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**SALES AND PURCHASES OF SECURITIES  
BETWEEN CANADA AND OTHER COUNTRIES**

**Security Transactions - Second Quarter, 1954**

Portfolio security transactions between Canada and other countries during the second quarter of 1954 totalled over \$500 million but resulted in a net capital import of only \$3 million. This balance was in contrast to the net import of \$169 million in the first quarter.

Proceeds of new Canadian issues sold abroad amounted to \$70 million, including nearly \$60 million of issues payable solely in United States funds which were placed privately. Corporate bonds and debentures accounted for about two-thirds of the total. The new issues were for a variety of purposes, partly to finance expansion programmes in Canada, partly to finance subsidiaries abroad and partly to retire other issues abroad. Retirements of foreign-held debt totalled \$73 million of which governments and municipalities, mainly provincial governments, accounted for about \$59 million.

Trading in outstanding Canadian securities during the three months resulted in a sales balance or capital import of \$22 million. Part of this total represented the temporary employment in Government of Canada obligations of funds raised in Canada by a non-resident borrower, largely offset by repurchases of Government bonds from other non-residents. But the significant characteristic of trade was the continued interest of non-residents in Canadian stocks, resulting in sales balances of more than \$20 million in each of the two quarters, following repatriation in the final quarter of 1953. Transactions in foreign securities were dominated by the sale of a \$25 million new issue in Canada by the International Bank for Reconstruction and Development. Trade in outstanding foreign issues led to a net capital inflow of \$10 million, most of which represented liquidation of Canadian holdings of United States stocks.

**Security Transactions between Canada and Other Countries**

Net Sales (+) or Purchases (-) by Canadians	1953			1954p	
	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
(Millions of dollars)					
Canadian securities					
Outstanding issues .....	- 36	- 4	- 1	+ 16	+ 22
New issues .....	+ 60	+ 15	+ 135	+ 169	+ 70
Retirements .....	- 88	- 9	- 17	- 18	- 73
Foreign securities					
Outstanding issues .....	+ 3	+ 1	+ 15	+ 4	+ 10
New issues .....	- 2	- 1	- 19	- 2	- 26
Total - all securities .....	- 63	+ 2	+ 113	+ 169	+ 3

p - preliminary

**Trade in Outstanding Securities - June, 1954**

A large capital inflow, amounting to \$21 million, was recorded on account of trade in outstanding securities in June. Trade with the United Kingdom was practically in balance and the inflow was about equally divided between the United States and other countries. The balance with the United States reflected mainly sales of Canadian stocks, while the balance with other countries was affected by the special temporary investment referred to in a preceding paragraph.

Statistics on the following pages of 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: 17-8-54

**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. -
<b>1952</b>												
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
<b>1953</b>												
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
<b>1954</b>												
Total (6 mos.) .....	349.2	297.6	+ 51.5	261.8	238.5	+23.3	37.5	25.5	+12.0	49.9	33.7	+16.2
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.....												
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

June, 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 .....	29,668	22,145	13,793	13,755	2,737	4,324	13,138	4,066
<i>Canadian Issues:</i>								
Government of Canada — Direct .....	16,629	13,462	3,547	7,573	1,029	2,805	12,053	3,084
Government of Canada — Guaranteed ....	1,030	1,899	550	1,702	72	83	408	114
Provincial .....	1,343	1,755	678	1,482	401	216	264	57
Municipal .....	3,767	258	3,477	171	290	86	-	1
Railway, not guaranteed by Government	414	870	301	226	75	33	38	611
Other Corporations .....	4,386	2,513	3,270	1,302	744	1,097	372	114
<i>United States Issues:</i>								
Government.....	977	710	976	710	1	-	-	-
Other .....	904	268	901	268	-	-	3	-
<i>United Kingdom Issues:</i>								
Government .....	117	-	-	-	117	-	-	-
Other .....	. 1	88	-	88	1	-	-	-
Other Foreign Countries Issues .....	100	322	93	233	7	4	-	85
<i>Common &amp; Preference Stocks:</i>								
Canadian .....	32,212	23,741	26,227	19,245	2,416	1,900	3,569	2,596
United States .....	14,528	11,138	14,304	11,134	1	-	223	4
United Kingdom .....	160	25	19	-	136	25	5	-
Other Foreign Countries .....	48	54	48	3	-	-	-	51
<i>Short-Term Securities (1 yr. or less):</i>								
Canadian .....	1,168	12	13	12	1,155	-	-	-
Other Countries .....	-	-	-	-	-	-	-	-
<i>Other Securities:</i>								
Canadian .....	571	432	371	272	109	130	91	30
Other Countries .....	59	5	10	5	49	-	-	-
Total .....	78,414	57,552	54,785	44,426	6,603	6,379	17,026	6,747

