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Dominion Statistician: S.A. Cudmore, M.A. (Oxon.), F.S.S., F.R.S.C.
Chief, International Payments Branch: C. D. Blyth, B.A.

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SALES AND PURCHASES OF SECURITIES BETWEEN CANADA AND OTHER COUNTRIES

October, 1943

Net sales of securities by Canada to other countries increased sharply in October to \$21.1 million compared with \$2.6 million in September and \$13.2 million in August. An increase in sales of Canadian bonds to the United States was the principal factor in this expansion of capital imports.

Net sales of securities to the United States amounted to \$21.8 million. Sales of Canadian bonds accounted for \$20.0 million of this. Sales of Dominion issues were \$13.4 million, sales of provincials \$2.3 million, municipals \$0.1 million, Dominion guarantees \$3.5 million, other railways \$0.3 million and other corporation issues \$0.4 million. Net sales of Canadian corporation stocks only amounted to \$0.2 million while the liquidation of Canadian holdings of United States stocks totalled \$1.1 million.

Repurchases of securities from the United Kingdom were \$0.7 million on balance and were concentrated in Canadian municipal bonds and corporation stocks.

Transactions with other countries were mainly offsetting.

In the ten months ending in October 1943 net sales of securities to all countries were \$157.9 million compared with \$92.5 million in the same period in 1942. Sales of Canadian bonds accounted for \$131.2 million of the total net sales of \$132.5 million of Canadian securities while sales of United States securities were \$22.0 million. In the same period of 1942 sales of Canadian securities were \$83.5 million and sales of United States securities were \$8.0 million.

Declines were recorded in October in each of the index numbers of common stock prices in Canada and the United States shown in Table 5. There were only minor changes, if any, in the prices of government bonds shown in Table 4. 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. Besides some transactions carried on directly outside of Canada independently of the reporting agencies 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 of these capital movements are included in the annual reports of 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>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
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	167.0	61.5	+ 105.5	165.1	56.0	+ 109.1	0.1	4.3	- 4.2	1.8	1.2	+ 0.6
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	+ 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	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	20.2	4.8	+ 15.4	20.1	4.4	+ 15.7	(1)	0.4	- 0.4	0.1	(1)	+ 0.1
November	9.5	4.3	+ 5.2	9.4	3.9	+ 5.5	(1)	0.3	- 0.3	0.1	(1)	+ 0.1
December	13.5	5.7	+ 7.8	13.3	5.1	+ 8.2	-	0.4	- 0.4	0.2	0.2	+ 0.1
<u>1943</u>												
TOTAL	238.7	80.8	+ 157.9	235.4	70.4	+ 165.0	0.1	8.7	- 8.6	3.3	1.7	+ 1.6
January	19.2	7.9	+ 11.3	18.9	7.4	+ 11.5	(1)	0.5	- 0.5	0.3	(1)	+ 0.3
February	22.2	7.2	+ 15.0	21.7	6.6	+ 15.1	(1)	0.5	- 0.5	0.4	0.1	+ 0.3
March	25.5	12.1	+ 13.4	25.1	11.1	+ 14.0	(1)	0.7	- 0.7	0.4	0.3	+ 0.1
April	28.7	7.5	+ 21.2	28.6	6.9	+ 21.7	(1)	0.4	- 0.4	0.2	0.3	- 0.1
May	17.6	7.5	+ 10.1	17.3	6.6	+ 10.7	(1)	0.6	- 0.6	0.2	0.2	-
June	35.2	7.3	+ 27.9	34.8	6.1	+ 28.7	(1)	0.9	- 0.9	0.4	0.3	+ 0.1
July	31.7	9.7	+ 22.0	31.1	8.2	+ 22.9	(1)	1.2	- 1.2	0.6	0.3	+ 0.3
August	20.5	7.3	+ 13.2	20.2	6.2	+ 14.0	(1)	1.0	- 1.0	0.3	0.1	+ 0.2
September ...	10.2	7.6	+ 2.6	9.8	5.3	+ 4.5	(1)	2.2	- 2.2	0.3	0.1	+ 0.2
October	27.9	6.8	+ 21.1	27.8	6.0	+ 21.8	(1)	0.7	- 0.7	0.1	0.1	-

(1) Less than 0.05

(x) Subject to revision.

