

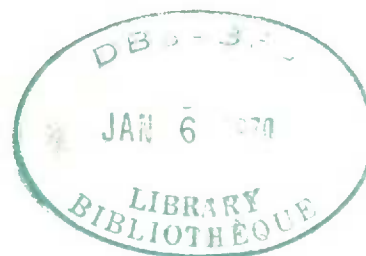
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QUARTERLY



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SYSTEM OF NATIONAL ACCOUNTS

QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

THIRD QUARTER 1969

Contains statistics of Canada's inter-
national investment position at the
end of 1966.

Published by Authority of
The Minister of Industry, Trade and Commerce

DOMINION BUREAU OF STATISTICS

Balance of Payments and Financial
Flows Division

Balance of Payments Section

December 1969
2306-502

Price: 50 cents
\$2.00 a year

Vol. 17—No 3

The basic historical record of the Canadian quarterly Balance of Payments with all countries (including bilateral transactions) may be obtained from the following publications.

<u>Catalogue Number</u>	<u>Title</u>	<u>Price per copy</u>
67-505	"The Canadian Balance of International Payments - A Compendium of Statistics from 1946 to 1965", for 1946 to 1964	\$2.50
67-201	"The Canadian Balance of International Payments 1963, 1964 and 1965 and International Investment Position", for more detailed information	1.50
67-001	"Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1967" revised 1965 .....	.50
67-001	"Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1969" for revised bilateral data for 1966 and 1967 and for revised global data for 1968 .....	.50

Note: Additional subsidiary detail published regularly may be traced through the successive quarterly reports.

QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

THIRD QUARTER 1969

Following the usual seasonal pattern Canada, in the third quarter, recorded a current account surplus from its transactions with the rest of the world which at \$140 million reflected a swing of \$465 million from the \$325 million deficit of the previous quarter. The improvement in the merchandise trade surplus to \$366 million together with the swing in the travel account balance to a surplus of \$117 million were the principal factors responsible for this change.

Summary Statement

	1967	1968	1968		1969		
			III Q	IV Q	I Q	II Q	III Q
			millions of dollars				
Merchandise trade balance	+ 566	+ 1,376	+ 483	+ 258	+ 243	+ 97	+ 366
Balance on non-merchandise transactions	- 1,065	- 1,487	- 150	- 455	- 508	- 422	- 226
Current account balance	- 499	- 111	+ 333	- 197	- 265	- 325	+ 140
Capital movements in long-term forms ..	+ 1,347	+ 1,590	+ 360	+ 356	+ 549	+ 481	+ 605
Capital movements in short-term forms	- 830	- 1,126	- 532	+ 178	- 321	- 215	- 749
Net capital movement(1)	+ 517	+ 464	- 172	+ 534	+ 228	+ 266	- 144
Official monetary movements(2)	+ 18	+ 353	+ 161	+ 337	- 37	- 59	- 4

(1) Excluding items in final line.

(2) Change in holdings of monetary gold, foreign exchange and net balance with the International Monetary Fund less reciprocal swap facility with Federal Reserve System.

Capital movements led to a net outflow of \$144 million, a change of \$410 million from the second quarter inflow of \$266 million. Capital movements in long-term forms at \$605 million were 25 per cent above the second quarter level mainly due to a faster rate of increase in foreign holdings of Canadian securities (largely new bond issues), a net decrease in Canadian holdings of foreign securities and smaller outflows to augment Canadian direct investment abroad. Partially offsetting these changes was a decline in the inflow for foreign direct investment in Canada. Capital movements in short-term forms led to a net outflow of \$749 million some \$534 million more than in the second quarter. Recorded outflows to increase Canadian holdings of bank balances and other short-term funds abroad, although substantial, were down sharply from the record second quarter level. This change was, however, overshadowed by the \$710 million swing in the balance for "all other transactions".

Official net monetary assets fell by \$4 million compared with a drop of \$59 million in the second quarter of 1969. Holdings of monetary gold and foreign exchange declined by \$91 million while Canada's net asset position with the International Monetary Fund improved by \$87 million.

