

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCHDOMINION BUREAU
OF STATISTICS

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

OCTOBER, 1942

Net sales of securities by Canada to other countries expanded to \$15.4 million in October. Sales of outstanding Canadian bonds to the United States made up \$13.8 million of this total. The expansion was mainly a result of the third Victory Loan Campaign. Some sales in November resulting from the Campaign have also been included in the October statistics. The level of sales shown for October is higher than in any preceding month of the year except March when the total reported was \$23.0 million.

Of the total net sales of securities to the United States of \$15.7 million, sales of Dominion guaranteed bonds accounted for \$7.0 million. Most of the rest was made up of net sales of Dominion direct issues and provincials which were \$3.2 million and \$3.3 million respectively. The trade in other groups of issues was relatively small. While still small on balance, the volume of trading in Canadian stocks in October was larger than in any month since January. Net sales of United States securities of \$1.0 million were lower than in September.

Repurchases from the United Kingdom amounted to about \$0.4 million.

The trade with other countries continued to be small.

In the ten months ending in October, 1942, net sales of securities by Canada to other countries were \$92.5 million compared with \$25.2 million in the same period of 1941. Net sales of Canadian bonds represented \$84.1 million of this balance in 1942, of which sales of Dominion guarantees were \$41.0 million, Dominions \$18.8 million and Provincials \$22.8 million. In the corresponding period of 1941 net sales of Canadian bonds were \$10.2 million, while sales of United States securities were \$14.4 million compared with \$8 million in the ten months of 1942.

The investors' price index of Canadian stocks and the index of United States stocks shown in Table 5 both increased sharply in October while the index of gold stocks dropped to a new low. The mid-month prices of government bonds shown in Table 4 remained about the same as in September. The official buying and selling rates for foreign exchange remained at the levels fixed in September, 1939.

The international trade in securities shown by statistics in this bulletin was carried on through the medium of the investment dealers, stock exchanges, banks, Canadian branches of United States houses and other agencies in Canada. It should be noted that certain types of international security transactions are not included in these statistics. The most important groups of security transactions not included are the redemption of called or matured Canadian bonds owned abroad and official repatriation operations. For a period of years, retirements of Canadian bonds owned outside of Canada have exceeded flotations of new issues abroad by substantial amounts. Statistics on these capital movements are shown in the annual reports on the Canadian Balance of International Payments.

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES
(In millions of dollars to nearest hundred thousand)

Table 1.

