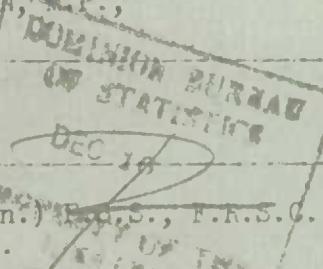


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Vcl. 3.

No. 9

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

SEPTEMBER, 1942

Net sales of securities by Canada to other countries in September continued at the high level of \$6.8 million compared with \$5.8 million in August and \$6.8 million in July. While sales of Canadian bonds again made up most of the trade net sales of United States securities of \$1.8 million were higher than in preceding months.

The largest part of the net sales of \$6.1 million to the United States was the balance of sales of \$2.9 million Dominion guaranteed issues. Of the remainder, sales of provincials accounted for \$1.5 million, sales of Dominions \$0.8 million, other corporation bonds \$0.4 million, and Canadian Stocks, \$0.2 million. Net repurchases of unguaranteed railway issues amounted to \$0.6 million.

Repurchases from the United Kingdom amounted to \$0.3 million.

The trade with other countries was small and showed no appreciable balance.

In the nine months ending in September, 1942 net sales of securities by Canada totalled \$77.1 million compared with \$18.6 million in the same period of 1941. Net sales of Canadian bonds represented \$70.3 million of this balance in 1942 of which sales of Dominion guarantees were \$35.1 million, Dominions \$15.6 million, and Provincials \$19.5 million. In the corresponding period of 1941 net sales of Canadian bonds were \$5.9 million, and sales of United States securities were \$12.3 million compared with \$7.1 million in the nine months of 1942.

The index numbers of Canadian and United States common and preference stocks shown in Table 5 were slightly higher in September than in August. The mid-month prices of government bonds shown in Table 4 were very slightly lower than in August. 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.-
<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
July.....	4.4	3.1	+ 1.3	4.2	2.8	+ 1.4	0.1	0.2	- 0.1	0.1	0.1	-
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	-
<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	4.1	+ 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.....	123.8	46.7	+ 77.1	122.4	42.5	+ 79.9	0.1	3.3	- 3.2	1.3	0.9	+ 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 (x)	10.8	4.0	+ 6.8	10.8	3.7	+ 7.1	(1)	0.3	- 0.3	(1)	(1)	-

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

Analysis of Trade in Securities Between Canada and Other Countries  
September, 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 & Debentures, Total.....	8,829,911	3,059,899	8,830,938	2,764,704	-	292,279	18,973	2,916
Canadian New Issues.....	1,700	-	1,700	-	-	-	-	-
Canadian Outstanding Issues.....								
Dominion.....	1,323,655	543,119	1,323,655	543,119	-	-	-	-
Provincial.....	1,685,574	287,167	1,681,503	203,115	-	82,552	4,071	1,500
Municipal.....	205,906	209,413	205,906	158,475	-	150,738	-	-
Guaranteed by the Dominion.....	2,986,862	47,724	2,986,862	47,724	-	-	-	-
Railway, Other.....	400,886	995,126	400,886	968,487	-	26,639	-	-
Other Corporations.....	523,136	175,603	515,584	142,445	-	32,350	7,552	808
United States New Issues.....								
Government.....	-	43,386	-	43,386	-	-	-	-
Other.....	-	17,800	-	17,800	-	-	-	-
United States Outstanding Issues.....								
Government.....	1,175,849	114,568	1,175,849	114,568	-	-	-	-
Other.....	203,367	259,898	203,367	259,290	-	=	-	-608
United Kingdom New Issues.....								
Government.....	-	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues.....								
Government.....	-	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-	-
Other Countries New Issues.....	-	-	-	-	-	-	-	-
Other Countries Outstanding Issues.....	58,831	7,297	51,481	7,297	-	-	7,350	-
Unspecified Bonds & Debentures.....	284,145	252,913	284,145	252,913	-	-	-	-
Common & Preference Stocks.....								
Canadian.....	586,011	442,105	573,289	386,509	-	52,170	12,722	3,126
United States.....	1,389,943	508,843	1,387,719	506,969	-	-	2,221	1,874
United Kingdom.....	-	-	-	-	-	-	-	-
Other Countries.....	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or Less).....	-	-	-	-	-	-	-	-
Other Securities.....								
Canadian.....	-	-	-	-	-	-	-	-
United States.....	-	-	-	-	-	-	-	-
United Kingdom.....	-	-	-	-	-	-	-	-
Other Countries.....	-	-	-	-	-	-	-	-
GRAND TOTAL.....	10,825,865	4,010,827	10,791,946	3,658,182	-	344,449	33,919	8,216