The slow rate of growth of the Canadian economy evident in the second quarter of 1969 quickened slightly in the period under review as investment demand by business and export performance both turned stronger. High levels of demand and inflationary pressures continued to be of concern both in Canada and its main trading partners resulting in increased tightness in monetary conditions. Interest rates reached new peaks with Euro-dollar rates, the main international short-term interest rate remaining about 11 per cent throughout the quarter. Speculation about the par values of the French franc and especially the deutsche mark led to massive movements of funds with the impact carried over into the fourth quarter as the deutsche mark was allowed to float over the end of the third quarter.

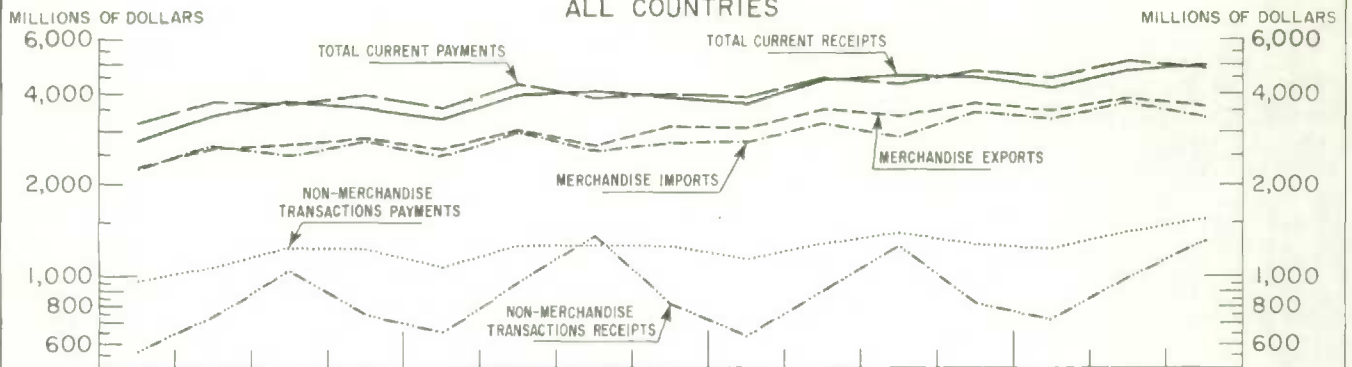
Merchandise Trade

Merchandise exports in the first nine months of 1969 rose to \$10,956 million some 11 per cent over those in the same period of 1968 while merchandise imports, increasing at a faster rate, rose by

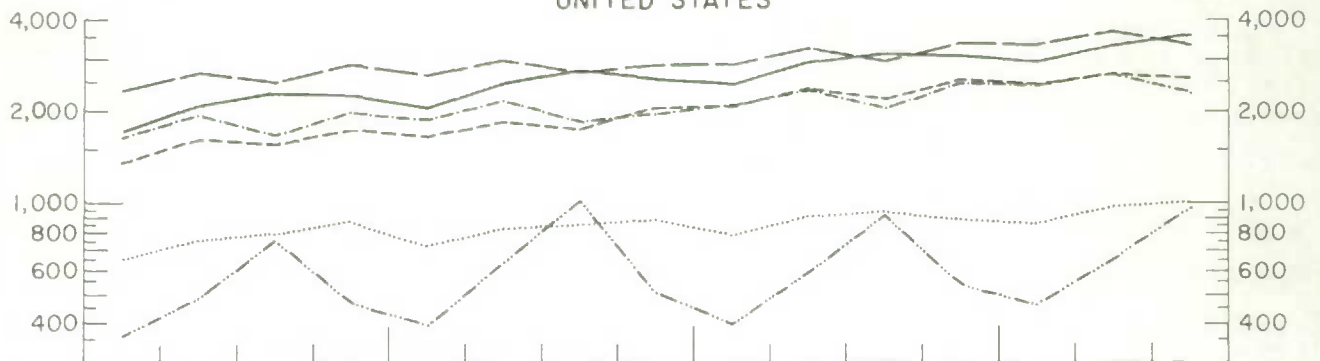
CURRENT ACCOUNT TRANSACTIONS

(Semi-Logarithmic Scale)

