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# QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS 

## FIRST QUARTER 1963

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FIRST QUARTER 1963

Canada's current account deficit in goods and services with other countries amounting to $\$ 243$ million in the first quarter of 1963 was $\$ 90$ million smaller than in the same period last year.

The balance on merchandise trade contributed $\$ 69$ million to the improvement, moving from a small deficit to a surplus of $\$ 62$ million, with a significant rise in the value of exports in particular to overseas countries, and a small rise in the value of imports. The deficit from non-merchandise transactions fell $\$ 21$ milion to $\$ 305$ million, reflecting mainly a reduction of $\$ 17$ million in the net deficit on travel account. Over three-fifths of the current account deficit in the first quarter of 1963 originated in net payments of interest and dividends.

Capital in long term forms continued to come into Canada on a large scale. While the total in the first quarter was close to that of the fourth quarter of 1962 , there were substantial changes in the composition. Direct investment inflows were sharply reduced from the earlier period when takeovers played a prominent role, and the regular and accelerated repayments to Canada on intergovernmental loans which contributed in the fourth quarter did not recur. Portfolio investment inflows, on the other hand, were up sharply, with increased new bond sales outside Canada and smaller repayments of outstanding debt. There were outflows of capital in short term forms, and official holdings of gold and foreign exchange were also increased,

Sunmary Statement

|  | 1961 | 1962 |  |  |  | 1963 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | IV Q | I Q | II Q | III Q | IV Q | I Q |
|  | millions of dollars |  |  |  |  |  |
| Merchandise trade balance .................. | + 60 | - 7 | - 45 | + 69 | + 138 | + 62 |
| Deficit on non-merchandise transactions ... | - 332 | - 326 | - 317 | - 103 | - 257 | - 305 |
| Current account deficit . ................... | - 272 | - 333 | - 362 | - 34 | - 119 | - 243 |
| Capital movements: (1) |  |  |  |  |  |  |
| Long term forms | $+134$ | $+25$ | - 14 | $+260$ | + 447 | + 420 |
| Short term forms. | $+273$ | - 56 | - 217 | $+460$ | + 150 | - 110 |
| Special international financial assistance | - | - | + 707 | - | - 377 | - |
| Change in official holdings of gold and |  |  |  |  |  |  |
| foreign exchange (2) .................... | - 135 | + 364 | - 114 | - 686 | - 101 | - 67 |

[^0]
## Export balance on merchandise trade

There was a significant export balance of $\$ 62$ million from merchandise trade in the first thred months of 1963, which compared with a slight import balance in the same period of 1962 and a larger export balance in the fourth quarter of that year. Both exports and imports were at record high levels of values in the most recent period. Merchandise exports, adjusted for balance of payments use, totalled $\$ 1,477$ million, up $\$ 82$ million or nearly 6 per cent from $\$ 1,395$ million one year before. However, roughly a quarter of this growth was attributable to the rise in the price element. At the same time, merchandise imports increased only 1 per cent in value from $\$ 1,402$ million to $\$ 1,415$ million, but in this case the percentage increase in prices was much higher.

In comparison ith the first quarter of last year there were larger exports this year of iron ore, aluminum, copper, lumber and plywood, pulp, agricultural machinery, automobiles and parts, aircraft instruments and natural gas. On the other hand, shipments of some other commodities were lover in the first quarter of 1963. These included aircraft, newsprint, lead and nickel, barley and oil seeds.

Comodity details for imports for the quarter are not yet available. Influencing the slight reduction in volume which seems to have occurred since the first quarter of last year, there have been such factors as the lover foreign exchange value of the Canadian dollar, and the continuation of many of the surcharges introduced in June 1962 which were not all removed until the end of the quarter.