Analysis of Trade in Securities Between Canada and Other Countries October, 1943

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.....	22,883,282	2,940,605	22,823,841	2,412,957	-	474,889	59,441	52,759
Canadian New Issues	-	-	-	-	-	-	-	-
Canadian Outstanding Issues								
Dominion	14,263,207	905,754	14,257,777	899,110	-	253	5,430	6,391
Provincial	2,420,227	217,592	2,418,169	131,661	-	85,121	2,058	810
Municipal	208,827	398,425	208,308	52,358	-	346,067	519	-
Guaranteed by the Dominion	3,585,052	58,973	3,585,052	57,698	-	1,275	-	-
Railway, Other	302,579	40,047	302,086	31,947	-	7,590	493	510
Other Corporations	560,542	169,979	546,101	127,666	-	34,583	14,441	7,730
United States New Issues								
Government.....	-	2,752	-	2,752	-	-	-	-
Other	-	1,000	-	1,000	-	-	-	-
United States Outstanding Issues								
Government	580,657	656,526	580,657	656,526	-	-	-	-
Other	321,478	164,215	321,478	163,047	-	-	-	1,168
United Kingdom New Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other Countries New Issues	-	9,900	-	-	-	-	-	9,900
Other Countries Outstanding Issues	152,712	41,242	116,212	14,992	-	-	36,500	26,250
Unspecified Bonds & Debentures	488,001	274,200	488,001	274,200	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	2,134,673	2,157,419	2,073,689	1,868,124	5,508	223,788	55,476	65,507
United States	2,829,164	1,695,088	2,827,866	1,694,247	1,298	-	-	841
United Kingdom	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Short-Term Securities (1 Yr or Less)	-	-	-	-	-	-	-	-
<u>Other Securities</u>								
Canadian	60,265	12,264	60,265	12,264	-	-	-	-
United States	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-
TOTAL	27,907,384	6,805,376	27,785,661	5,987,592	6,806	698,677	114,917	119,107

Analysis of Trade in Securities Between Canada and Other Countries - Ten Months Ending October, 1943.

Table 2A.

	Total Sales	Total Purchases	United States		United Kingdom		Other Purchases	
			Sales to	Purchases from	Sales to	Purchases from	Sales to	Purchases from
Bonds & Debentures, Total	179,157,504	43,803,103	176,443,764	36,420,132	16,370	6,144,781	2,697,370	1,238,190
Canadian New Issues	10,429,803	-	10,417,128	-	-	-	12,675	-
Canadian Outstanding Issues								
Dominion	58,109,129	8,627,628	56,216,830	8,245,739	12,158	121,247	1,880,141	260,642
Provincial	35,186,910	3,849,474	35,127,038	1,856,096	-	1,940,450	59,872	52,928
Municipal	8,080,871	4,999,573	8,080,352	1,846,851	-	3,152,722	519	-
Guaranteed by the Dominion	31,984,172	3,570,516	31,957,986	3,305,620	-	131,087	26,186	133,809
Railway, Other	3,631,099	2,549,051	3,615,902	2,458,981	2,582	.81,441	.12,615	8,629
Other Corporations	11,621,384	4,164,909	11,056,023	2,778,716	1,630	717,834	563,731	668,359
United States new Issues								
Government	-	563,027	-	563,027	-	-	-	-
Other	-	313,830	-	313,830	-	-	-	-
United States Outstanding Issues								
Government	4,720,210	4,827,388	4,719,253	4,827,388	-	-	957	-
Other	4,955,595	3,045,001	4,953,759	3,032,403	-	-	1,836	12,598
United Kingdom New Issues								
Government	-	14,806	-	14,806	-	-	-	-
Other	-	-	-	-	-	-	-	-
United Kingdom Outstanding Issues								
Government	1,149	-	1,149	-	-	-	-	-
Other	872,526	795,168	872,526	795,168	-	-	-	-
Other Countries New Issues	-	39,916	-	6,911	-	-	-	33,005
Other Countries Outstanding Issues	2,501,119	691,062	2,362,281	622,842	-	-	138,838	68,220
Unspecified Bonds & Debentures ...	7,062,537	5,751,754	7,062,537	5,751,754	-	-	-	-
<u>Common & Preference Stocks</u>								
Canadian	20,859,552	19,720,739	20,212,616	16,694,320	61,984	2,571,368	584,952	455,051
United States	38,203,561	17,107,922	38,197,866	17,067,223	1,298	19,896	4,397	20,803
United Kingdom	27,480	-	27,480	-	-	-	-	-
Other Countries	1,700	15,840	1,700	15,840	-	-	-	-
Short-Term Securities (1 Yr or Less)	346,246	157,985	346,246	151,363	-	-	-	6,622
<u>Other Securities</u>								
Canadian	116,256	42,538	116,256	35,838	-	6,700	-	-
United States	17,316	1,523	17,316	1,523	-	-	-	-
United Kingdom	3,000	-	3,000	-	-	-	-	-
TOTAL	238,732,615	80,849,650	235,366,244	70,386,239	79,652	8,742,745	3,286,719	1,720,666

