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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. 9

September, 1954

Price: \$1.00 per year, 10¢ per copy

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

Security Transactions - Third Quarter, 1954

Portfolio security transactions between Canada and other countries during the third quarter of 1954 led to a purchase balance or capital export of \$18 million in contrast to the sales balance of \$13 million recorded in the preceding quarter.

Proceeds of new Canadian issues sold abroad amounted to \$29 million. More than two-thirds of this total represented private placements abroad, some of which covered deliveries on earlier contracts. Non-resident participation in Canadian issues of stocks and bonds accounted for the balance of the total. Retirements of foreign held issues totalled \$45 million, and were dominated by an official transaction of debt repatriation.

Trading in outstanding Canadian securities was in virtual balance in the third quarter but there were significant shifts of holdings. Non-residents were net purchasers of \$32 million of Canadian stocks which raised the total for nine months to \$74 million or more than has occurred in any full post-war year. The very substantial inflow from the sale of equity securities in the third quarter was practically offset by repurchases of Canadian government and municipal issues. During the quarter, the differential between yields on representative long-term Canadian and United States government issues, shown in Table 4, narrowed further and this together with the higher exchange value of the Canadian dollar, could have been expected to lead to repatriation. The repurchase balance would have been even larger had there not been sales to a non-resident representing the temporary employment of funds raised in Canada. Trading in all outstanding Canadian securities with the United States in the third quarter led to a capital outflow of about \$16 million while that with all other countries resulted in an inflow of about the same amount.

Security Transactions between Canada and Other Countries

Net Sales (+) or Purchases (-) by Canadians	1953		1954p		
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
(Millions of dollars)					
Canadian securities					
Outstanding issues	- 4	- 1	+ 16	+ 22	-
New issues	+ 15	+ 135	+ 170	+ 80	+ 29
Retirements	- 9	- 17	- 23	- 73	- 45
Foreign securities					
Outstanding issues	+ 1	+ 15	+ 4	+ 10	-
New issues	- 1	- 19	- 2	- 26	- 2
Total - all securities	+ 2	+ 113	+ 165	+ 13	- 18

p - preliminary

Trade in Outstanding Securities - September, 1954

Trading in outstanding securities between Canada and other countries during September resulted in a purchase balance or capital outflow of \$4 million. There were net sales of Government of Canada bonds and Canadian stocks but heavy repurchases of Government guaranteed, provincial and other bonds and debentures. Canadians also added to their holdings of foreign stocks and bonds. Capital outflows of \$6.5 million to the United States and \$0.8 million to the United Kingdom were partially offset by a capital inflow of \$3.2 million from other overseas countries.

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 : 12-11-54

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 (9 mos.)	544.3	492.7	+51.6	407.9	402.0	+ 5.9	52.5	39.5	+13.0	84.0	51.2	+32.8
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												
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

September, 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	12,117	24,326	8,014	20,544	1,449	2,081	2,654	1,701
<i>Canadian Issues:</i>								
Government of Canada — Direct	7,172	4,917	5,060	2,692	176	871	1,936	1,354
Government of Canada — Guaranteed	821	9,196	730	8,684	36	467	55	45
Provincial	982	6,180	304	6,060	574	108	104	12
Municipal	310	380	306	356	-	24	4	-
Railway, not guaranteed by Government	575	213	336	166	21	37	218	10
Other Corporations	1,429	2,143	612	1,314	492	551	325	278
<i>United States Issues:</i>								
Government.....	359	905	334	905	25	-	-	-
Other	134	176	122	176	-	-	12	-
<i>United Kingdom Issues:</i>								
Government	82	3	-	2	82	1	-	-
Other	34	-	-	-	34	-	-	-
Other Foreign Countries Issues	219	213	210	189	9	22	-	2
<i>Common & Preference Stocks:</i>								
Canadian	38,610	28,019	31,094	22,835	2,279	2,297	5,237	2,887
United States	8,926	10,240	8,831	10,084	5	-	90	156
United Kingdom	44	8	5	3	39	5	-	-
Other Foreign Countries	26	1,048	26	1,048	-	-	-	-
<i>Short-Term Securities (1 yr. or less):</i>								
Canadian	-	161	-	-	-	161	-	-
Other Countries	-	-	-	-	-	-	-	-
<i>Other Securities:</i>								
Canadian	768	727	525	450	162	203	81	74
Other Countries	27	4	18	4	9	-	-	-
Total	60,518	64,533	48,513	54,968	3,943	4,747	8,062	4,818