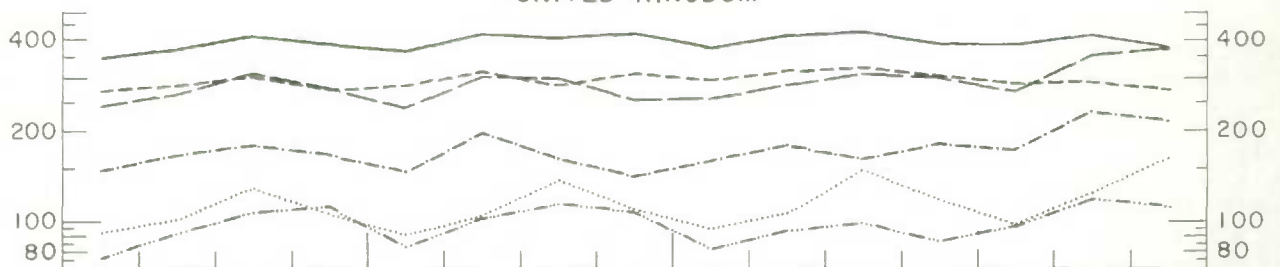
ALL COUNTRIES



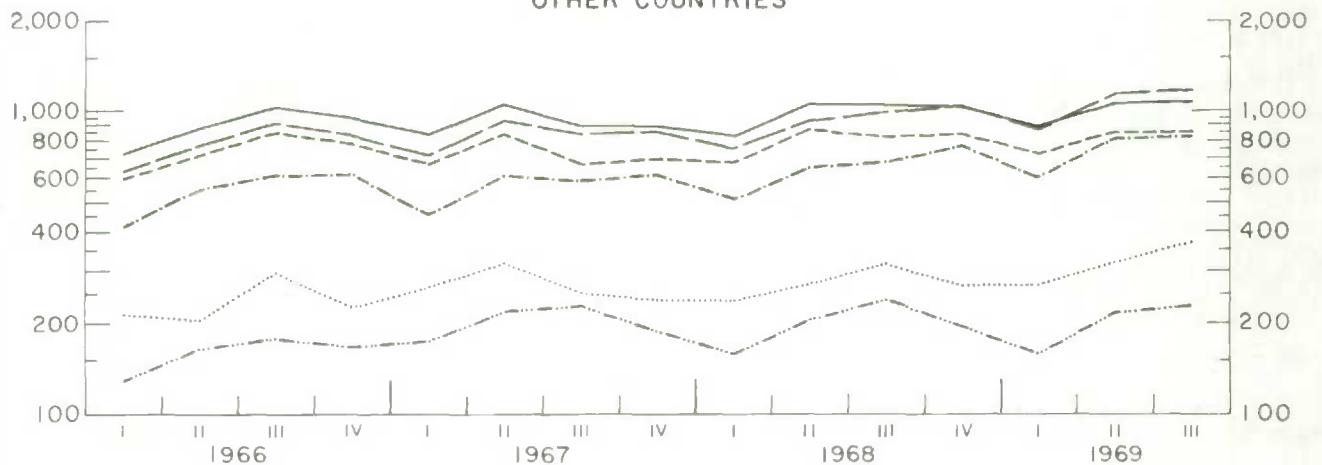
UNITED STATES



UNITED KINGDOM



OTHER COUNTRIES



17 per cent to \$10,250 million. The trade surplus in this period therefore declined to \$706 million from \$1,118 million in the corresponding period of 1968. Export demand, although moderated by tight monetary and fiscal restrictions in the United States, continued strong, with the increase in exports accruing largely to the end products group of commodities. External factors such as strikes or the threat of strikes which affected foreign sales of crude and fabricated materials in 1968 were not as evident in 1969, however there were long work stoppages this year in the domestic iron ore, copper, nickel and steel industries which affected the marketing of these commodities. At \$1,807 million, exports of crude materials were almost unchanged from the 1968 level, while exports of fabricated materials at \$3,857 million although increasing by \$240 million grew at less than half the rate of the previous year; within these two groups of commodities there were reduced exports of iron ore, fabricated iron and steel, copper and fabricated nickel amounting to \$250 million. Shipments of wheat in the first three quarters of 1969 were \$182 million below those in the same period in 1968 with half of this decline concentrated in sales to the U.S.S.R. and China. The main gains were in exports of commodities in the end products group which increased by 30 per cent to over \$3,896 million. More than 83 per cent of the increase was due to increased exports of motor vehicles, engines and parts which rose by about 42 per cent to \$2,567 million (before adjustment for balance of payments purposes). There were increased exports to the United States, France, West Germany, Norway, Japan, Argentina, and Brazil and reductions to the United Kingdom, U.S.S.R., India, China, Australia and Venezuela.

