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Dominion Statistician: R. H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Internal Trade Branch: H. Marshall, B.A., F.S.S.

Vol. 3

No. 3

Sales and Purchases of Securities Between Canada
and Other Countries
March, 1937

The large volume of Canada's international trade in securities was maintained in March. The net result of the rise in purchases and the drop in sales during the month was a reduction in the balance of sales to less than \$4 million. A shift in the trade between Canada and the United States was chiefly responsible for the reduced balance of sales. In this trade with the United States, there was a change from the net selling position of the previous month to a net buying position.

The bulk of the trade in March continued to be in Canadian and United States securities, although the proportion in United States securities was more than in February. In March, sales of Canadian securities were about 48 per cent of the total, sales of United States securities were about 42 per cent, and United Kingdom securities about 4 per cent; whereas Canadian securities were about 49 per cent of the total purchases and United States securities about 46 per cent.

As contrasted with February when net sales of Canadian securities were large, in March the net sales of Canadian securities were only a little over \$1 million and were concentrated in the sales of bonds, there being only a small balance in the total trade in common stocks. At the same time, there were net purchases by Canadians of three classes of Canadian bonds--provincials, municipals and the bonds of corporations other than railways.

The principal development in the composition of the trade with the United States was in the growth of the trade in United States stocks. In the trade with the United Kingdom, on the other hand, the transactions in Canadian common and preference stocks continued to predominate with the balance of sales characteristic of recent months. Sales of Canadian common and preference stocks to countries other than the United Kingdom and the United States were somewhat heavier than in recent months.

In the first quarter of 1937, total sales to all countries were \$194.8 million as contrasted with \$128.2 million and \$65.9 million in the same period in 1936 and 1935 respectively. Total purchases from all countries were \$184.1 in this part of 1937 compared with \$89.5 in the comparable part of 1936 and \$60.4 million in 1935.

As shown in the supplementary tables, the Canadian dollar strengthened slightly during the month, the average of daily quotations for United States funds in Montreal being at a discount while the premium on sterling declined. While the index number of common stock prices in the United Kingdom fell abruptly, the index of stock prices in Canada continued to rise to the highest position attained in recent years, and the United States index advanced only slightly from its position of the previous month. The rate of decline in the price of the United Kingdom 3½% War Loan was reduced in March, while the price of the two Canadian bonds shown continued to decline and the price of the United States issue declined more rapidly than in the previous month.

The international security transactions shown in this bulletin were carried on through the medium of the investment dealers, stock exchanges, banks, United States branch houses and other agencies in Canada. The sale of new issues of Canadian securities to syndicate members resident outside of Canada are not included in these figures, such as the new issues of \$65,000,000 Dominion of Canada bonds sold in January, 1937, to a syndicate in New York. The redemption of called or matured Canadian securities abroad and of British and foreign securities owned in Canada are not included among the transactions recorded.

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Table 1.

Sales and Purchases of Securities Between Canada
and Other Countries

I

Month	Sales to United States			Purchases from United States		
	1935	1936	1937	1935	1936	1937
January	16,001,508	45,260,642	42,881,080	23,044,678	28,974,654	54,739,139
February	14,691,217	36,260,759	49,310,107	11,969,013	28,329,794	45,650,662
March ^x	27,046,720	24,403,261	48,358,262	12,050,506	20,041,317	50,610,233
Total, 3 months ^x	57,739,445	105,924,662	140,549,449	47,064,197	77,345,765	151,000,034

II

Month	Sales to Great Britain			Purchases from Great Britain		
	1935	1936	1937	1935	1936	1937
January	4,263,321	11,112,761	12,984,542	2,460,766	3,092,797	8,783,183
February	1,560,990	5,993,537	16,510,801	2,817,360	3,540,208	9,347,580
March ^x	1,820,261	4,136,831	15,132,057	5,586,692	4,554,205	10,516,839
Total, 3 months ^x	7,644,572	21,243,129	44,627,400	10,864,818	11,187,210	28,647,602