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

Nine months ending September, 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.....	157.0	190.6	-33.6	90.8	144.6	-53.9	20.6	22.3	- 1.6	45.6	23.7	+21.9
<i>Canadian Issues:</i>												
Government of Canada — Direct	85.1	93.5	- 8.4	40.5	62.0	-21.5	7.0	12.0	- 5.0	37.5	19.4	+18.1
Government of Canada — Guaranteed	10.6	33.9	-23.3	6.6	31.3	-24.6	1.5	2.2	- 0.7	2.5	0.4	+ 2.0
Provincial	8.7	28.3	-19.6	2.6	25.3	-22.7	4.3	2.8	+ 1.5	1.7	0.2	+ 1.5
Municipal	6.3	4.9	+ 1.4	5.5	3.7	+ 1.8	0.8	1.2	- 0.4	-	-	-
Railway, not guaranteed by Government	4.6	3.8	+ 0.8	3.1	2.9	+ 0.2	0.8	0.2	+ 0.7	0.6	0.6	-
Other Corporations	26.3	14.1	+12.2	18.0	8.6	+ 9.4	5.3	3.4	+ 1.9	3.0	2.0	+ 0.9
<i>United States Issues:</i>												
Government	6.4	5.3	+ 1.0	6.2	5.0	+ 1.2	0.1	0.1	-	0.1	0.3	- 0.2
Other	5.6	1.8	+ 3.8	5.4	1.2	+ 4.2	-	0.1	- 0.1	0.2	0.5	- 0.3
<i>United Kingdom Issues:</i>												
Government	0.6	1.3	- 0.8	-	1.3	- 1.3	0.5	-	+ 0.5	-	-	-
Other	0.1	0.9	- 0.8	-	0.8	- 0.8	0.1	0.1	-	-	-	-
Other Foreign Countries Issues	2.8	2.8	-	2.6	2.5	+ 0.1	0.2	0.1	-	-	0.2	- 0.2
<i>Common & Preference Stocks:</i>												
Canadian	278.4	204.0	+74.4	214.5	163.4	+51.1	27.7	15.4	+12.3	36.2	25.2	+11.1
United States	98.9	88.5	+10.4	97.5	86.8	+10.8	0.1	-	+ 0.1	1.3	1.7	- 0.4
United Kingdom	1.0	0.5	+ 0.5	0.1	0.3	- 0.3	0.9	0.2	+ 0.7	-	-	-
Other Foreign Countries	0.2	1.5	1.4	0.1	1.4	- 1.3	-	-	-	-	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	6.4	6.9	- 0.5	4.1	5.0	- 0.9	1.6	1.5	+ 0.1	0.7	0.5	+ 0.3
Other Countries	1.1	0.5	+ 0.6	0.6	0.5	+ 0.1	0.4	-	+ 0.4	-	-	-
Total	544.3	492.7	+51.6	407.9	402.0	+ 5.9	52.5	39.5	+13.0	84.0	51.2	+32.8

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

September, 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	50,667	51,936	38,967	42,557	3,740	4,719	7,960	4,660
Bonds and Debentures	11,289	23,029	7,348	19,272	1,299	2,058	2,642	1,699
Common and Preference Stocks	38,610	28,019	31,094	22,835	2,279	2,297	5,237	2,887
Short-term securities (1 yr. or less)	-	161	-	-	-	161	-	-
Other Securities	768	727	525	450	162	203	81	74
United States Securities, Total	9,419	11,321	9,287	11,165	30	-	102	156
Bonds and Debentures	493	1,081	456	1,081	25	-	12	-
Common and Preference Stocks	8,926	10,240	8,831	10,084	5	-	90	156
United Kingdom Securities, Total	160	11	5	5	155	6	-	-
Bonds and Debentures	116	3	-	2	116	1	-	-
Common and Preference Stocks	44	8	5	3	39	5	-	-
Other Foreign Countries Securities, Total....	245	1,261	236	1,237	9	22	-	2
Bonds and Debentures	219	213	210	189	9	22	-	2
Common and Preference Stocks	26	1,048	26	1,048	-	-	-	-
Foreign Short-Term Securities (1 yr. or less)	-	-	-	-	-	-	-	-
Foreign Other Securities	27	4	18	4	9	-	-	-
Total	60,518	64,533	48,513	54,968	3,943	4,747	8,062	4,818

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

Nine months ending September, 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	427.7	389.5	+38.2	295.1	302.2	- 7.1	50.2	38.9	+11.4	82.3	48.4	+33.9
Bonds and Debentures	141.5	178.4	-36.9	76.4	133.8	-57.4	19.8	21.8	- 2.0	45.3	22.8	+22.6
Common and Preference Stocks	278.4	204.0	+74.4	214.5	163.4	+51.1	27.7	15.4	+12.3	36.2	25.2	+11.1
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	6.4	6.9	- 0.5	4.1	5.0	- 0.9	1.6	1.5	+ 0.1	0.7	0.5	+ 0.3
United States Securities, Total	110.9	95.6	+15.3	109.2	92.9	+16.2	0.2	0.2	-	1.6	2.5	- 0.9
Bonds and Debentures	12.0	7.1	+ 4.9	11.7	6.2	+ 5.5	0.1	0.2	- 0.1	0.3	0.7	- 0.5
Common and Preference Stocks	98.9	88.5	+10.4	97.5	86.8	+10.8	0.1	-	+ 0.1	1.3	1.7	- 0.4
United Kingdom Securities, Total	1.6	2.7	- 1.1	0.1	2.4	- 2.3	1.5	0.3	+ 1.2	-	-	-
Bonds and Debentures	0.7	2.2	- 1.5	0.1	2.1	- 2.0	0.6	0.1	+ 0.5	-	-	-
Common and Preference Stocks	1.0	0.5	+ 0.5	0.1	0.3	- 0.3	0.9	0.2	+ 0.7	-	-	-
Other Foreign Countries Securities, Total	3.0	4.3	- 1.4	2.7	3.9	- 1.2	0.2	0.2	-	-	0.3	- 0.2
Bonds and Debentures	2.8	2.8	-	2.6	2.5	+ 0.1	0.2	0.1	-	-	0.2	- 0.2
Common and Preference Stocks	0.2	1.5	- 1.4	0.1	1.4	- 1.3	-	-	-	-	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	0.4	-	+ 0.4	-	-	-
Total	544.3	492.7	+51.6	407.9	402.0	+ 5.9	52.5	39.5	+13.0	84.0	51.2	+32.8

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						
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						
November						
December						