Year and month	Total Transactions			United States			United Kingdom			Other Countries		
	Sales	Purchases	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-	Sales to	Purchases from	Net Sales + Purch.-
1940												
TOTAL	123.9	95.1	+ 28.8	113.8	83.4	+ 30.4	7.0	9.6	- 2.6	5.1	2.1	+ 1.0
August	3.8	3.4	+ 0.4	3.7	2.9	+ 0.8	0.1	0.5	- 0.4	(1)	(1)	-
September ..	6.1	4.1	+ 2.0	6.0	3.9	+ 2.1	(1)	0.2	- 0.2	0.1	(1)	+ 0.1
October	5.3	4.8	+ 0.5	5.2	4.6	+ 0.6	(1)	0.1	- 0.1	0.1	0.1	-
November ...	9.0	6.6	+ 2.4	8.8	5.8	+ 3.0	(1)	0.6	- 0.6	0.2	0.2	-
December ...	8.1	7.0	+ 1.1	8.0	6.6	+ 1.4	(1)	0.4	- 0.4	0.1	0.1	-
1941												
TOTAL	108.3	75.5	+ 33.0	104.8	68.5	+ 36.3	1.3	4.9	- 3.1	1.7	1.9	- 0.2
January	9.1	6.3	+ 2.8	8.1	5.7	+ 2.4	0.8	0.4	+ 0.4	0.2	0.2	-
February ...	6.8	5.0	+ 1.8	6.2	4.5	+ 1.7	0.4	0.3	+ 0.1	0.2	0.2	-
March	6.3	5.4	+ 0.9	5.8	5.0	+ 0.8	0.3	0.5	-	0.2	0.1	+ 0.1
April	7.3	5.2	+ 2.1	7.1	4.8	+ 2.3	(1)	0.3	- 0.3	0.2	0.1	+ 0.1
May	6.9	4.4	+ 2.5	6.9	4.1	+ 2.8	(1)	0.2	- 0.2	(1)	0.1	- 0.1
June	5.4	3.2	+ 2.2	5.2	2.8	+ 2.4	0.1	0.3	- 0.2	0.1	0.1	-
July	7.9	6.4	+ 1.5	7.8	5.9	+ 1.9	(1)	0.3	- 0.3	0.1	0.2	- 0.1
August	7.0	5.8	+ 1.2	6.8	5.2	+ 1.6	(1)	0.5	- 0.5	0.1	(1)	+ 0.1
September ..	11.2	7.5	+ 3.7	11.0	6.8	+ 4.2	0.1	0.6	- 0.5	0.1	0.1	-
October ...	15.9	9.4	+ 6.5	15.7	8.8	+ 6.9	(1)	0.5	- 0.5	0.2	0.1	+ 0.1
November ...	13.9	8.3	+ 5.6	13.7	7.1	+ 6.6	0.1	0.8	- 0.7	0.1	0.4	- 0.3
December ...	10.5	8.3	+ 2.2	10.4	7.7	+ 2.7	(1)	0.4	- 0.4	0.1	0.2	- 0.1
1942												
TOTAL	144.0	51.5	+ 92.5	142.5	46.9	+ 95.6	0.1	3.6	- 3.5	1.4	1.0	+ 0.4
January ...	12.4	7.3	+ 5.1	12.3	6.7	+ 5.6	(1)	0.5	- 0.1	0.1	0.1	-
February ...	5.3	3.5	+ 11.8	5.2	3.1	+ 2.1	(1)	0.3	- 0.3	0.1	0.1	-
March	28.9	5.9	+ 23.0	28.8	5.2	+ 23.6	(1)	0.6	- 0.6	0.1	0.1	-
April	18.6	4.8	+ 13.8	18.5	4.3	+ 14.2	(1)	0.4	- 0.4	0.1	0.1	-
May	14.0	6.3	+ 7.7	13.7	5.6	+ 8.1	(1)	0.3	- 0.3	0.4	0.4	-
June	10.8	4.5	+ 6.3	10.5	4.2	+ 6.3	(1)	0.2	- 0.2	0.3	0.1	+ 0.2
July	13.3	6.5	+ 6.8	13.2	6.1	+ 7.1	(1)	0.4	- 0.4	0.1	(1)	+ 0.1
August	9.5	3.7	+ 5.8	9.4	3.3	+ 6.1	(1)	0.3	- 0.3	0.1	0.1	-
September ..	10.8	4.0	+ 6.8	10.8	3.7	+ 7.1	(1)	0.3	- 0.3	(1)	(1)	-
October (x)...	20.2	4.8	+ 15.4	20.1	4.4	+ 15.7	(1)	0.4	- 0.4	0.1	(1)	+ 0.1

(1) Less than 0.05 (x) Subject to revision.

Analysis of Trade in Securities Between Canada and Other Countries

Table 2

October 1942

	Total Sales	Total Purchases	United States		Sales to	Purchases from	United Kingdom		Other Countries	
			Sales to	Purchases From			Sales to	Purchases from	Sales to	Purchases from
Bonds & Debentures, Total.....	17,935,547	2,692,563	17,252,841	2,581,175	-	-	81,216	30,706	30,172	-
Canadian New Issues.....	7,000	-	-	-	-	-	-	7,000	-	-
Canadian Outstanding Issues										
Dominion.....	3,912,544	719,593	3,905,875	699,994	-	-	-	6,669	13,599	-
Provincial.....	3,652,227	350,970	3,652,227	329,267	-	-	1,703	-	-	-
Municipal.....	680,444	178,584	650,444	116,049	-	-	62,525	-	-	-
Guaranteed by the Dominion.....	6,998,145	21,785	6,998,145	21,785	-	-	-	-	-	-
Railway, Other.....	124,635	541,371	124,635	520,371	-	-	12,000	-	-	-
Other Corporations.....	553,629	268,461	541,791	252,910	-	-	4,973	11,833	10,573	-
United States New Issues										
Government	-	-	-	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-	-	-	-
United States Outstanding Issues										
Government.....	355,062	152,616	355,982	152,616	-	-	-	-	-	-
Other.....	314,726	37,446	314,706	37,446	-	-	-	-	-	-
United Kingdom New Issues										
Government.....	-	-	-	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues										
Government.....	-	-	-	-	-	-	-	-	-	-
Other.....	161,425	160,672	161,425	160,672	-	-	-	-	-	-
Other Countries New Issues.....	-	-	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	76,464	20	71,265	20	-	-	-	5,199	-	-
Unspecified Bonds & Debentures...	476,366	230,545	476,366	230,545	-	-	-	-	-	-
Common & Preference Stocks										
Canadian.....	1,357,532	1,071,640	1,314,351	789,735	4,320	271,466	38,931	10,439	-	-
United States.....	1,515,355	957,376	1,485,021	957,876	-	-	-	30,334	-	-
United Kingdom.....	56,277	4,851	56,277	4,851	-	-	-	-	-	-
Other Countries.....	-	-	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less).....	-	64,930	-	64,930	-	-	-	-	-	-
Other Securities										
Canadian.....	-	2,215	-	2,215	-	-	-	-	-	-
United States.....	-	-	-	-	-	-	-	-	-	-
United Kingdom.....	-	-	-	-	-	-	-	-	-	-
Other Countries.....	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL.....	20,212,761	4,794,125	20,108,470	4,400,832	4,520	352,632	99,971	40,611	-	-