## Deficit from services and other non-merchandise items

After reaching a first quarter peak of $\$ 343$ million in 1961 , net payments on non-merchandise transactions declined to $\$ 326$ million in 1962 , and went further down to $\$ 305$ million in the March quarter of 1963. Contributing to the reduction in the deficit on "invisibles" between the opening quarters of 1962 and 1963 were lower net expenditures on travel, freight and shipping services, migrants' funds and inheritances, government expenditures, and larger receipts from gold production available for export. In contrast, net payments of interest and dividends and official contributions s.ere moderacely higher. A rise in receipts from non-resident visitors to Canada from $\$ 46$ million to $\$ 50$ million and a cut in the expenditures by Canadians abroad from $\$ 130$ million to $\$ 117$ million yielded a reduction of $\$ 17$ million in the deficit on the travel account from $\$ 84$ million to $\$ 67$ million in the first quarter of 1963. Most of this improvement was concentrated in transactions with the United States. A contraction in net payments for freight and shipping services from \$21 million to \$14 million resulted mainly from a gain of $\$ 6$ million in receipts. A $\$ 4$ million rise in immigrants' funds and inheritances patcly offset by a slight increase in emigrants' funds and inheritances contributed to a reduction of $\$ 3$ million in the deficit. Increased receipts originated from more numerous immigrants in the first quarcer of 1963, with higher per capita funds. A relative stability in receipts on government account and a decline in expenditures produced a small reduction in net payments. The value of gold production available for export increased from $\$ 43$ million to $\$ 45$ million.

Interest and Dividends: Payments

| Period |  |  | Total | Interest | Dividends |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | millions of dollars |  |  |
| 1960 |  |  | 653 | 239 | 414 |
| 1961 |  |  | 770 | 259 | 511 |
| 1962 |  |  | 781 | 285 | 496 |
| 1961 | I | Q | 204 | 61 | 143 |
|  | II | Q | 174 | 68 | 106 |
|  | III | Q | 170 | 58 | 112 |
|  | IV | Q | 222 | 72 | 150 |
| 1962 | I | Q | 179 | 67 | 112 |
|  | II | Q | 205 | 76 | 129 |
|  | III |  | 163 | 62 | 101 |
|  | IV |  | 234 | 80 | 154 |
| 1963 |  | Q | 193 | 69 | 124 |

A larger rise of $\$ 14$ million in payments of interest and dividends than of $\$ 10$ million in receipts produced a widening in the deficit from $\$ 146$ million to $\$ 150$ million. Enhanced earnings of the Exchange Fund Account and higher receipts of dividends caused total receipts to rise from $\$ 33$ million to $\$ 43$ million, The $\$ 14$ million rise in payments of interest and dividends from $\$ 179$ million to $\$ 193$ million was derived from an increase in interest payments from $\$ \overline{6} 7$ million to $\$ 69$ million, combined with a gain in dividend payments from \$112 million to $\$ 124$ million. This increase vas concentrated in dividend payments on direct investment, as a slight gain in payments on nonresident portfolio investment was more than counter-balanced by a small decline in net profits of unincorporated branches in Canada. Official contributions, which rose from \$7 million to $\$ 13$ million, in the March quarter of 1963 mainly due to larger shipments under the Colombo Plan, furnished a \$0 million ofiset against the reduction in the deficit on: non-merchandise transactions. Changes in
receipts and payments for business services and of miscellaneous income were small and offsetting, except for a non-recurring receipt in 1962 of compensation for contract cancellation.

In the first quarter of 1963, net payments of interest and dividends accounted for nearly onehalf of the deficit on "invisibles", about the same share as in the March quarter of 1961. In the corresponding period of 1962, the proportion attributable to interest and dividends was 45 per cent. At 22 per cent in the most recent quarter, the share of the non-merchandise deficit originating in travel expenditures was lower than that of 26 per cent for the same quarters in 1961 and 1962. The percentage deficits arising from shipping services and migrants' funds and inheritances vere respectively more than $41 / 2$ per cent and $31 / 2$ per cent in the initial quarter of 1963 , as compared with more than 6 per cent and 4 per cent one year earlier. A higher proportion, however, of over 35 per cent was ascribable to "miscellaneous current transactions", including official contributions, in the current period under review, as compared with 32 per cent and 28 per cent in the March quarters of 1962 and 1961.