Analysis of Trade in Securities Between Canada and Other Countries  
 For the Nine months ending  
 September 1942

Table 2-A

	Total Sales	Total Purchases	United States Sales to	United States Purchases from	United Kingdom Sales to	United Kingdom Purchases from	Other Countries Sales to	Other Countries Purchases from
Bonds & Debentures, Total.....	\$ 106,196,846	\$ 34,023,566	\$ 105,022,406	\$ 30,965,183	\$ 47,277	\$ 2,278,089	\$ 1,120,161	\$ 779,694
Canadian New Issues.....	148,998	-	132,877	-	-	-	16,121	-
Canadian Outstanding Issues								
Dominion.....	23,507,182	7,883,708	22,628,269	7,413,539	5,233	27,280	873,680	442,889
Provincial.....	21,809,432	2,295,565	21,805,362	1,665,645	-	567,286	4,071	62,634
Municipal.....	3,870,461	1,848,078	3,870,461	971,025	-	875,982	-	1,071
Guaranteed by the Dominion Railway, Other.....	27,825,709	2,738,364	37,820,249	2,594,226	-	47,678	5,460	96,460
Other Corporations.....	5,208,320	8,204,939	5,195,291	8,604,304	5,600	165,375	7,429	35,260
United States New Issues	4,987,468	3,555,731	4,778,459	3,072,235	11,514	369,320	197,495	114,076
Government.....	-	301,287	-	301,287	-	-	-	-
Other.....	-	539,858	-	539,858	-	-	-	-
United States Outstanding Issues								
Government.....	2,458,136	849,382	2,458,136	849,382	-	-	-	-
Other.....	1,968,606	1,477,726	1,968,606	1,469,955	-	-	-	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.....	427,604	259,718	427,604	259,718	-	-	-	-
Other Countries New Issues.....	1,032,422	648,417	995,517	625,216	21,000	3,668	15,905	19,533
Unspecified Bonds & Debentures.	2,941,377	2,416,564	2,941,377	2,416,564	-	-	-	-
Common & Preference Stocks								
Canadian.....	6,956,169	7,780,414	6,746,274	6,645,741	26,779	981,077	183,416	153,596
United States.....	9,792,749	4,118,171	9,790,415	4,110,032	-	3,760	2,334	4,379
United Kingdom.....	5,282	690	4,513	690	769	-	-	-
Other Countries.....	68,841	408	68,707	-	-	-	124	408
Short-Term Securities (1 Year or Less)....	14,994	133,994	14,994	133,994	-	-	-	-
Other Securities								
Canadian.....	388,134	382,793	388,134	382,793	-	-	-	-
United States.....	366,721	259,693	366,721	259,693	-	-	-	-
United Kingdom.....	-	-	-	-	-	-	-	-
Other Countries.....	24,655	-	24,655	-	-	-	-	-
GRAND TOTAL .....	123,814,689	46,699,731	122,433,819	42,498,728	74,825	3,262,926	1,306,045	938,077

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

Table 2

	Total Sales	United States				United Kingdom				Other Countries	
		Total Purchases	Sales to	Purchases from	to	Sales from	Purchases from	to	Sales from	to	Purchases from
Canadian Securities, Total.....	7,712,730	2,800,257	7,689,385	2,450,074	-	344,449	24,345	24,345	5,734	-	-
Bonds and Debentures.....	7,127,719	2,358,152	7,116,096	2,063,565	-	292,279	11,623	11,623	2,208	-	-
Common & Preference Stocks.....	586,011	442,105	573,289	386,509	-	52,170	12,722	12,722	3,426	-	-
Other Securities.....	-	-	-	-	-	-	-	-	-	-	-
United States Securities, Total...	2,769,159	950,380	2,766,935	947,898	-	-	-	2,224	2,482	-	-
Bonds and Debentures.....	1,272,216	441,537	1,379,216	440,929	-	-	-	-	608	-	-
Common & Preference Stocks.....	1,389,943	508,843	1,287,719	506,969	-	-	-	2,221	1,874	-	-
United Kingdom Securities, Total..	-	-	-	-	-	-	-	-	-	-	-
Bonds and Debentures.....	-	-	-	-	-	-	-	-	-	-	-
Common & Preference Stocks.....	-	-	-	-	-	-	-	-	-	-	-
Other Securities.....	-	-	-	-	-	-	-	-	-	-	-
Other Countries Securities, Total.	58,831	-7,297	-51,481	-7,297	-	-	-	7,350	-	-	-
Bonds and Debentures.....	58,831	7,297	51,481	7,297	-	-	-	7,350	-	-	-
Common & Preference Stocks.....	-	-	-	-	-	-	-	-	-	-	-
Other Securities.....	-	-	-	-	-	-	-	-	-	-	-
Short-Term Securities (1 Year or less).	-	-	-	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures....	284,145	252,913	284,145	252,913	-	-	-	-	-	-	-
<b>GRAND TOTAL.....</b>	<b>10,825,865</b>	<b>4,010,847</b>	<b>10,791,946</b>	<b>3,658,182</b>	<b>-</b>	<b>344,449</b>	<b>33,919</b>	<b>33,919</b>	<b>8,216</b>	<b>-</b>	<b>-</b>

