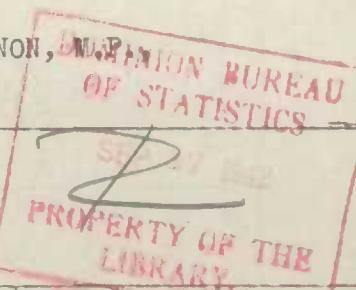


Published by Authority of the HON. JAMES A. MacKINNON,
Minister of Trade and Commerce



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

Acting Dominion Statistician:	S. A. Cudmore, M.A. (Oxon.) F.S.S., F.R.S.C.
Chief, Internal Trade Branch:	H. Marshall, B.A., F.S.S.
Statistician:	C. D. Blyth, B.A.

Vol. 8.

No. 6.

SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

June, 1942

Net sales of securities in June were \$6.3 million compared with \$7.7 million in May. This marks the fourth month in which sales have been at an unusually high level. As in the three preceding months sales of Canadian bonds in the United States were the principal factor in the import of capital.

Net sales of provincial bonds of \$3.0 million accounted for the largest part of the balance of sales in June. Net sales of Dominions of \$1.5 million and of Dominion guarantees of \$1.2 million made up most of the remainder. There were also small net sales of municipal and corporation issues while unguaranteed railway bonds and Canadian corporation stocks were repurchased on balance. The volume of sales of United States securities continued to be very light.

Repurchases of Canadian securities from the United Kingdom of \$0.2 million were slightly lower than in preceding months.

Trade in securities with other countries produced a small balance of sales of \$0.2 million.

In the first six months of 1942 net sales of securities by Canada were \$57.7 million compared with \$12.2 million in the same period of 1941. Net sales of Canadian bonds accounted for \$53.8 million of this balance with Dominion guaranteed issues amounting to \$25.3 million, Dominions \$12.6 million, and provincials \$15.2 million. Net sales of United States securities in the first half of 1942 were \$4.8 million compared with \$8.9 million in the corresponding period of 1941.

The index numbers of Canadian common stock prices showed further gains in June from the low points of April. The United States index rose several points from the low average reached in May. The mid-month quotations for the government bonds shown in Table 4 registered only slight changes from the May quotations. 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.

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	Purchases	Net Sales + Purch.-	Sales	Purchases	Net Sales + Purch.-	Sales	Purchases	Net Sales + Purch.-
<u>1940</u>												
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
April	15.6	12.0	+ 3.6	13.5	9.8	+ 3.6	1.7	2.0	- 0.3	0.4	0.3	+ 0.1
May	18.3	16.0	+ 2.3	17.1	14.4	+ 2.7	0.8	1.3	- 0.5	0.4	0.3	+ 0.1
June	9.0	6.4	+ 2.6	8.5	5.7	+ 2.8	0.4	0.6	- 0.2	0.1	0.1	-
July	4.4	3.1	+ 1.3	4.2	2.8	+ 1.4	0.1	0.2	- 0.1	0.1	0.1	-
August	5.8	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	-
<u>1941</u>												
TOTAL	108.3	75.3	+ 33.0	104.8	68.5	+ 36.3	1.8	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	0.3	-	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
<u>1942</u>												
TOTAL	90.1	32.4	+ 57.7	89.1	29.3	+ 59.8	(1)	2.3	- 2.3	1.0	0.8	+ 0.2
January	12.4	7.3	+ 5.1	12.3	6.7	+ 5.6	(1)	0.5	- 0.5	0.1	0.1	-
February	5.3	3.5	+ 1.8	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 (x)....	10.8	4.5	+ 6.3	10.5	4.2	+ 6.3	(1)	0.2	- 0.2	0.3	0.1	+ 0.2

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

Analysis of Trade in Securities Between Canada and Other Countries

June, 1942

Table 2.

	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	9,511,215	3,250,591	9,279,106	3,019,283	-	202,347	232,109	28,961
Canadian new issues	120,634	-	113,513	-	-	-	7,121	-
Canadian Outstanding Issues —								
Dominion	2,050,911	558,567	1,846,049	556,955	-	-	204,862	1,612
Provincial	3,331,191	283,649	3,331,191	241,640	-	45,125	-	1,884
Municipal	821,073	320,229	821,073	179,567	-	140,662	-	-
Guaranteed by the Dominion	1,240,927	41,943	1,240,423	40,739	-	-	498	1,204
Railway, Other	339,679	779,168	339,679	772,113	-	3,960	-	3,095
Other Corporations	446,052	233,559	426,424	199,793	-	12,600	19,628	21,166
United States New Issues —								
Government	-	14,171	-	14,171	-	-	-	-
Other	-	165,221	-	165,221	-	-	-	-
United States Outstanding Issues —								
Government	310,009	152,000	310,009	152,000	-	-	-	-
Other	324,144	83,666	324,144	83,666	-	-	-	-
United Kingdom, New Issues —								
Government	-	-	-	-	-	-	-	-
Other	-	163	-	163	-	-	-	-
United Kingdom, Outstanding Issues—								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other Countries new issues	-	-	-	-	-	-	-	-
Other Countries outstanding issues.	256,658	204,542	256,658	204,542	-	-	-	-
Unspecified bonds and debentures ..	269,937	408,713	269,937	408,713	-	-	-	-
Common & Preference Stocks								
Canadian	744,289	358,252	691,370	790,763	1,594	33,617	51,325	33,872
United States	576,144	419,375	576,144	419,375	-	-	-	-
United Kingdom	4,513	-	4,513	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 year or less)	-	-	-	-	-	-	-	-
Other Securities								
Canadian	-	-	-	-	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
GRAND TOTAL	10,836,161	4,528,218	10,551,133	4,229,421	1,594	235,964	283,434	62,833