III

Month	Sales to Other Countries			Purchases from Other Countries		
	1935	1936	1937	1935	1936	1937
January	210,842	155,938	3,283,360	263,481	485,588	1,529,031
February	182,902	264,844	3,341,683	491,935	173,778	1,213,627
March ^x	145,869	647,802	2,960,691	1,676,263	349,362	1,669,642
Total, 3 months ^x	539,613	1,068,584	9,585,734	2,431,679	1,008,728	4,412,300

IV

Month	Sales to All Countries			Purchases from All Countries		
	1935	1936	1937	1935	1936	1937
January	20,475,671	56,529,341	59,148,982	25,768,925	32,553,039	65,051,353
February	16,435,109	42,519,140	69,162,591	15,278,308	32,043,780	56,211,869
March ^x	29,012,850	29,187,894	66,451,010	19,313,461	24,944,884	62,796,714
Total, 3 months ^x	65,923,630	128,236,375	194,762,583	60,360,694	89,541,703	184,059,936

^x Subject to revision.

Table 1
Balance and Disbursement of Government Treasury Notes
and Bonds, 1921-1922

Month	Balance at Close of Month			Disbursement in Current Month		
	1921	1922	1923	1921	1922	1923
January	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
February	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
March	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total, 3 months	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Month	Balance at Close of Month			Disbursement in Current Month		
	1921	1922	1923	1921	1922	1923
January	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
February	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
March	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total, 3 months	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Month	Balance at Close of Month			Disbursement in Current Month		
	1921	1922	1923	1921	1922	1923
January	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
February	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
March	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total, 3 months	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Month	Balance at Close of Month			Disbursement in Current Month		
	1921	1922	1923	1921	1922	1923
January	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
February	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
March	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total, 3 months	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000

Table 2.

Analysis of Trade in Securities Between Canada and Other Countries
March, 1937

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
	\$	\$	\$	\$	\$	\$	\$	\$
Bonds and Debentures, Total	16,853,941	13,387,737	12,219,786	11,246,216	4,020,177	1,715,117	613,978	426,404
Canadian new issues	2,615,231	-	2,614,286	-	945	-	-	-
Canadian outstanding issues --								
Dominion	2,371,438	2,260,938	2,280,719	2,116,897	1,459	15,135	89,260	128,906
Provincial	473,509	1,235,431	455,780	1,159,824	17,264	52,379	465	23,228
Municipal	222,468	632,686	212,042	562,315	9,350	64,957	1,076	5,414
Guaranteed by the Dominion	843,883	894,157	674,330	645,641	138,016	197,654	31,537	50,862
Railway, Other	648,077	254,203	470,224	180,963	91,140	72,165	86,713	1,075
Other Corporations	2,049,759	3,086,316	760,139	2,111,714	945,993	817,188	343,627	157,414
United States new issues --								
Government	-	1,045	-	1,045	-	-	-	-
Other	-	535,674	-	535,674	-	-	-	-
United States outstanding issues --								
Government	445,126	1,019,031	445,126	1,019,031	-	-	-	-
Other	913,873	936,059	902,073	914,017	10,400	17,252	1,400	4,790
United Kingdom new issues --								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom outstanding issues --								
Government	2,621,348	46,170	2,779	-	2,591,622	39,170	26,947	7,000
Other	44,360	134,281	-	-	44,360	134,281	-	-
Other Countries new issues	-	-	-	-	-	-	-	-
Other Countries outstanding issues	661,068	152,340	559,330	113,593	72,140	1,000	29,598	37,747
Unspecified bonds and debentures	2,943,801	2,199,406	2,842,958	1,885,502	97,488	303,936	3,355	9,968
<u>Common and Preference Stocks</u>								
Canadian	22,890,229	22,691,994	9,698,189	13,006,207	10,893,181	8,499,881	2,298,859	1,185,906
United States	26,461,324	26,477,530	26,354,621	26,306,038	62,207	116,875	44,496	54,617
United Kingdom	150,731	192,298	3,786	26,043	146,945	166,255	-	-
Other Countries	60,795	31,747	48,660	10,931	8,777	18,461	3,358	2,355
Short-Term Securities (one year or less)	33,000	-	33,000	-	-	-	-	-
Other Securities	990	15,408	220	14,798	770	250	-	360
GRAND TOTAL OF SALES AND PURCHASES	66,451,010	62,796,714	48,358,262	50,610,233	15,132,057	10,516,839	2,960,691	1,669,642

Table 3.