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

Six months ending June, 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.....	106.5	111.2	- 4.7	64.8	79.4	-14.6	15.3	16.0	- 0.7	26.4	15.8	+10.6
<i>Canadian Issues:</i>												
Government of Canada — Direct .....	52.2	63.8	-11.6	27.1	40.8	-13.7	5.5	10.5	- 5.0	19.6	12.5	+ 7.1
Government of Canada — Guaranteed .....	9.4	14.5	- 5.1	5.8	12.8	- 7.1	1.3	1.4	-	2.3	0.4	+ 2.0
Provincial .....	6.3	8.1	- 1.8	1.9	6.7	- 4.8	2.9	1.3	+ 1.6	1.5	0.1	+ 1.4
Municipal .....	5.2	2.7	+ 2.5	4.7	2.4	+ 2.2	0.4	0.2	+ 0.2	-	-	-
Railway, not guaranteed by Government .....	3.3	3.1	+ 0.1	2.2	2.4	- 0.2	0.8	0.1	+ 0.7	0.3	0.6	- 0.4
Other Corporations .....	19.2	8.9	+10.3	13.2	5.4	+ 7.8	3.7	2.1	+ 1.5	2.4	1.3	+ 1.1
<i>United States Issues:</i>												
Government .....	4.0	4.1	- 0.1	3.9	3.8	+ 0.1	-	0.1	-	0.1	0.3	- 0.2
Other .....	4.0	1.3	+ 2.7	3.9	0.7	+ 3.1	-	0.1	- 0.1	0.2	0.5	- 0.3
<i>United Kingdom Issues:</i>												
Government .....	0.4	1.3	- 0.9	-	1.3	- 1.3	0.4	-	+ 0.4	-	-	-
Other .....	-	0.8	- 0.8	-	0.8	- 0.8	-	-	-	-	-	-
Other Foreign Countries Issues .....	2.4	2.5	-	2.3	2.2	-	0.2	0.1	+ 0.1	-	0.2	- 0.2
<i>Common &amp; Preference Stocks:</i>												
Canadian .....	170.6	128.1	+42.5	129.4	103.4	+26.0	19.3	8.6	+10.7	22.0	16.1	+ 5.9
United States .....	65.6	52.9	+12.6	64.5	51.5	+13.0	0.1	-	+ 0.1	1.0	1.4	- 0.4
United Kingdom .....	0.4	0.2	+ 0.2	-	-	-	0.4	0.2	+ 0.2	-	-	-
Other Foreign Countries .....	0.1	0.1	-	0.1	-	-	-	-	-	-	0.1	- 0.1
<i>Short-Term Securities (1 yr. or less):</i>												
Canadian .....	1.3	-	+ 1.3	0.1	-	+ 0.1	1.2	-	+ 1.2	-	-	-
Other Countries .....	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Securities:</i>												
Canadian .....	4.1	4.8	- 0.7	2.7	3.8	- 1.1	0.9	0.7	+ 0.2	0.5	0.3	+ 0.2
Other Countries .....	0.6	0.4	+ 0.2	0.2	0.3	- 0.2	0.4	-	+ 0.4	-	-	-
Total .....	349.2	297.6	+51.5	261.8	238.5	+23.3	37.5	25.5	+12.0	49.9	33.7	+16.2