The increase in imports was the result of various factors. Improved export capability by some of Canada's main suppliers of imports, continental rationalization notably in the automobile industry involving an expansion of both imports and exports, tight capacity in Canada due to labour disputes leading to a decline in self-sufficiency particularly in the steel industry, the accelerated implementation of the tariff cuts agreed to under the Kennedy Round and a number of cyclical developments contributed to the expansion of imports. Besides motor vehicles, engines and parts imports, which increased by 27 per cent to about \$2,636 million (before adjustment for balance of payments purposes), there were increased imports of meat and raw sugar, aluminum ores, chemicals, fabricated iron and steel, copper and nickel alloys, machinery, communication equipment and computers. Imports from the United States, the United Kingdom, France, West Germany, Italy, Japan, Australia, Libya, Nigeria, Jamaica and Mexico increased, while imports from the U.S.S.R., Saudi Arabia, Ghana and Trinidad and Tobago were reduced.

Balance of payments adjustments to recorded trade figures in the third quarter of 1969 amounted to a net addition of less than \$1 million to exports mainly resulting from offsets in respect of progress payments on aircraft and adjustments to reflect automobile interplant selling prices, and a net deduction from recorded imports of \$32.8 million mainly on account of progress payments on aircraft and ships and automobile interplant selling price and special tooling adjustments. The net effect of these adjustments to exports and imports is therefore to increase the trade surplus by \$33.6 million.

In the first nine months of 1969 average export prices were about 4 1/2 per cent above the average for the same period in 1968. Prices of crude materials and fabricated materials increased by about 4 and 5 1/2 per cent respectively; prices of end products increased by about 3 per cent. The over-the-year increase in import prices, on the other hand was about 3 per cent. The largest increase was 4 per cent in the crude materials group, which was followed by an increase of about 3 1/2 per cent in the fabricated materials group and about 2 1/2 per cent in the end products group.

Non-merchandise Transactions

The deficit on non-merchandise transactions in the first three quarters of 1969 amounted to \$1,156 million, some 12 per cent above the deficit in the same period last year. Receipts rose by 9 per cent to \$3,021 million but payments increased by 10 per cent to \$4,177 million leading to an increase of \$124 million in the deficit. This deterioration resulted mainly from increases of \$159 million and \$21 million in the deficits on travel expenditures and on freight and shipping transactions respectively which were only partly offset by reductions of \$36 million and \$33 million in the deficits on interest and dividends and all other current transactions respectively. With travel receipts increasing by 8 per cent to \$935 million and travel payments rising to \$1,074 million, the travel account moved from a surplus of \$20 million in the first three quarters of 1968 to a deficit of \$139 million in the same period of this year. The sharp increase in Canadians travelling outside the country raised overseas expenditures by Canadians by 27 per cent to \$327 million and expenditures of Canadians travelling in the United States by 28 per cent to \$747 million.

The net balance from receipts and payments of interest and dividends improved from a deficit of \$687 million in the first nine months of 1968 to \$651 million in the corresponding period of 1969. This net improvement of \$36 million was accounted for by an increase of \$60 million in income receipts which was partially offset by a \$24 million rise in income payments. Interest receipts contributed

Travel Expenditures

	First nine months			Change in 1969
	1967	1968	1969	
millions of dollars				
United States:				
Receipts ...	1,019	771	842	+ 71
Payments ...	522	585	747	+ 162
Balance	+ 497	+ 186	+ 95	- 91
Overseas:				
Receipts ...	133	91	93	+ 2
Payments ...	218	257	327	+ 70
Balance	- 85	- 166	- 234	- 68
All countries:				
Receipts ...	1,152	862	935	+ 73
Payments ...	740	842	1,074	+ 232
Balance	+ 412	+ 20	- 139	- 159

Interest and Dividends: Payments

Period	Total	Interest	Dividends
millions of dollars			
1967	1,211	471	740
1968	1,290	548	742
1968 I Q ...	293	122	171
II Q ...	314	144	170
III Q ...	297	122	175
IV Q ...	386	160	226
1969 I Q ...	309	142	167
II Q ...	320	174	146
III Q ...	299	151	148