Purchase and Sale of Securities Between Canada and Other Countries, By Nationality
and Class of Security, March, 1937
(Summary Table)

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
	\$	\$	\$	\$	\$	\$	\$	\$
Canadian Securities, Total	32,115,364	31,071,133	17,165,709	19,798,359	12,098,118	9,719,609	2,851,537	1,553,165
Bonds and Debentures	9,224,365	8,363,731	7,467,520	6,777,354	1,204,167	1,219,478	552,678	366,899
Common and Preference Stocks	22,890,229	22,691,994	9,698,189	13,006,207	10,893,181	8,499,881	2,298,859	1,185,906
Other Securities	770	15,408	-	14,798	770	250	-	360
United States Securities, Total	27,820,543	28,969,339	27,702,040	28,775,805	72,607	134,127	45,896	59,407
Bonds and Debentures	1,358,999	2,491,809	1,347,199	2,469,767	10,400	17,252	1,400	4,790
Common and Preference Stocks	26,461,324	26,477,530	26,354,621	26,306,038	62,207	116,875	44,496	54,617
Other Securities	220	-	220	-	-	-	-	-
United Kingdom Securities, Total	2,816,439	372,749	6,565	26,043	2,782,927	339,706	26,947	7,000
Bonds and Debentures	2,665,708	180,451	2,779	-	2,635,982	173,451	26,947	7,000
Common and Preference Stocks	150,731	192,298	3,786	26,043	146,945	166,255	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	721,863	184,087	607,990	124,524	80,917	19,461	32,956	40,102
Bonds and Debentures	661,068	152,340	559,330	113,593	72,140	1,000	29,598	37,747
Common and Preference Stocks	60,795	31,747	48,660	10,931	8,777	18,461	3,358	2,355
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (one year or less) ..	33,000	-	33,000	-	-	-	-	-
Unspecified Securities	2,943,801	2,199,406	2,842,958	1,885,502	97,488	303,936	3,355	9,968
GRAND TOTAL	66,451,010	62,796,714	48,358,262	50,610,233	15,132,057	10,516,839	2,960,691	1,669,642

Table 4.

Monthly Average of Daily Quotations and Premiums
or Discounts for New York Funds and Sterling
Montreal, 1935-1937

Month	1935		1936		1937	
	New York Funds at Montreal	Premium + Discount - %	New York Funds at Montreal	Premium + Discount - %	New York Funds at Montreal	Premium + Discount - %
January9986	-0.14	1.0005	+0.05	1.0003	+0.03
February	1.0013	+0.13	.9986	-0.14	1.0002	+0.02
March	1.0097	+0.97	1.0013	+0.13	.9995	-0.05
April	1.0049	+0.49	1.0047	+0.47		
May	1.0015	+0.15	1.0018	+0.18		
June	1.0014	+0.14	1.0026	+0.26		
July	1.0022	+0.22	1.0008	+0.08		
August	1.0027	+0.27	1.0001	+0.01		
September ...	1.0080	+0.80	.9997	-0.03		
October	1.0141	+1.41	.9997	-0.03		
November	1.0105	+1.05	.9986	-0.14		
December	1.0093	+0.93	.9993	-0.07		
Year	1.0054	+0.54	1.0006	+0.06		

