & Preference Stocks:</i>												
Canadian	110.2	81.4	+28.7	82.2	66.3	+15.9	13.7	5.0	+ 8.7	14.2	10.1	+ 4.2
United States	40.0	31.2	+ 8.8	39.3	29.8	+ 9.4	0.1	-	+ 0.1	0.7	1.3	- 0.7
United Kingdom	0.2	0.1	-	-	-	-	0.1	0.1	-	-	-	-
Other Foreign Countries	-	0.1	-	-	-	-	-	-	-	-	-	-
<i>Short-Term Securities (1 yr. or less):</i>												
Canadian	0.1	-	+ 0.1	0.1	-	+ 0.1	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Securities:</i>												
Canadian	2.7	3.7	- 1.0	1.9	3.3	- 1.3	0.6	0.3	+ 0.2	0.2	0.1	+ 0.1
Other Countries	0.4	0.3	+ 0.1	0.2	0.3	- 0.2	0.3	-	+ 0.3	-	-	-
Total	216.4	188.6	+27.8	163.4	152.5	+10.9	26.2	14.3	+11.9	26.8	21.9	+ 4.9

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

April, 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	44,223	40,865	31,463	33,393	5,203	2,595	7,557	4,877
Bonds and Debentures	12,909	17,401	8,712	14,116	1,585	1,421	2,612	1,864
Common and Preference Stocks	30,481	23,041	22,232	19,002	3,361	1,061	4,888	2,978
Short-term securities (1 yr. or less)	-	-	-	-	-	-	-	-
Other Securities	833	423	519	275	257	113	57	35
United States Securities, Total	14,770	10,769	14,563	9,915	24	53	183	801
Bonds and Debentures	561	263	561	210	-	53	-	-
Common and Preference Stocks	14,209	10,506	14,002	9,705	24	-	183	801
United Kingdom Securities, Total	63	55	-	-	63	55	-	-
Bonds and Debentures	45	13	-	-	45	13	-	-
Common and Preference Stocks	18	42	-	-	18	42	-	-
Other Foreign Countries Securities, Total....	654	451	651	425	1	9	2	17
Bonds and Debentures	648	437	645	418	1	9	2	10
Common and Preference Stocks	6	14	6	7	-	-	-	7
Foreign Short-Term Securities (1 yr. or less)	-	-	-	-	-	-	-	-
Foreign Other Securities	79	129	79	129	-	-	-	-
Total	59,789	52,269	46,756	43,862	5,291	2,712	7,742	5,695

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

Four months ending April, 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	168.6	149.4	+19.2	117.2	115.7	+ 1.4	25.5	14.0	+11.5	26.0	19.7	+ 6.3
Bonds and Debentures	55.6	64.3	- 8.6	32.9	46.1	-13.2	11.2	8.7	+ 2.5	11.5	9.5	+ 2.0
Common and Preference Stocks	110.2	81.4	+28.7	82.2	66.3	+15.9	13.7	5.0	+ 8.7	14.2	10.1	+ 4.2
Short-term securities (1 yr. or less)	0.1	-	+ 0.1	0.1	-	+ 0.1	-	-	-	-	-	-
Other Securities	2.7	3.7	- 1.0	1.9	3.3	- 1.3	0.6	0.3	+ 0.2	0.2	0.1	+ 0.1
United States Securities, Total	44.8	35.0	+ 9.8	43.9	32.9	+11.1	0.1	0.1	-	0.8	2.1	- 1.3
Bonds and Debentures	4.8	3.8	+ 1.0	4.7	3.0	+ 1.6	-	0.1	-	0.2	0.7	- 0.6
Common and Preference Stocks	40.0	31.2	+ 8.8	39.3	29.8	+ 9.4	0.1	-	+ 0.1	0.7	1.3	- 0.7
United Kingdom Securities, Total	0.3	2.2	- 1.8	-	2.0	- 2.0	0.3	0.2	+ 0.2	-	-	-
Bonds and Debentures	0.2	2.0	- 1.8	-	2.0	- 2.0	0.2	-	+ 0.2	-	-	-
Common and Preference Stocks	0.2	0.1	-	-	-	-	0.1	0.1	-	-	-	-
Other Foreign Countries Securities, Total	2.1	1.7	+ 0.5	2.1	1.6	+ 0.5	-	-	-	-	0.1	- 0.1
Bonds and Debentures	2.1	1.6	+ 0.5	2.1	1.6	+ 0.5	-	-	-	-	-	-
Common and Preference Stocks	-	0.1	-	-	-	-	-	-	-	-	-	-
Foreign Short-Term Securities (1 yr. or less)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Other Securities	0.4	0.3	+ 0.1	0.2	0.3	- 0.2	0.3	-	+ 0.3	-	-	-
Total	216.4	188.6	+27.8	163.4	152.5	+10.9	26.2	14.3	+11.9	26.8	21.9	+ 4.9

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						
June						
July						
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)

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						
June						
July						
August						
September						
October						
November						
December						