## Transactions by areas

Canada's transactions with overseas contributed wholly to the narrowing of the current account deficit by $\$ 90$ million from $\$ 333$ million to $\$ 243$ million in the first quarter of 1963 . Transactions with the United Kingdom accounted for about two-thirds of the improvement, with a combination of larger merchandise exports and reduced imports. An expansion in exports to a variety of other overseas destinations contributed the other sizable element in the improvement. At the same time the current account deficit with the United States widened a little from $\$ 343$ million to $\$ 350 \mathrm{mili}$ ion,

Canada's current account surplus with the United Kingdom expanded from $\$ 6$ million to $\$ 68$ million in the first quarter of 1963, exceeding the levels of $\$ 39$ million and $\$ 28$ million in the corresponding quarters of 1961 and 1960 , respectively. Total exports of goods and services to the United Kingdom in the first three months of 1963 amounted to $\$ 258$ million, and imports totalled $\$ 190$ million, About 90 per cent of the $\$ 62$ million improvement in the surplus originated in merchandise trade, with the export balance doubling from $\$ 55$ million to $\$ 111$ million. Merchandise exports rose from $\$ 192$ million to $\$ 214$ million, while imports fell from $\$ 137$ million to $\$ 103$ million between the first quarters of 1962 and 1963. A substantial portion of the gain in exports was represented by metals, such as aluminum and copper, uranium, platinum and ores of base metal. Shipments of wheat, lumber, pulp and newsprint were larger, but exports of tobacco and aircraft were lower in the March quarter of 1963.

The reduction in the deficit on "invisibles" with the United Kingdom from $\$ 49$ million to $\$ 43$ million was derived from an improvement in the balance on freight account, offset in part by a minor increase in net payments of interest and dividends. Small and offsetting changes occurred within the account on miscellaneous current transactions, involving items such as government expenditures and miscellaneous income.

Quarterly Current Account Balances
$\left.\begin{array}{llllll}\hline \text { I Q II Q } & \text { III Q IV Q } \\ \text { Unillons of dollars }\end{array}\right]$

Between the initial quarters of 1962 and 1963, the surplus on current transactions with Other Countries rose from $\$ 4$ million to $\$ 39$ million, which compared with $\$ 57$ million for the first three moniths of 1961. Most of the improvement in the latest period resulted from a better than 10 per cent gain in exports from $\$ 345$ million to $\$ 384$ million, which vas partly offset by a more modest increase in imports. This betterment in the merchandise trade balance was distributed fairly evenly among the component areas, Rest of the Sterling Area, the other OECD group and remaining countries. The deficit on non-merchandise transactions narrowed silghtly with the latter two areas, but increased a little vith the Rest of the Sterling Area, on account of larger Colombo Plan shipments.

Wich the United States, there was a slight widening in the deficit to $\$ 350$ million as the expansion in the trade deficit from $\$ 136$ million to $\$ 155$ million was only partly offset by a contraction of $\$ 12$ million in the non-merchandise deficit from $\$ 207$ million to $\$ 195$ million.

Total receipts from the United States on transactions in goods and services in the first quarter of 1963 amounted $\tau 0 \$ 1,149$ million, while payments totalled $\$ 1,499$ million. Merchandise exports to the United States in the opening quarter of 1963 were estimated at $\$ 879$ million, up $\$ 21$ million or more than 2 per cent over the March quarter in 1962. At the same time imports rose $\$ 40$ million or 4 per cent to $\$ 1,034$ million.

Increases in exports were scattered over a variety of commoditiea, including petroleum and natural gas, iron ore, aluminum, machinery (principally agricultural), cattle, lumber, aircraft parts and tires. Exports of aircraft and newsprint recorded the sharpest reductions, the latter declining $\$ 15$ million from $\$ 147$ million to $\$ 132$ million, due to strikes affecting newspapers in cities in the eastern Uniced States. Shipments of metals and minerals such as nickel, uranium and lead were lower. Commodity details covering imports during the first quarter of 1963 are not available.

Most of the $\$ 12$ million contraction in the non-merchandise deficit with the United States was attributable to the travel account. Receipts from American visitors rose $\$ 3$ million, while expenditures by Canadians visiting the United States were cut $\$ 12 \mathrm{million}$. The value of gold production available for export advanced $\$ 2$ million and the deficit on migrants" funds and inheritances was reduced. 0 n the other hand, slight increases were recorded in net payments of interest and dividends, shipping services and miscellaneous income.