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

For the Nine Months ending September 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 .....	104,792,174	35,289,592	103,365,376	31,349,608	49,126	3,033,998	1,287,672	905,986
Bonds and Debentures .....	97,357,571	27,126,385	96,230,968	24,321,074	22,347	2,052,921	1,104,256	752,390
Common & Preference Stocks ...	6,956,469	7,780,414	6,746,274	6,645,741	26,779	981,077	183,416	153,596
Other Securities .....	388,134	382,793	388,134	382,793	-	-	-	-
United States Securities, Total	14,586,412	7,552,004	14,584,078	7,536,094	-	3,760	2,334	12,150
Bonds and Debentures .....	4,426,942	3,174,138	4,426,942	3,166,367	-	-	-	7,771
Common & Preference Stocks ...	9,792,749	4,118,171	9,790,415	4,110,032	-	3,760	2,334	4,379
Other Securities .....	366,721	259,695	366,721	259,695	-	-	-	-
United Kingdom Securities, Total	443,814	658,752	439,115	437,252	4,699	221,500	-	-
Bonds and Debentures .....	438,532	658,062	434,602	436,562	3,930	221,500	-	-
Common & Preference Stocks ...	5,282	690	4,513	690	769	-	-	-
Other Securities .....	-	-	-	-	-	-	-	-
Other Countries Securities, Total	1,125,913	648,825	1,082,879	652,216	21,000	3,668	16,039	19,941
Bonds and Debentures .....	1,032,422	648,417	995,517	625,216	21,000	3,668	15,905	19,533
Common & Preference Stocks ...	68,841	408	68,707	-	-	-	134	408
Other Securities .....	24,655	-	24,655	-	-	-	-	-
Short-Term Securities (1 yr. or less)	14,994	133,994	14,994	133,994	-	-	-	-
Unspecified Bonds & Debentures .	2,941,377	2,416,564	2,941,377	2,416,564	-	-	-	-
<b>GRAND TOTAL .....</b>	<b>123,814,689</b>	<b>46,699,731</b>	<b>122,433,819</b>	<b>42,498,728</b>	<b>74,825</b>	<b>3,262,926</b>	<b>1,306,045</b>	<b>938,077</b>

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 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 <sub>x</sub> Equiv.	Price	Yield	Price	Yield
<u>1940</u>									
July, 17 ..	98.69	3.55	110.41	1.96	2.75	107.25	3.49	96.50	3.30
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	110.91	1.90	2.69	108.63	3.28	97.50	3.22
Oct., 16 ..	101.43	3.36	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	111.94	1.75	2.69	109.25	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	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	99.63	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	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
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

+ All prices are quoted on an "end 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
	Dominion Bureau of Statistics		Mining Stocks Index (25)	(402) (Standard & Poor's Corp.)
	Investors' Price Index (95)	Gold Stocks (22)		
	68 Industrials 19 Utilities 8 Banks			354 Industrials 20 Railroads 28 Utilities
<u>1940</u>				
July.....	66.1	57.1	61.6	50.8
August.....	69.3	61.6	71.0	81.6
September.....	75.8	70.8	77.7	85.5
October.....	71.2	72.9	79.7	86.0
November.....	71.5	76.5	81.1	86.7
December.....	70.3	74.9	80.1	84.9
<u>1941</u>				
January.....	71.3	71.4	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	71.7	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	74.5	83.2
September.....	71.0	66.0	75.4	83.6
October.....	69.1	60.8	69.7	80.4
November.....	68.2	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	57.6	69.9
March.....	62.3	40.1	51.9	66.0
April.....	61.1	37.5	49.3	63.3
May.....	62.0	29.6	51.7	63.2
June.....	62.8	42.6	53.2	66.1
July.....	62.4	29.3	50.6	68.2
August.....	61.6	38.0	49.4	68.3
September.....	62.6	29.4	49.7	69.4