Analysis of Trade in Securities Between Canada and Other Countries
For the Ten Months Ending October, 1942.

Table 2-A

	Total Sales	Total Purchases	United States		United Kingdom		Other Countries	
	\$	\$	Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds & Debentures, Total.....	123,480,391	36,716,129	122,282,247	33,546,958	47,277	2,359,305	1,150,367	809,866
Canadian New Issues.....	155,998	-	122,877	-	-	-	23,121	-
Canadian Outstanding Issues								
Dominion.....	27,419,726	8,605,301	26,534,144	8,113,533	5,233	27,280	830,349	462,488
Provincial.....	25,461,660	2,626,535	25,457,589	1,994,912	-	568,989	4,071	62,654
Municipal.....	4,520,905	2,026,662	3,520,905	1,087,074	-	938,517	-	1,071
Guaranteed by the Dominion..	44,823,854	3,750,149	44,818,394	2,616,011	-	47,678	5,460	96,460
Railway, Other.....	5,332,955	9,346,810	5,319,926	9,134,175	5,600	177,375	7,429	55,260
Other Corporations.....	5,541,097	3,824,192	5,620,250	3,325,245	11,514	374,298	209,333	124,649
United States New Issues								
Government.....	-	301,287	-	301,287	-	-	-	-
Other.....	-	539,358	-	539,358	-	-	-	-
United States Outstanding Issues								
Government.....	2,814,098	1,001,098	2,814,098	1,001,098	-	-	-	-
Other.....	2,283,512	1,565,172	2,283,512	1,557,401	-	-	-	7,771
United Kingdom New Issues								
Government.....	-	-	-	-	-	-	-	-
Other.....	-	2,163	-	2,163	-	-	-	-
United Kingdom Outstanding Issues								
Government.....	10,928	396,181	6,998	174,681	3,930	221,500	-	-
Other.....	589,029	420,390	589,029	420,390	-	-	-	-
Other Countries New Issues.....	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues	1,103,836	648,437	1,066,782	625,236	21,000	3,668	21,104	19,533
Unspecified Bonds & Debentures	3,417,743	2,647,109	3,417,743	2,647,109	-	-	-	-
Common & Preference Stocks								
Canadian.....	8,314,051	8,852,064	8,060,605	7,435,476	31,099	1,252,543	222,347	164,035
United States.....	11,308,104	5,076,047	11,275,436	5,067,008	-	8,760	32,668	4,379
United Kingdom.....	61,559	5,541	60,790	5,541	769	-	-	-
Other Countries.....	68,341	408	68,707	-	-	-	134	408
Short-Term Securities								
(1 Year or Less).....	14,994	198,974	14,994	198,974	-	-	-	-
Other Securities								
Canadian.....	283,134	365,008	383,134	385,008	-	-	-	-
United States.....	366,781	269,695	366,721	259,695	-	-	-	-
United Kingdom.....	-	-	-	-	-	-	-	-
Other Countries.....	24,655	-	24,655	-	-	-	-	-
GRAND TOTAL.....	144,027,450	51,493,856	142,542,239	46,399,560	79,145	3,615,608	1,406,016	378,688

Sales and Purchases of Securities Between Canada and Other Countries
by Nationality and Class of Security.
(Summary Table)
October, 1942.