Sales and Purchases of Securities Between Canada and Other Countries
By Nationality and Class of Security. (Summary Table).
October, 1943.

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	23,535,372	3,960,453	23,451,447	3,180,828	5,508	698,677	78,417	80,948
Bonds & Debentures	21,340,434	1,790,770	21,317,493	1,300,440	-	474,889	22,941	15,441
Common & Preference Stocks	2,134,673	2,157,419	2,073,689	1,868,124	5,508	223,788	55,476	65,507
Other Securities	60,265	12,264	60,265	12,264	-	-	-	-
United States Securities, Total	3,731,299	2,519,581	3,730,001	2,517,572	1,298	-	-	2,009
Bonds & Debentures	902,135	824,493	902,135	823,325	-	-	-	1,168
Common & Preference Stocks	2,829,164	1,695,088	2,827,866	1,694,247	1,298	-	-	841
Other Securities	-	-	-	-	-	-	-	-
United Kingdom Securities, Total	-	-	-	-	-	-	-	-
Bonds & Debentures	-	-	-	-	-	-	-	-
Common & Preference Stocks	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Other Countries Securities, Total ...	152,712	51,142	116,212	14,992	-	-	36,500	36,150
Bonds & Debentures	152,712	51,142	116,212	14,992	-	-	36,500	36,150
Common & Preference Stocks	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Yr. or Less)	-	-	-	-	-	-	-	-
Unspecified Bonds & Debentures	488,001	274,200	488,001	274,200	-	-	-	-
GRAND TOTAL	27,907,384	6,805,376	27,785,661	5,987,592	6,806	698,677	114,917	119,107

Sales and Purchases of Securities Between Canada and Other Countries
By Nationality and Class of Security
For the Ten Months Ending October, 1943.