Summary of Current Transactions with the United States United Kingdom and Other Countries First Quarter 1962 and 1963, and Change between the Periods

| First Quarter | 1962 | 1963 | Change | 1962 | 1963 | Change |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

millions of dollars

All countrius

| Merchandise exports (adjusted) | 1,395 | 1,477 | $+82$ |
| :---: | :---: | :---: | :---: |
| Merchandise imports (adjusted) | 1,402 | 1,415 | $+13$ |
| Balance on merchandise trade | -7 | +62 | + 69 |
| Ocher current receipts | 353 | 377 | $+24$ |
| Ocher current payments | 679 | 682 | $+3$ |
| Balance on non-merchandise transactions | - 326 | - 305 | $+21$ |
| Total receipts | 1,748 | 1,854 | $+106$ |
| Total paymencs | 2,081 | 2,097 | $+16$ |
| Current account balance | - 333 | - 243 | + 90 |

United Kingdom

| Merchandise exports (adjusted) | 192 | 214 | $+$ | 22 | 345 | 384 | + | 39 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Merchandise imports (adjusted) | 137 | 103 | - | 34 | 271 | 278 | $+$ | 7 |
| Balance on merchandise trade | $+55$ | +111 | $+$ | 56 | +74 | +106 | + | 32 |
| Other current receipis | 40 | 44 | + | 4 | 53 | 63 | $+$ | 10 |
| OLher current payments | 89 | 87 | - | 2 | 123 | 130 | + | 7 |
| Balance on non-merchandise transactions | - 49 | - 43 | $+$ | 6 | - 70 | -67 | + | 3 |
| Total receipts ........................ | 232 | 258 | $+$ | 26 | 398 | 447 | $+$ | 49 |
| Toial payments | 226 | 190 | - | 36 | 394 | 408 | $+$ | 14 |
| Current account balance | +6 | +68 | $+$ | 62 | $+4$ | $+39$ | $+$ | 35 |

Capital movements


DIRECT INVESTMENT The net inflow of foreign capital for direct investment in foreign-controlled enterprises in Canada is estimated to have totalled $\$ 65 \mathrm{million}$ in the first quarter. At this level the inward movement was down sharply both from the preceding quarter's total of $\$ 190$ million and the corresponding total of $\$ 110$ million in the first quarter of 1962 . The wide variations reflected mainly the incidence of takeover and refinancing transactions, and the inflows apart from these were of the same general order of magnitude in each.

Mining operations attracted the largest share of the net inward movement in the quarter, despite some outflows to acquire non-resident-owned interests. Inflows to the petroleum and natural gas industry contracted sharply, reflecting the absence of large transfers of funds in connection with takeover transactions which were a feature last year. The changing organization of the industry and its development might be expected to call for smaller capital inflows.

The net outflow of Canadian capital for direct investment abroad is placed at $\$ 15$ million, compared with $\$ 25$ million in the preceding quarter. A significant part of the total represented the acquisition of existing interests outside Canada.

SECURITY TRANSACTIONS The net capital inflow arising from transactions in bonds and stocks between Canada and other countries during the first quarter of 1963 set a new high level of $\$ 359$ million. This figure was more than one hundred million dollars above the total for the fourth quarter and more than seventy-five million dollars above the total for 1962. The proceeds of new issues of Canadian securities sold to non-residents amounted to $\$ 435$ million. This

New Issues of Canadian Bonds Sold to United States Residents

| Period |  | Contracts | Deliveries |
| :---: | ---: | :---: | :---: |
|  |  | millions of dollars |  |
| 1961 | Year | 355 | 437 |
| 1962 | Year | 942 | 665 |
|  | I Q | 138 |  |
| 1962 | II Q | 78 | 38 |
|  | III Q | 368 | 194 |
|  | IV Q | 358 | 78 |
|  | I Q | 528 | 355 |
| 1963 |  |  | 425 |

total included $\$ 197$ million from sales of new provincial issues, $\$ 140$ million fromsales of Government of Canada issues (including the final delivery of $\$ 125$ million of United States dollax bonds sold to institutions in that country in the third quarter of 1962), $\$ 65$ million of corporate issues and $\$ 33$ million of municipal issues. Retirements of foreign-held Canadian securities during the first quarter of 1963 involved payment of $\$ 46$ million to non-residents. Arrangements for the sale to non-residents of new Canadian issues have outpaced deliveries, and at the end of the quarter undelivered sales to residents of the United States of new Canadian bonds and debentures aggregated $\$ 401$ million. These sales will be recorded in the balance of payments statements at the time of delivery.