Table 3

	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....	17,256,206	5,155,114	17,137,448	2,741,826	4,320	352,682	64,438	40,611
Bonds and Debentures.....	15,838,624	2,061,264	15,873,117	1,949,876	-	81,216	25,307	30,172
Common & Preference Stocks	1,557,582	1,071,640	1,314,331	789,735	4,320	271,466	38,931	10,439
Other Securities.....	-	2,815	-	2,215	-	-	-	-
United States Securities,								
Total.....	2,186,023	1,197,938	2,155,689	1,197,938	-	-	30,334	-
Bonds and Debentures.....	670,668	240,062	670,668	240,062	-	-	-	-
Common & Preference Stocks	1,515,355	957,876	1,485,021	957,876	-	-	30,334	-
Other Securities.....	-	-	-	-	-	-	-	-
United Kingdom Securities,								
Total.....	217,702	165,523	217,702	165,523	-	-	-	-
Bonds and Debentures.....	161,425	160,672	161,425	160,672	-	-	-	-
Common & Preference Stocks	56,277	4,851	56,277	4,851	-	-	-	-
Other Securities.....	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total.....	76,464	20	71,265	20	-	-	5,199	-
Bonds and Debentures.....	76,464	20	71,265	20	-	-	5,199	-
Common & Preference Stocks	-	-	-	-	-	-	-	-
Other Securities.....	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less).....	-	64,980	-	64,980	-	-	-	-
Unspecified Bonds & Debentures	476,366	250,545	476,366	230,645	-	-	-	-
GRAND TOTAL.....	20,212,761	4,794,125	20,108,470	4,400,832	4,320	352,682	99,971	40,611

Sales and Purchases of Securities Between Canada and Other Countries
By Nationality and Class of Security
For the Ten Months Ending October, 1942.

Table 3-A

	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....	121,953,580	58,424,711	120,552,824	54,001,434	53,446	3,380,680	1,352,110	946,597
Bonds and Debentures.....	113,256,195	29,187,649	112,104,085	26,270,950	22,347	2,134,137	1,129,763	732,562
Common & Preference Stocks	8,314,051	3,352,054	3,060,605	7,435,476	31,099	1,252,543	222,347	184,035
Other Securities.....	388,134	385,008	388,134	385,008	-	-	-	-
United States Securities,								
Total.....	16,772,435	8,749,942	16,739,767	8,734,032	-	3,760	32,668	12,150
Bonds and Debentures.....	5,097,610	3,414,200	5,097,610	3,406,429	-	-	-	7,771
Common & Preference Stocks	11,303,104	5,076,047	11,275,436	5,067,908	-	3,760	32,668	4,379
Other Securities.....	366,721	259,695	366,721	259,695	-	-	-	-
United Kingdom Securities,								
Total.....	661,516	824,275	656,817	602,775	4,699	221,500	-	-
Bonds and Debentures.....	539,957	813,734	596,027	597,234	3,930	221,500	-	-
Common & Preference Stocks	61,559	5,541	60,790	5,541	769	-	-	6
Other Securities.....	-	-	-	-	-	-	-	-
Other Countries Securities,								
Total.....	1,202,382	648,845	1,160,144	625,236	21,000	3,668	21,238	19,941
Bonds and Debentures.....	1,108,886	648,437	1,066,782	625,236	21,000	3,668	21,104	19,533
Common & Preference Stocks	68,841	408	68,707	-	-	-	134	408
Other Securities.....	24,655	--	24,655	-	-	-	-	-
Short-Term Securities (1 Year or Less).....	14,994	198,974	14,994	198,974	-	-	-	-
Unspecified Bonds & Debentures	3,417,743	2,647,109	3,417,743	2,647,109	-	-	-	-
GRAND TOTAL.....	144,027,450	51,493,856	142,542,289	46,809,560	79,145	3,615,608	1,406,010	978,688