Analysis of Trade in Securities Between Canada and Other Countries
 For the six months ending June, 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 and Debentures, Total	\$ 77,152,409	\$ 22,525,726	\$ 76,219,532	\$ 20,369,498	\$ 21,244	\$ 1,529,724	\$ 911,633	\$ 626,504
Canadian new issues	130,234	-	114,113	-	-	-	16,121	-
Canadian Outstanding Issues --								
Dominion	18,283,431	5,686,877	17,564,937	5,334,810	200	21,473	718,244	330,588
Provincial	16,805,006	1,803,798	16,805,606	1,127,547	-	416,210	-	80,041
Municipal	2,783,435	1,184,545	2,783,435	645,941	-	538,604	-	-
Guaranteed by the Dominion	27,091,214	1,821,029	27,085,754	1,677,791	-	47,678	5,460	96,460
Railway, Other	3,582,903	5,042,380	3,569,874	4,933,864	5,800	50,458	7,423	8,058
Other Corporations	3,099,400	2,659,129	2,923,808	2,304,341	11,514	230,127	164,078	104,661
United States New Issues --								
Government	-	236,199	-	236,199	-	-	-	-
Other	-	421,101	-	421,101	-	-	-	-
United States Outstanding Issues --								
Government	1,054,809	539,526	1,054,809	539,526	-	-	-	-
Other	1,394,185	802,777	1,394,185	795,614	-	-	-	7,163
United Kingdom New Issues --								
Government	-	-	-	-	-	-	-	-
Other	-	163	-	163	-	-	-	-
United Kingdom Outstanding Issues --								
Government	3,930	225,385	-	1,885	3,930	221,800	-	-
Other	111,828	111,949	111,828	111,949	-	-	-	-
Other Countries new issues	-	-	-	-	-	-	-	-
Other Countries outstanding issues	684,800	481,975	684,499	458,774	-	3,668	301	19,533
Unspecified Bonds & Debentures	2,126,634	1,729,993	2,126,634	1,729,993	-	-	-	-
Common & Preference Stocks								
Canadian	5,291,305	6,492,950	5,152,060	5,571,106	21,808	775,680	118,237	146,164
United States	6,861,342	2,661,769	6,861,232	2,655,911	-	3,760	110	2,098
United Kingdom	5,282	600	4,513	600	769	-	-	-
Other Countries	40,616	408	40,482	-	-	-	124	408
Short-Term Securities (1 year or less)	7,998	98,013	7,998	98,013	-	-	-	-
Other Securities								
Canadian	388,134	382,793	388,134	382,793	-	-	-	-
United States	366,721	259,695	366,721	259,695	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	24,655	-	24,655	-	-	-	-	-
GRAND TOTAL	90,139,062	32,422,044	89,065,327	29,337,706	43,621	2,309,184	1,030,114	775,174

Sales and Purchases of Securities Between Canada and Other Countries
by Nationality and Class of Security

(Summary Table)

June, 1942

Table 3.

	Total Sales	Total Purchases	United States		United Kingdom		Other Sales to	Countries Purchases from
			Sales to	Purchases from	Sales to	Purchases from		
Canadian Securities, Total	9,094,756	3,080,367	8,809,728	2,781,570	1,594	235,364	283,434	62,833
Bonds and Debentures	8,350,467	2,222,115	8,118,358	1,990,807	-	202,347	232,109	28,961
Common and Preference Stocks.	744,289	858,252	691,370	790,763	1,594	33,617	51,325	33,872
Other Securities	-	-	-	-	-	-	-	-
United States Securities, Total .	1,210,297	834,433	1,210,297	834,433	-	-	-	-
Bonds and Debentures	634,153	415,058	634,153	415,058	-	-	-	-
Common and Preference Stocks.	576,144	419,375	576,144	419,375	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total.	4,513	163	4,513	163	-	-	-	-
Bonds and Debentures	-	163	-	163	-	-	-	-
Common and Preference Stocks.	4,513	-	4,513	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	256,658	204,542	256,658	204,542	-	-	-	-
Bonds and Debentures	256,658	204,542	256,658	204,542	-	-	-	-
Common and Preference Stocks	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Unspecified Bonds and Debentures.	269,937	408,713	269,937	408,713	-	-	-	-
Short-Term Securities (1 year or less) ...	-	-	-	-	-	-	-	-
GRAND TOTAL	10,836,161	4,528,218	10,551,133	4,229,421	1,594	235,364	283,434	62,833