Net Sales of Outstanding Canadian Stocks to Non-residents

| Quarter |  | Total | United States | Other countries |
| :---: | :---: | :---: | :---: | :---: |
|  |  | millions of dollars |  |  |
| 1961 | I Q | 13 | 21 | - 8 |
|  | II Q | 32 | 45 | - 13 |
|  | III Q | - | 22 | - 22 |
|  | IV Q | - 5 | 32 | - 37 |
| 1962 | I Q | - 14 | 15 | - 29 |
|  | II Q | - 44 | - 3 | - 41 |
|  | III Q | - 26 | - 6 | - 20 |
|  | IV Q | - 32 | - 18 | - 14 |
| 1963 | I Q | - 57 | - 30 | - 27 |

In general the pattern of trading between Canada and other countries of outstanding Canadian securities was similar to that in the last half of 1962. There were net inflows of $\$ 23$ million from trade in outstanding Canadian bonds and debentures, mainly Government of Canada issues. Net outflows for the repurchase of outstanding Canadian stocks reached \$57 million. Repurchase balances have been typical each quarter since the fall of 1961 but some rather special influences may have contributed in the quarter under review. These included the possibility of shifts in the ounership from nonresidents to residents of some utility and industrial issues in anticipation of the completion of takeovers. There are also understood to have been large sales to non-residents of oll stock and repurchases from non-residents of railway stock.

Transactions between Canada and other countries in foreign securities produced \$ 4 million in the first quarter.

OTHER CAPITAL MOVEMENTS Canadian dollar holdings of foreigners fell by $\$ 22$ million in the first quarter of 1963, following a slightly larger increase in the preceding quarter. Non-residents increased their holdings of Canadian treasury bills by $\$ 9$ million but reduced their deposits and similar holdings by $\$ 31$ million. About two-thirds of the net change was in holdings of residents of the United States.

## Change in Canadian Dollar Holdings of Foreigners

|  | Quarter | Total | Treasury bills | Deposits etc. |
| :---: | :---: | :---: | :---: | :---: |
|  |  | millions of dollars |  |  |
| 1961 | IV | + 44 | $+18$ | $+26$ |
| 1962 | I | - 32 | +18 | - 50 |
|  | II | + 34 | + 50 | - 16 |
|  | III | - 54 | - 3 | - 51 |
|  | IV | + 24 | - 61 | + 85 |
| 1963 | I | - 22 | + 9 | - 31 |

The largest capital movements siowil separately in the supplementary statemenc covering "other capital movements" were an outflow of $\$ 78$ million to finance increasdi private and banking holdings of foreign exchange by residents, and an outflow of $\$ 28$ million from transactions in Canadian commercial paper, finance paper and other finance company obligations. Figures showing the composition of the latter total are available for the first time and indicate net repayments on account of comercial paper and net sales of finance paper. The net movement arose from receipts of $\$ 127$ million and payments of $\$ 155$ million. Apart from transactions of these types, transactions between Canada and other countries in Government of Canada treasury bills involved receipts of $\$ 72$ million and payments of $\$ 63$ million, and there were sales under buy-back arrangements of \$13 million of Government of Canada securities having an original term over one year, offset by slightly larger repurchases.

These international transactions having for the most part a money market character involved receipts by Canada in the quarter of $\$ 212$ million and payments of about $\$ 231$ million. Further international receipts of $\$ 710$ million from transactions in bonds and stocks, and payments of $\$ 351$ million, as well as a net increase of $\$ 103$ million in issues sold but as yet undelivered, indicate the very substantial volume of security and money market movements across our borders.

Other capital movements as yet umentioned included an inflow of $\$ 11$ million from transactions in long-term forms not show separately, an inflow of $\$ 1$ million arising from transactions of the international financial transactions, and an inflow of $\$ 17$ milliom from all other transactions, apart from changes in official holdings of gold and foreign exchange.