\$31 million and dividend receipts \$29 million to the total increase in income receipts. Net income on official holdings of foreign exchange continued to be an important element in interest receipts. In spite of a slight dip in dividend receipts in the third quarter of 1969, the nine months total for 1969 registered an increase due to larger remittances by foreign subsidiaries to their Canadian parent companies in the second quarter of 1969. Income payments rose by \$24 million to \$928 million; this change was accounted for by a rise of \$79 million in interest payments offset to a large extent by a \$55 million decline in dividend payments and branch profits. Decreased profits of branch operations of foreign companies in the second and third quarters of 1969 were chiefly responsible for this decline as strikes in a key sector of the economy exerted an unfavourable impact on earnings. Interest payments increased to \$467 million following large United States and OECD (Europe) purchases in 1968 and early 1969 of new bond issues of corporations and all levels of government. The net balance from receipts and payments of interest and dividends accounted for about 56 per cent of the deficit on non-merchandise transactions, some 11 percentage points lower than the corresponding proportion for 1968.

The freight and shipping account reflecting the movements on merchandise trade moved from a deficit of \$28 million in the first three quarters of 1968 to a deficit of \$49 million in the same period of 1969. Freight and shipping receipts increased by about 4 per cent to \$680 million while payments increased by about 7 per cent to \$729 million. There was a small decline of \$3 million in the surplus on migrants' funds and inheritances due to a fall of some 12 per cent in the number of immigrants to Canada which was partly offset by an increase in per capita funds transferred by immigrants.

Balances on Principal Non-merchandise Transactions

	First nine months			Change in 1969
	1967	1968	1969	
millions of dollars				
Gold production available for export	+ 86	+ 92	+ 88	- 4
Travel expenditures	+ 412	+ 20	- 139	- 159
Interest and dividends	- 610	- 687	- 651	+ 36
Freight and shipping	- 28	- 28	- 49	- 21
Inheritances and migrants' funds	+ 102	+ 127	+ 124	- 3
Official contributions	- 153	- 104	- 110	- 6
All other current transactions	- 434	- 452	- 419	+ 33
Balance on non-merchandise transactions	- 625	- 1,032	- 1,156	- 124

Official contributions in donations of commodities, services and cash grants, in the January-September period of 1969 increased by 6 per cent to \$110 million from \$104 million in the corresponding period in 1968. While international economic and technical assistance increased there was a marginal decrease in the international food aid program.

The deficit on all other current transactions fell by \$33 million to \$419 million. Receipts rose by about 18 per cent to \$770 million due mainly to an increase from miscellaneous income transactions of about \$92 million. Payments were up by about 8 per cent to \$1,189 million, again mainly due to an increase in miscellaneous income transactions amounting to \$51 million. All other transactions including government receipts and payments, personal and institutional remittances and business services led to an \$8 million net increase in the deficit.

Current Account Transactions in the Third Quarter - Seasonally Adjusted

After removal of seasonal variations the current account deficit decreased in the third quarter to \$143 million from \$232 million in the second quarter, reversing the trend towards larger deficits which had taken place in the previous four quarters. Total receipts increased by about 3 per cent to \$4,747 million following a reduction in the last quarter, while total payments increased by less than 1 per cent to \$4,890 million. The merchandise trade surplus which had also recorded a decline in the previous four quarters, doubled to \$312 million from \$156 million in the second quarter of 1969. However, the deficit on non-merchandise transactions widened by 17 per cent to \$455 million as against increases of only 1 per cent and 5 per cent in the previous two quarters.

Balances on Current Transactions, Seasonally Adjusted

	Merchandise balance	Balance on non- merchandise transactions	Current account balance(1)
	millions of dollars		
1968			
I Q	+ 301	- 379	- 78
II Q	+ 453	- 361	+ 92
III Q	+ 327	- 382	- 55
IV Q	+ 295	- 365	- 70
Year	+ 1,376	- 1,487	- 111
1969			
I Q	+ 264	- 369	- 105
II Q	+ 156	- 388	- 232
III Q	+ 312	- 455	- 143

(1) Exports of goods and services as published in the National Income and Expenditure Accounts exclude inheritances and immigrants' funds and personal and institutional remittances. Imports of goods and services include withholding tax and exclude inheritances and emigrants' funds, personal and institutional remittances, official contributions and pension payments.