Month	1935		1936		1937	
	Sterling at Montreal	Premium + Discount - %	Sterling at Montreal	Premium + Discount - %	Sterling at Montreal	Premium + Discount - %
January	4.8870	+0.43	4.9657	+2.03	4.9092	+0.87
February	4.8833	+0.36	4.9940	+2.62	4.8953	+0.59
March	4.8247	-0.85	4.9783	+2.29	4.8824	+0.32
April	4.8622	-0.08	4.9673	+2.07		
May	4.8958	+0.61	4.9798	+2.32		
June	4.9426	+1.57	5.0328	+3.41		
July	4.9674	+2.08	5.0269	+3.29		
August	4.9850	+2.45	5.0265	+3.28		
September ...	4.9701	+2.14	5.0390	+3.54		
October	4.9778	+2.28	4.8972	+0.63		
November	4.9776	+2.28	4.8817	+0.31		
December	4.9755	+2.24	4.9042	+0.77		
Year	4.9293	+1.29	4.9749	+2.22		

Table 5.

Bid Price and Yield for Domestic Government
Bonds in Canada, United Kingdom and United States

Date	United Kingdom		United States		Dominion of Canada			
	3½% War Loan Callable Dec.1, 1952, or after ^x		3% of Sept.15, 1955, callable on or after Sept. 15, 1951		4½% of Nov.1, 1958, callable on or after Nov.1, 1948		3% of June 1, 1955, callable on or after June 1, 1950	
	Price	Yield	Price	Yield	Price	Yield	Price	Yield
1934								
January 17	100.79	3.44	96.00	3.26	99.00	4.57	-	-
February 14	101.27	3.41	97.18	3.18	99.75	4.52	-	-
March 14	102.48	3.32	98.29	3.11	103.00	4.22	-	-
April 18	103.15	3.27	99.24	3.05	104.50	4.09	-	-
May 16	102.90	3.29	100.23	2.93	105.15	4.03	-	-
June 13	102.25	3.34	101.00	2.93	105.00	4.04	-	-
July 18	103.66	3.23	102.10	2.84	105.85	3.96	-	-
August 14	103.78	3.22	100.12	2.99	106.85	3.87	-	-
September 12 ...	103.88	3.22	98.18	3.12	107.25	3.83	-	-
October 17	104.42	3.18	100.50	2.96	106.00	3.94	-	-
November 14	107.66	2.95	99.26	3.05	107.00	3.85	-	-
December 12	107.13	2.98	100.15	2.99	110.75	3.51	-	-
1935								
January 16	108.67	2.88	102.50	2.81	110.25	3.55	-	-
February 13	105.78	3.08	103.00	2.77	108.00	3.74	-	-
March 13	105.76	3.08	102.23	2.83	108.85	3.67	-	-
April 17	106.55	3.02	103.19	2.76	109.25	3.63	-	-
May 15	106.79	3.00	103.28	2.75	109.85	3.57	-	-
June 12	105.13	3.12	103.24	2.75	108.75	3.66	97.50	3.17
July 17	106.30	3.03	104.40	2.66	109.00	3.64	99.05	3.06
August 14	106.03	3.05	103.17	2.76	110.00	3.54	100.00	3.00
September 18 ...	102.70	3.29	101.30	2.83	104.25	4.08	98.25	3.12
October 16	102.68	3.29	102.59	2.80	107.25	3.79	99.13	3.06
November 13	105.17	3.11	102.59	2.80	107.75	3.74	98.10	3.13
December 18	105.82	3.06	102.41	2.81	107.13	3.79	97.75	3.16
1936								
January 15	105.63	3.07	103.06	2.76	107.63	3.74	97.88	3.14
February 19	106.35	3.07	103.56	2.72	109.60	3.55	97.75	3.16
March 18	105.20	3.10	103.91	2.69	109.75	3.54	98.00	3.14
April 15	106.25	3.02	104.19	2.66	110.13	3.50	98.63	3.10
May 13	106.37	3.01	104.47	2.64	110.50	3.46	99.30	3.05
June 17	105.46	3.07	104.34	2.65	112.00	3.31	99.85	3.01
July 15	105.81	3.04	104.56	2.63	112.48	3.26	101.00	2.91
August 12	105.86	3.04	104.72	2.62	113.63	3.15	102.75	2.76
September 16 ...	106.34	3.00	105.13	2.59	113.88	3.12	101.60	2.86
October 14	106.95	2.95	104.97	2.60	111.63	3.32	99.88	3.01
November 12	106.73	2.97	105.94	2.52	112.00	3.28	100.10	2.99
December 16	105.73	3.04	106.28	2.49	112.75	3.20	101.13	2.90
1937								
January 13	105.02	3.10	106.53	2.47	112.38	3.23	100.63	2.94
February 17	101.05	3.41	106.38	2.48	109.50	3.50	97.50	3.18
March 17	100.78	3.43	104.81	2.60	107.25	3.73	95.00	3.37