Composition of "Other Capital Movements"
(A minus sign indicates an outflow of capital from Canada)

|  | 1962 | 1962 |  |  |  | 1963 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Transactions with all countries | Year | $\begin{gathered} \text { First } \\ \text { quarter } \end{gathered}$ | Second quarter | $\begin{aligned} & \text { Third } \\ & \text { quarter } \end{aligned}$ | Fourth quarter | $\begin{gathered} \text { First } \\ \text { quarter } \end{gathered}$ |

International financial agencies(1)
Canadian dollar subscriptions.....
Short-term Canadian dollar holdings

All other transactions including changes in loans and accounts receivable and payable(3) .........

| Total (Item D 17) | 255 | - 18 | 378 | 540 | 111 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |

(1) International Bank for Reconstruction and Development, International Monetary Fund, and International Development Association.
(2) Excludes counterpart of special financial assistance to Canada which is included in $D 15$.
(3) Includes also balancing item representing difference between direct measurements of current and capital accounts.

The capital outflow representing Canada's increased official holdings of gold and foreign exchange totalled $\$ 67$ million in the first quarter. Most of this represented increased holdings of gold and United States dollars which rose, in United States dollar terms, from $\$ 2,539$ million to $\$ 2,600$ milion.

Official Holdings of Gold and United States dollars

End of Amount | Change |
| :---: |
| in period |

millions of U.S.A. dollars

1961
1962

1963

|  | I Q | $2,600(2)$ | +61 |
| :--- | ---: | :--- | :--- |
| January |  | $2,662(2)$ | +123 |
| February |  | $2,594(2)$ | - |
| March |  | $2,600(2)$ | + |


| IV $Q$ | 2,056 | +132 |
| ---: | :--- | :--- |
| I Q | 1,709 | -346 |
| II Q | $1,809(1)$ | +99 |
| III Q | $2,445(1)$ | +636 |
| IV Q | $2,539(2)$ | +95 |
|  |  |  |
| I Q | $2,600(2)$ | +61 |
|  | $2,662(2)$ | +123 |
|  | $2,594(2)$ | -69 |
|  | $2,600(2)$ | +6 |

United States Dollar in Canada

| Period |  | High | Low | Close | Noon <br> average |  |
| :--- | ---: | :--- | :--- | :--- | :--- | :--- |
| 1961 | IV Q | 104.37 | 103.00 | 104.34 | 103.61 |  |
|  |  |  |  | Canadian cents |  |  |
| 1962 | I Q Q | 105.03 | 104.34 | 105.00 | 104.77 |  |
|  | II Q | 109.00 | 104.87 | 108.19 | 107.42 |  |
|  | III Q | 108.19 | 107.66 | 107.66 | 107.78 |  |
|  | IV Q | 107.81 | 107.53 | 107.72 | 107.63 |  |
|  |  |  |  |  |  |  |
| 1963 | I Q | 107.94 | 107.59 | 107.81 | 107.76 |  |
|  |  |  |  |  |  |  |

(1) Includes ( + ) 650 special international financial assistance.
(2) Includes ( + ) 300 special international
financial assistance.