Note: Details of current account items, seasonally adjusted, may be found on page 33.

to \$749 million. A reduction of \$91 million in the surplus on the travel account which fell to \$95 million and an increase of \$9 million in the deficit on freight and shipping were offset to the extent of \$91 million by improved balances on interest and dividends, inheritances and migrants' funds and all other current transactions. Receipts from United States travellers in Canada amounted to over 90 per cent of total travel receipts and travel expenditures by Canadian residents in the United States accounted for about 70 per cent of total Canadian travel expenditures abroad. The reduction in the surplus with the United States on this item amounted to about 60 per cent of the overall deterioration in the travel account. Gold production available for export which is normally credited to the United States account fell by \$4 million to \$88 million.

If the credit representing gold production available for export is excluded, Canada's current account surplus with the United States in the third quarter of 1969 was \$216 million. Capital flows between the two countries led to a net outflow of \$516 million as long-term movements produced a net

Seasonally adjusted at quarterly rates, merchandise exports increased by over 4 per cent to \$3,776 million while merchandise imports increased only fractionally to \$3,464 million. The significant changes in the seasonally adjusted balances of the invisible items were recorded in travel, interest and dividends and "all other" current transactions which together accounted for almost the whole of the widening of the non-merchandise deficit.

Transactions by Areas

Transactions with the United States in the first three quarters of 1969 produced a current account deficit of \$460 million, a reduction of \$94 million from the deficit in the same period of 1968. Total receipts from the United States increased by 15 per cent to \$9,773 million while total payments rose by 13 per cent to \$10,233 million. At \$7,687 million, merchandise exports were 17 per cent above the exports in the first nine months of 1968; merchandise imports at \$7,398 million, were about 16 per cent above those in the same period last year. The increase in exports to the United States accounted for about 2 per cent more than the overall increase in exports; the increase in imports from the United States was equivalent to about 67 per cent of the total increase in imports.

The non-merchandise deficit with the United States deteriorated slightly by \$13 million

Quarterly Current Account Balances

	I Q	II Q	III Q	IV Q	Year
	millions of dollars				
United States:					
1968	- 421	- 289	+ 156	- 284	- 838
1969	- 389	- 316	+ 245		
United Kingdom:					
1968	+ 122	+ 126	+ 112	+ 89	+ 449
1969	+ 114	+ 54	+ 3		
Other countries:					
1968	+ 71	+ 144	+ 65	- 2	+ 278
1969	+ 10	- 63	- 108		
All countries:					
1968	- 228	- 19	+ 333	- 197	- 111
1969	- 265	- 325	+ 140		

inflow of \$440 million while there was a swing to a short-term capital outflow of \$956 million. In sum these transactions with the United States gave rise in the third quarter to net payments by Canada of \$300 million while the cumulative nine month net outflow was \$243 million.

In the first three quarters of 1969 the current account surplus with the United Kingdom fell by over 50 per cent to \$171 million. Total receipts were reduced by \$35 million to \$1,179 million and total payments rose by \$154 million to \$1,008 million. With exports to the United Kingdom falling by \$87 million and imports rising by \$119 million, the merchandise trade surplus fell by 47 per cent to \$231 million reflecting in part the effect of policies to improve the United Kingdom international payments position and possibly the results of the tariff cuts under the Kennedy Round. In non-merchandise transactions the deficit with the United Kingdom was reduced by \$17 million to \$60 million. Receipts rose by 19 per cent to \$328 million and payments rose by 10 per cent to \$388 million. The largest increase in payments occurred in the travel account with the deficit on this item rising by \$25 million to \$100 million.

Canada's Bilateral Accounts with the United States and the Rest of the World

	1967	1968	1968		1969		
			III Q	IV Q	I Q	II Q	III Q
	millions of dollars						
Transactions with the United States: (1)							
Current account balance	- 1,454	- 958	+ 124	- 312	- 420	- 344	+ 216
Capital movements in long-term forms	+ 1,244	+ 1,084	+ 262	+ 328	+ 340	+ 327	+ 440
Capital movements in short-term forms	- 944	- 1,243	- 734	+ 199	- 143	+ 297	- 956
Totals	- 1,154	- 1,117	- 348	+ 215	- 223	+ 280	- 300
Transactions with the rest of the world:							
Current account balance	+ 843	+ 727	+ 177	+ 87	+ 124	- 9	- 105
Capital movements in long-term forms	+ 103	+ 506	+ 98	+ 28	+ 209	+ 154	+ 165
Capital movements in short-term forms	+ 114	+ 117	+ 202	- 21	- 178	- 512	+ 207
Totals	+ 1,060	+ 1,350	+ 477	+ 94	+ 155	- 367	+ 267
Gold production available for export	+ 112	+ 120	+ 32	+ 28	+ 31	+ 28	+ 29
Official monetary movements (2)	+ 18	+ 353	+ 161	+ 337	- 37	- 59	- 4

(1) Excluding gold production available for export shown separately below.