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

Table 4

	United Kingdom		United States			Dominion of Canada			
	3- $\frac{1}{2}\%$ War Loan Callable on or after December 1, 1952+		3% of Sept. 15, 1955, Callable on or after Sept. 15, 1951			4- $\frac{1}{2}\%$ 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	Tax ^x Equiv.	Price	Yield	Price	Yield
<u>1940</u>									
Aug., 14 ..	99.29	3.53	109.75	2.01	2.80	108.00	3.38	97.13	3.25
Sept., 18 ..	99.95	3.50	110.31	1.90	2.69	108.63	3.28	97.50	3.22
Oct., 16 ..	101.43	3.26	111.38	1.84	2.78	108.38	3.31	97.88	3.18
Nov., 13 ..	101.67	3.33	112.78	1.70	2.64	108.13	3.33	98.13	3.16
Dec., 18 ..	102.59	3.24	113.50	1.63	2.57	109.00	3.20	98.63	3.12
<u>1941</u>									
Jan., 15 ..	103.01	3.19	112.28	1.73	2.67	109.25	3.15	98.88	3.10
Feb., 19 ..	102.67	3.23	110.34	1.92	2.86	108.63	3.23	98.50	3.13
March, 19 ..	103.15	3.18	111.34	1.75	2.69	109.25	3.18	99.00	3.09
April, 16 ..	102.58	3.23	111.63	1.77	2.71	108.88	3.17	98.75	3.11
May, 14 ...	103.96	3.09	112.12	1.71	2.65	108.50	3.21	98.75	3.11
June, 13 ..	103.84	3.10	112.59	1.66	2.60	108.25	3.23	98.50	3.13
July, 16 ..	104.63	3.02	113.06	1.60	2.54	108.38	3.20	98.63	3.12
Aug., 13 ..	104.99	2.98	111.94	1.71	2.65	109.00	3.10	98.63	3.12
Sept., 17 ..	105.15	2.96	111.78	1.71	2.65	108.75	3.12	98.88	3.10
Oct., 15 ..	104.64	3.01	112.22	1.66	2.60	108.75	3.11	99.13	3.08
Nov., 12 ..	104.73	2.99	113.13	1.56	2.50	109.00	3.05	99.38	3.06
Dec., 17 ..	104.41	3.02	110.91	1.78	2.72	108.88	3.06	99.38	3.06
<u>1942</u>									
Jan., 14 ..	104.89	2.97	110.56	1.80	2.74	109.00	3.02	99.83	3.03
Feb., 18 ..	103.99	3.06	108.97	1.97	2.91	108.75	3.05	99.38	3.06
March, 18 ..	104.72	2.98	110.59	1.78	2.72	108.75	3.03	99.25	3.07
April, 16 ..	105.08	2.94	110.69	1.76	2.70	109.00	3.08	99.38	3.06
May, 13 ...	104.87	2.96	110.47	1.78	2.72	108.75	3.00	99.50	3.05
June, 17 ..	104.91	2.95	110.78	1.73	2.67	108.63	3.00	99.75	3.02
July, 15 ..	105.52	2.88	110.53	1.75	2.69	108.25	3.05	99.75	3.02
Aug., 12 ..	105.19	2.91	110.44	1.75	2.69	108.38	3.01	99.75	3.02
Sept., 16 ..	105.04	2.93	110.28	1.76	2.70	108.13	3.03	99.50	3.05
Oct., 14 ..	105.03	2.92	110.22	1.76	2.70	108.00	3.04	99.50	3.05

+ 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.

x Yield on a comparable taxable security which would give an equivalent net return to holders who were subject to income tax at the flat corporation rate. This rate was 16- $\frac{1}{2}\%$ to December 31, 1939; 18% to June, 1940; and 20.9% in July, August and September; and 24% in October and thereafter.



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Index Numbers of Common Stocks Prices in Canada
and the United States, 1940-1942.

(1935-39=100)

Table 5.

	CANADA			United States (402) (Standard & Poor's Corp.)	
	Dominion Bureau of Statistics		Composite Mining Index (25)		
	Investors' Price Index (95)	Mining Stocks Gold Stocks (22)			
	(68 Industrials 19 Utilities 8 Banks)			354 Industrials 20 Railroads 28 Utilities	
<u>1940</u>					
August.....	69.3	64.6	71.0	81.6	
September.....	75.8	70.8	77.5	85.5	
October.....	74.2	72.9	79.2	86.0	
November.....	74.5	76.5	82.4	86.7	
December.....	79.3	74.9	80.2	84.9	
<u>1941</u>					
January.....	71.3	74.4	79.4	85.0	
February.....	66.5	70.6	74.9	80.1	
March.....	66.8	70.0	75.1	80.3	
April.....	65.8	69.0	75.1	77.9	
May.....	63.9	66.1	71.2	77.1	
June.....	64.0	64.4	71.0	79.5	
July.....	67.5	66.2	74.6	83.2	
August.....	67.8	66.0	74.6	83.2	
September.....	71.0	66.0	75.4	83.6	
October.....	69.1	60.8	69.7	80.4	
November.....	68.8	54.9	65.0	77.4	
December.....	67.2	52.2	63.2	71.8	
<u>1942</u>					
January.....	66.8	50.5	61.9	72.6	
February.....	64.7	45.4	57.5	69.9	
March.....	62.3	40.1	51.0	66.0	
April.....	61.1	37.5	49.3	63.3	
May.....	62.0	39.6	51.7	63.2	
June.....	62.8	42.6	53.2	66.1	
July.....	62.4	39.3	50.6	63.2	
August.....	61.6	38.0	49.4	63.3	
September.....	62.6	38.4	49.7	69.4	
October.....	65.0	33.3	46.2	74.2	