Note: Data for 1962<br>1963

|  |  | 1961 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | I | II | III | IV |
| A | Curent Receipts |  |  |  |  |
| 1 | Merchandise exports (adjusted) | 1,266 | 1,447 | 1,557 | 1,619 |
| 3 | Gold production available for export | 41 | 42 | 41 | 38 |
| 4 | Travel expenditures ....................... | 39 | 103 | 255 | 85 |
| 5 | Interest and dividends | 36 | 59 | 40 | 74 |
| 6 | Freight and shipping | 102 | 120 | 135 | 129 |
| 7 | Inheritances and immigrants' funds | 19 | 28 | 31 | 25 |
| 11 | All other current receipts ............................................. | 103 | 103 | 99 | 98 |
| 12 | Total Current Receipts .............................................. | 1,606 | 1,902 | 2,158 | 2,068 |
| B | Current Payments |  |  |  |  |
| 1 | Merchandise imports (adjusted) .................................... | 1,260 | 1,478 | 1,429 | 1,559 |
| 4 | Travel expenditures ...................................................... | 129 | 168 | 220 | 125 |
|  | Interest and dividends | 204 | 174 | 170 | 222 |
| 6 | Freight and shipping .................................................. | 116 | 142 | 151 | 159 |
|  | Inheritances and emigrants' funds .................................... | 35 | 43 | 49 | 47 |
| 9 | Officlal contributions ...................................................... | 13 | 8 | 15 | 20 |
| 11 | All other curtent payments ............................................. | 186 | 200 | 196 | 208 |
| 12 | Total Current Payments | 1,943 | 2,213 | 2,220 | 2,340 |
|  | Balance on Merchandise Trade .......................................... | + 6 | - 31 | + 138 | + 60 |
|  | Balance on Other Transactions, excluding B 9 ................ | - 330 | - 272 | - 185 | - 312 |
|  | Official Contributions | - 13 | - 8 | - 15 | - 20 |
| C | Current Account Balance | - 337 | - 311 | - 62 | - 272 |
| D | Copital Account |  |  |  |  |
|  | Direct Investment |  |  |  |  |
| 1 | Direct Investment in Canada | $+140$ | + 158 | + 117 | $+100$ |
| 2 | Direct investment abroad | - 29 | - 21 | - 12 | 18 |
|  | Canadian Securitles |  |  |  |  |
| 3 a | Trade in outstanding bonds and debentures .................. | + 31 | + 34 | - 11 | + 9 |
| 3 b | Trade in outstanding common and preference stocks...... | + 13 | + 32 | - | - 5 |
| 4 | New issues .............................................................. | + 101 | + 190 | + 125 | + 117 |
| 5 | Retirements ............................................................ | -73 | - 92 | - 29 | - 103 |
|  | Foreign Securities |  |  |  |  |
| 6 | Trade in outstanding issues ......................................... | + 3 | - | $+2$ | - 10 |
| 7 | New issues ............................................................... | $-5$ | $-\quad 18$ | $-\quad 7$ | - 7 |
| 8 | Retirements ............................................................. | + 2 | + 2 | + 3 | + 2 |
|  | Loans by Government of Canada |  |  |  |  |
| 9 | Drawings ................................................................. | - | - | - | $+27$ |
| 10,11 | Repayments ........................................................... | $+3$ | + 7 | - | $+27$ |
| 13 | Subscriptions in gold and U.S. dollars to international financial agencies | - | - | - | + |
| 14 | Change in Canadian dollar holdings of forelgners ............ | - 5 | - 72 | - 1 | $+44$ |
| 15 | Special international financial assistance ...................... | - | - | - | - |
| 16 | Change in officlal holdings of gold and foreign exchange (increase, minus), | - 105 | - 51 | + 62 | - 135 |
| 17 | Other capital movements .............................................. | + 261 | $+142$ | - 187 | + 251 |
| E | Net Capital Movement ...................................................... | + 337 | + 311 | + 62 | + 272 |

NOTES: Mutual Aid to NATO countries is not included in elther current receipts or current payments.
A 1) Merchandise trade statistics are adjusted for use in this statement. Details of these adjustments are shown in the annual reports on
B 1) "The Canadian Balance of International Payments".
A 11) This item includes goverment transactions n.o.D. Dersonal and Institutional remittances, miscellaneous incoree, Insurance transB 11) actions, and business services.
data for 1961 are subject to revislon.