Table 3A

	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 ...	180,020,176	47,524,428	176,801,131	37,222,161	78,354	8,722,849	3,140,691	1,579,418
Bonds & Debentures	159,044,368	27,761,151	156,472,259	20,492,003	16,370	6,144,781	2,555,739	1,124,367
Common & Preference Stocks.	20,859,552	19,720,739	20,212,616	16,694,320	61,984	2,571,368	584,952	455,051
Other Securities	116,256	42,538	116,256	35,838	-	6,700	-	-
United States Securities,								
Total	47,896,682	25,858,691	47,888,194	25,805,394	1,298	19,896	7,190	33,401
Bonds & Debentures	9,675,805	8,749,246	9,673,012	8,736,648	-	-	2,793	12,598
Common & Preference	38,203,561	17,107,922	38,197,866	17,067,223	1,298	19,896	4,397	20,803
Other Securities	17,316	1,523	17,316	1,523	-	-	-	-
United Kingdom Securities,								
Total	904,155	809,974	904,155	809,974	-	-	-	6
Bonds & Debentures	873,675	809,974	873,675	809,974	-	-	-	1
Common & Preference Stocks	27,480	-	27,480	-	-	-	-	-
Other Securities	3,000	-	3,000	-	-	-	-	-
Other Countries Securities,								
Total	2,502,819	746,818	2,363,981	645,593	-	-	138,838	101,225
Bonds & Debentures	2,501,119	730,978	2,362,281	629,753	-	-	138,838	101,225
Common & Preference Stocks	1,700	15,840	1,700	15,840	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-
Short-Term Securities (1 Yr. or Less)	346,246	157,985	346,246	151,363	-	-	-	6,622
Unspecified Bonds & Debentures	7,062,537	5,751,754	7,062,537	5,751,754	-	-	-	-
GRAND TOTAL	238,732,615	80,849,650	235,366,244	70,386,239	79,652	8,742,745	3,286,719	1,720,666

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

Table 4

	United Kingdom		United States			Dominion of Canada			
	3-½ War Loan Callable on or after Dec. 1, 1952+		3% of Sept. 15, 1955, Callable on or after Sept. 15, 1951			4-½% 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(x) Equiv.	Price	Yield	Price	Yield
<u>1941</u>									
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	2.96	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
Oct. 14	105.03	2.92	110.22	1.76	2.70	108.00	3.04	99.50	3.05
Nov. 18	104.37	2.99	110.25	1.74	2.68	108.00	3.02	99.50	3.05
Dec. 16	104.24	3.00	110.00	1.76	2.70	108.38	2.94	99.63	3.04
<u>1943</u>									
Jan. 13	105.03	2.91	110.16	1.73	2.67	108.63	2.87	99.63	3.04
Feb. 17	104.56	2.96	110.19	1.72	2.66	109.00	2.78	100.00	3.00
March 17	104.48	2.97	110.06	1.72	2.66	109.00	2.76	100.13	2.98
April 14	104.35	2.98	110.38	1.67	2.61	108.88	2.76	100.00	3.00
May 12	103.63	3.06	111.06	1.58	2.52	108.88	2.71	100.00	3.00
June 16	103.24	3.10	111.50	1.51	2.45	108.75	2.74	100.13	2.98
July 14	103.53	3.06	112.06	1.43	2.37	108.63	2.74	100.25	2.96
Aug. 18	102.88	3.14	111.75	1.45	2.39	109.13	2.61	100.38	2.94
Sept. 15	102.74	3.16	111.72	1.44	2.38	109.13	2.59	100.38	2.94
Oct. 13	103.53	3.05	111.66	1.44	2.38	108.88	2.61	100.38	2.94

+ 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 rates. This rate was 16-½% 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				
	Investors' Price Index (95) (68 Industrials 19 Utilities 8 Banks)	Mining Stocks	Composite Mining Index		
		Gold Stocks (22)	(25)		
<u>1941</u>					
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	51.9	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	68.2	
August	61.6	38.0	49.4	68.3	
September	62.6	38.4	49.7	69.4	
October	65.0	33.3	46.2	74.2	
November	67.6	40.7	51.6	75.2	
December	71.3	44.7	54.7	75.9	
<u>1943</u>					
January	76.3	50.1	60.0	79.7	
February	78.7	52.0	61.5	84.8	
March	79.1	55.6	65.0	88.2	
April	82.6	59.0	68.6	91.3	
May	83.7	56.6	66.9	95.2	
June	86.3	59.1	68.4	96.7	
July	91.0	62.8	71.5	98.5	
August	88.9	66.4	75.1	94.4	
September	89.3	71.9	79.2	95.6	
October	86.4	68.5	77.2	94.8	