^x All prices are quoted on an "and interest" basis. The price of the United Kingdom War Loan has been adjusted from the "flat" basis on which it is quoted in London.

Table 6.

Index Numbers of Common Stocks Prices in Canada, Great
Britain and United States, 1935-1937
(1926 = 100)

Month	Canada (96) (Dominion Bureau of Statistics)	England (92) (London and Cambridge Economic Service) ^x	United States (419) (Standard Statistics Co. Inc.) ^{xx}
<u>1935</u>			
January	88.6	119.2	69.7
February	87.8	115.7	67.8
March	84.4	113.1	63.9
April	86.4	113.9	67.5
May	93.6	119.2	73.1
June	93.8	122.6	76.0
July	92.4	122.6	79.4
August	94.7	128.8	83.3
September	93.6	122.6	85.0
October	96.1	120.9	86.1
November	105.8	129.6	94.2
December	107.4	127.9	95.7
<u>1936</u>			
January	112.9	134.0	101.7
February	120.7	138.3	106.7
March	117.4	134.8	108.7
April	115.9	139.2	108.9
May	112.8	134.0	101.0
June	113.8	134.0	105.6
July	114.3	136.6	109.2
August	114.7	143.5	113.0
September	119.5	144.4	114.1
October	126.9	147.9	118.7
November	131.8	147.0	124.2
December	129.2	145.2	123.1
<u>1937</u>			
January	137.4	147.0	126.4
February	142.4	143.5	129.5
March	147.2	135.7	129.9

^x London and Cambridge Economic Service indexes have been converted from their original base to a 1926 base so as to render easier comparison with other series.

^{xx} Revised index.



1010508427

Index Number of the
Monthly and Quarterly
(1951 - 1952)

Month	Quarterly Average (1951-52)	Monthly Average (1951-52)	Monthly Average (1951-52)
January	100.0	100.0	100.0
February	100.0	100.0	100.0
March	100.0	100.0	100.0
April	100.0	100.0	100.0
May	100.0	100.0	100.0
June	100.0	100.0	100.0
July	100.0	100.0	100.0
August	100.0	100.0	100.0
September	100.0	100.0	100.0
October	100.0	100.0	100.0
November	100.0	100.0	100.0
December	100.0	100.0	100.0
January	100.0	100.0	100.0
February	100.0	100.0	100.0
March	100.0	100.0	100.0
April	100.0	100.0	100.0
May	100.0	100.0	100.0
June	100.0	100.0	100.0
July	100.0	100.0	100.0
August	100.0	100.0	100.0
September	100.0	100.0	100.0
October	100.0	100.0	100.0
November	100.0	100.0	100.0
December	100.0	100.0	100.0
January	100.0	100.0	100.0
February	100.0	100.0	100.0
March	100.0	100.0	100.0
April	100.0	100.0	100.0
May	100.0	100.0	100.0
June	100.0	100.0	100.0
July	100.0	100.0	100.0
August	100.0	100.0	100.0
September	100.0	100.0	100.0
October	100.0	100.0	100.0
November	100.0	100.0	100.0
December	100.0	100.0	100.0

* Index and descriptive statistics for the period 1951-52 are available from the original source to which the data are referred.

Revised Index