| I | 1962 |  |  | 1963 | Annual Totals |  |  | Four QuartersendedMarch 31,1963 | A |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | II | IIT | IV | I | 1960 | 1961 | 1962 M |  |  |
|  | (millions of dollas3) |  |  |  |  |  |  |  |  |
| 1,395 | 1,620 | 1,628 | 1,721 | 1,477 | 5,392 | 5,889 | 6,364 | 6,446 | ${ }_{1}$ |
| 43 | 42 | 39 | 41 | 45 | 162 | 162 | 165 | 167 | 3 |
| 46 | 126 | 294 | 94 | 50 | 420 | 482 | 560 | 564 | 4 |
| 33 | 52 | 44 | 82 | 43 | 173 | 209 | 211 | 221 | 5 |
| 104 | 128 | 133 | 133 | 110 | 442 | 486 | 498 | 504 | 6 |
| 20 | 31 | 42 | 31 | 24 | 102 | 103 | 124 | 128 | 7 |
| 107 | 104 | 108 | 107 | 105 | 419 | 403 | 426 | 424 | 11 |
| 1,748 | 2,103 | 2,288 | 2,209 | 1,854 | 7,110 | 7,734 | 8,348 | 8,454 | 12 |
| 1,402 | 1,665 | 1,559 | 1,583 | 1,415 | 5,540 | 5,716 | 6,209 | 6,222 | B |
| 130 | 178 | 200 | 102 | 117 | 627 | 642 | 610 | 597 | 4 |
| 179 | 205 | 163 | 234 | 193 | 653 | 770 | 781 | 795 | 5 |
| 125 | 153 | 158 | 152 | 124 | 533 | 568 | 588 | 587 | 6 |
| 34 | 40 | 44 | 45 | 35 | 181 | 174 | 163 | 164 | 7 |
| 7 | 12 | 5 | 8 | 13 | 61 | 56 | 32 | 38 | 9 |
| 20.4 | 212 | 193 | 204 | 200 | 758 | 790 | 813 | 809 | 11 |
| 2,081 | 2,465 | 2,322 | 2,328 | 2,097 | 8,353 | 8,716 | 9,196 | 9,212 | 12 |
| - 7 | - 45 | + 69 | + 138 | + 62 | - 148 | + 173 | + 155 |  |  |
| - 319 | - 305 | - 98 | - 249 | - 292 | -1,034 | -1,099 | - 971 | - 944 |  |
| - 7 | - 12 | - 5 | - 8 | - 13 |  | - 56 |  |  |  |
| - 333 | - 362 | - 34 | - 119 | - 243 | -1,243 | - 982 | - 848 | - 758 | c |
| 1 |  |  |  |  |  |  |  |  | D |
| + 110 | $+80$ | + 145 | +190 | + 65 | + 650 | + 515 | + 525 | + 480 | 1 |
| - 30 | - 30 | - 15 | - 25 | - 15 | - 50 | - 80 | - 100 | - 85 | 2 |
| - 3 | $+4$ | +39 | +24 | $+\quad 23$ | + 3 | + 63 | + 64 | + 90 | 3 a |
| - 14 | - 4.4 | - 26 | + 32 +369 | + 57 <br> +435 | + 51 | +40 +533 | - 116 | - 159 | 3 b |
| + $+\quad 52$ $-\quad$ | +200 $-\quad 68$ | a $+\quad 87$ $-\quad 48$ | + 369 +109 |  |  |  | + 708 | +1,091 | 4 |
|  | - 68 |  | - 109 | - 46 | - 265 | - 297 | - 295 | - 271 | 5 |
| - 32 | - 37 | - 9 | - 5 | + 5 | - 19 | - 5 | - 83 | - 46 | 6 |
| - 2 | - 4 | - 5 | - 5 | - 6 | - 18 | - 37 | - 16 | - 20 | 7 |
| + 5 | + 5 | + 5 | $+5$ | + 5 | + 18 | + 9 | + 20 | + 20 | 8 |
| - | - | - 7 | - | - |  |  | - 7 | - 7 |  |
| $+3$ | $+7$ | + 68 | + 51 | - | + 32 | + 37 | + 129 | + 126 | ${ }_{10,11}^{9}$ |
| - | - | - | - 1 |  | - 3 |  | - 18 | - 18 | 13 |
| - 32 | + 34 | - 54 | + 24 |  | + 120 | - 34 |  | -18 $+\quad 330$ | 14 |
| - | + 707 |  | - 377 | - | - | - | + 330 | + 330 | 15 |
| $+364$ | $-114$ | - 686 | - 101 | - 67 | $+\quad 39$ $+\quad 38$ | - 229 | - 537 | -968 | 16 |
| - 18 | - 378 | + 540 | + 111 | - 77 | + 238 | + 467 | + 255 | + 196 | 17 |
| + 333 | + 362 | + 34 | + 119 | + 243 | +1,243 | + 982 | + 848 | + 758 | E |

## NOTES:

D A minus sign indicates an outflow of capital from Canada.
D1,2 Exclusive of undistributed profits.
D17 This item includes mainly short-term capital movements in the form of changes in International open account commerctal Indebtedness, private and chartered bank holdrigs of exchange, and Joans between private unrelated parties. It also includes the balancing item representing unrecorded capltal movements and errors and omisslons throughout the accounts.



[^0]:    (1) Excluding change in official holdings of gold and foreign exchange and special international financial assistance.
    (2) Inctease (-).