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  
June, 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
<b>Canadian Securities, Total .....</b>	61,520	44,942	38,434	31,985	6,291	6,350	16,795	6,607
Bonds and Debentures .....	27,569	20,757	11,823	12,456	2,611	4,320	13,135	3,981
Common and Preference Stocks .....	32,212	23,741	26,227	19,245	2,416	1,900	3,569	2,596
Short-term securities (1 yr. or less) .....	1,168	12	13	12	1,155	-	-	-
Other Securities .....	571	432	371	272	109	130	91	30
<b>United States Securities, Total .....</b>	16,409	12,116	16,181	12,112	2	-	226	4
Bonds and Debentures .....	1,881	978	1,877	978	1	-	3	-
Common and Preference Stocks .....	14,528	11,138	14,304	11,134	1	-	223	4
<b>United Kingdom Securities, Total .....</b>	278	113	19	88	254	25	5	-
Bonds and Debentures .....	118	88	-	88	118	-	-	-
Common and Preference Stocks .....	160	25	19	-	136	25	5	-
<b>Other Foreign Countries Securities, Total....</b>	148	376	141	236	7	4	-	136
Bonds and Debentures .....	100	322	93	233	7	4	-	85
Common and Preference Stocks .....	48	54	48	3	-	-	-	51
<b>Foreign Short-Term Securities (1 yr. or less)</b>	-	-	-	-	-	-	-	-
<b>Foreign Other Securities .....</b>	59	5	10	5	49	-	-	-
<b>Total .....</b>	78,414	57,552	54,785	44,426	6,603	6,379	17,026	6,747

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

Six months ending June, 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.-
<b>Canadian Securities, Total</b>	271.6	234.0	+37.6	186.9	177.7	+ 9.2	36.0	24.9	+11.1	48.6	31.3	+17.3
Bonds and Debentures	95.5	101.1	- 5.5	54.8	70.5	-15.8	14.7	15.7	- 1.0	26.1	14.9	+11.2
Common and Preference Stocks	170.6	128.1	+42.5	129.4	103.4	+26.0	19.3	8.6	+10.7	22.0	16.1	+ 5.9
Short-term securities (1 yr. or less)	1.3	-	+ 1.3	0.1	-	+ 0.1	1.2	-	+ 1.2	-	-	-
Other Securities	4.1	4.8	- 0.7	2.7	3.8	- 1.1	0.9	0.7	+ 0.2	0.5	0.3	+ 0.2
<b>United States Securities, Total</b>	73.6	58.4	+15.2	72.2	56.0	+16.2	0.1	0.2	- 0.1	1.2	2.1	- 0.9
Bonds and Debentures	8.1	5.5	+ 2.6	7.8	4.5	+ 3.2	-	0.2	- 0.2	0.3	0.7	- 0.5
Common and Preference Stocks	65.6	52.9	+12.6	64.5	51.5	+13.0	0.1	-	+ 0.1	1.0	1.4	- 0.4
<b>United Kingdom Securities, Total</b>	0.9	2.3	- 1.5	0.1	2.1	- 2.0	0.8	0.2	+ 0.6	-	-	-
Bonds and Debentures	0.4	2.1	- 1.7	-	2.1	- 2.1	0.4	-	+ 0.3	-	-	-
Common and Preference Stocks	0.4	0.2	+ 0.2	-	-	-	0.4	0.2	+ 0.2	-	-	-
<b>Other Foreign Countries Securities, Total</b>	2.5	2.6	- 0.1	2.3	2.3	+ 0.1	0.2	0.1	+ 0.1	-	0.3	- 0.2
Bonds and Debentures	2.4	2.5	-	2.3	2.2	-	0.2	0.1	+ 0.1	-	0.2	- 0.2
Common and Preference Stocks	0.1	0.1	-	0.1	-	-	-	-	-	-	0.1	- 0.1
<b>Foreign Short-Term Securities (1 yr. or less)</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Foreign Other Securities</b>	0.6	0.4	+ 0.2	0.2	0.3	- 0.2	0.4	-	+ 0.4	-	-	-
<b>Total</b>	349.2	297.6	+51.5	261.8	238.5	+23.3	37.5	25.5	+12.0	49.9	33.7	+16.2

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 .....						
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 .....	98.43	179.5	64.4	89.4	219.8	
June .....	98.13	180.5	63.9	90.0	221.8	
July .....						
August .....						
September .....						
October .....						
November .....						
December .....						