Sales and Purchases of Securities Between Canada and Other Countries
by Nationality and Class of Security

For the six months ending June, 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	77,456,262	24,854,401	76,387,771	22,028,193	38,922	2,080,236	1,023,569	745,972
Bonds and Debentures	71,776,223	17,978,658	70,847,577	16,074,234	17,314	1,304,556	911,332	599,808
Common and Preference Stocks.	5,291,905	6,492,950	5,152,060	5,571,106	21,608	775,680	118,237	146,164
Other Securities	388,134	382,793	388,134	382,793	-	-	-	-
United States Securities, Total .	9,677,057	4,921,067	9,676,947	4,908,046	-	3,760	110	9,261
Bonds and Debentures	2,448,994	1,399,603	2,448,994	1,992,440	-	-	-	7,163
Common and Preference Stocks.	6,861,342	2,661,769	6,861,232	2,655,911	-	3,760	110	2,098
Other Securities	366,721	259,635	366,721	259,635	-	-	-	-
United Kingdom Securities, Total.	121,040	356,187	116,341	114,687	4,690	221,500	-	-
Bonds and Debentures	115,758	335,497	111,828	113,997	3,930	221,500	-	-
Common and Preference Stocks	5,282	600	4,513	690	769	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total	750,071	482,383	749,636	453,774	-	3,668	435	19,941
Bonds and Debentures	684,800	481,975	684,400	458,774	-	3,668	301	19,533
Common and Preference Stocks	40,616	408	40,482	-	-	-	134	408
Other Securities	24,655	-	24,655	-	-	-	-	-
Unspecified Bonds and Debentures	2,126,634	1,729,993	2,126,634	1,729,993	-	-	-	-
Short-Term Securities (1 year or less)	7,998	98,013	7,998	98,013	-	-	-	-
GRAND TOTAL	90,139,062	32,422,044	89,065,327	29,357,706	43,621	2,309,164	1,030,114	775,174

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

Table 4

Date	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 3% of June 1, 1958, callable 1955, callable on or after Nov. 1, 1948 on or after June 1, 1950			
	Price	Yield	Price	Yield	Tax Equiv.	Price	Yield	Price	Yield
1940									
April, 17 ...	97.80	3.58	111.06	1.92	2.58	108.63	3.33	96.63	3.28
May, 15	98.16	3.57	108.31	2.17	2.83	108.38	3.35	97.13	3.24
June, 19	96.83	3.61	109.38	2.06	2.72	107.25	3.49	96.00	3.34
July, 17	98.69	3.55	110.41	1.96	2.75	107.25	3.49	96.50	3.30
August, 14 ..	99.29	3.53	109.75	2.01	2.80	108.00	3.38	97.13	3.25
September, 13	99.95	3.50	110.91	1.90	2.69	108.63	3.28	97.50	3.22
October, 16 .	101.43	3.36	111.38	1.84	2.78	108.38	3.31	97.88	3.18
November, 13 .	101.67	3.33	112.78	1.70	2.64	108.13	3.33	98.13	3.16
December, 18.	102.59	3.24	113.50	1.63	2.57	109.00	3.20	98.03	3.12
1941									
January, 15 .	103.01	3.19	112.28	1.73	2.67	103.25	3.15	98.88	3.10
February, 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	111.94	1.75	2.69	103.25	3.13	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	112.13	1.71	2.65	108.50	3.21	98.75	3.11
June, 18	103.84	3.10	112.59	1.66	2.60	103.25	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
August, 13 ..	104.99	2.98	111.94	1.71	2.65	109.00	3.10	98.63	3.12
September, 17	105.15	2.96	111.78	1.71	2.65	108.75	3.12	98.88	3.10
October, 15 .	104.64	3.01	112.22	1.66	2.60	108.75	3.11	99.13	3.08
November, 12	104.73	2.99	113.13	1.56	2.50	109.00	3.05	99.38	3.06
December, 17	104.41	3.02	110.91	1.78	2.72	108.88	3.06	99.38	3.06
1942									
January, 14.	104.89	2.97	110.56	1.80	2.74	109.00	3.02	99.63	3.03
February, 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	2.98	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

+ 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; 13% to June, 1940; and 20.9% in July, August and September; and 24% in October and thereafter.



1010508495

Index Numbers of Common Stocks Prices in Canada
and the United States, 1939-1942

(1935-39 = 100)

Table 5.

	CANADA			United States
	Dominion Bureau of Statistics			(402)
	Investors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Mining Stocks Gold Stocks (22)	Composite Mining Index (25)	(Standard & Poor's Corp.) 354 Industrials 20 Railroads 28 Utilities
<u>1940</u>				
January	90.9	91.1	100.0	97.4
February	90.2	86.5	96.2	96.8
March	90.3	82.0	92.5	96.7
April	88.4	81.3	91.2	93.1
May	73.5	67.6	74.5	85.1
June	65.5	57.7	63.4	73.1
July	66.1	59.1	64.8	80.8
August	63.3	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	76.6	82.4	86.7
December	70.3	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	61.0	72.6
February	64.7	45.4	57.5	69.3
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	42.0	53.2	66.1