(2) Change in holdings of monetary gold, foreign exchange and net balance with the International Monetary Fund less reciprocal swap facility with Federal Reserve System.

Total receipts from the Rest of the Sterling Area rose by about 3 per cent to \$645 million while total payments rose by about 26 per cent to \$577 million. The current account surplus with this group of countries fell by about 60 per cent to \$68 million as the merchandise trade surplus dropped to \$56 million from \$149 million in the first three quarters of 1968. Non-merchandise transactions produced a small reduction of \$8 million in the surplus on invisibles which fell to \$12 million.

Current account receipts from the OECD (Europe) group of countries reached a total of \$1,098 million in the first nine months of 1969. This represented an increase of about 14 per cent over the total receipts in the same period last year. About 98 per cent of this rise was due to increased merchandise exports which rose by 17 per cent to \$884 million. There were relatively important increases in exports to France, West Germany and Norway. Total payments to this group of countries rose by about 21 per cent to \$1,346 million with some two thirds of the increase attributable to higher merchandise imports which rose by 23 per cent to \$807 million. With the decline in the trade surplus and a larger deficit on non-merchandise transactions, particularly interest and dividend payments, the current account deficit with the OECD (Europe) countries increased by over 65 per cent to \$248 million.

The current account balance with Other Countries also deteriorated significantly with the surplus falling by about 93 per cent to \$19 million. Total receipts, mainly as a result of a reduction of about 6 per cent in merchandise exports fell by about 5 per cent to \$1,282 million. Total payments, again largely due to an increase of 15 per cent in merchandise imports, rose by about 16 per cent to \$1,263 million. The balance on non-merchandise transactions with other countries changed from a surplus of \$11 million to a deficit of \$34 million.

Total current and capital account transactions by Canada with the United Kingdom and other overseas countries resulted in a net inflow of \$267 million; a return to the trend which had been interrupted by the second quarter outflow of \$367 million. The inflow from capital movements in long-term forms, principally new issues of Canadian securities, continued to be sizeable, however there was also a sharp reversal in recorded short-term capital movements as Canadian holdings of bank balances and other short-term assets overseas were reduced. (This picture might be altered by further information which will shortly be available on Canadian Euro-currency holdings.) Current account transactions, meanwhile, resulted in an enlarged deficit of \$105 million mainly as a result of increased deficits on the travel and interest and dividends accounts.

The \$33 million difference between the net payments to the United States and the smaller net receipts from overseas countries together with the \$29 million of gold production available for export are both reflected in the \$4 million fall in official holdings of monetary gold, foreign exchange and IMF balance.

Capital Movements

Summary

Item	1967	1968	1968		1969			
			III Q	IV Q	I Q	II Q	III Q	
millions of dollars								
Capital movements in long-term forms ..	+ 1,347	+ 1,590	+ 360	+ 356	+ 549	+ 481	+ 605	
Capital movements in short-term forms	- 830	- 1,126	- 532	+ 178	- 321	- 215	- 749	
Balance on goods and services	- 499	- 111	+ 333	- 197	- 265	- 325	+ 140	
Official monetary movements(1)	+ 18	+ 353	+ 161	+ 337	- 37	- 59	- 4	

(1) Change in holdings of monetary gold, foreign exchange, and net balance with the International Monetary Fund less reciprocal swap facility with Federal Reserve System.

The net movement of capital between Canada and other countries in the third quarter of 1969 swung to an outflow of \$144 million from a net inflow of \$266 million in the previous quarter. On balance, capital inflows in long-term forms rose by \$124 million while the outflow of short-term capital increased even more sharply rising by \$534 million to \$749 million. With the current account,

influenced by seasonal factors, producing a surplus of \$140 million, the balance of current and capital account transactions led to a \$4 million reduction in official monetary assets.

Sales of Canadian new issues to non-residents at \$563 million continued to be the major factor contributing to the net inflow of long-term capital during the quarter. Inflows for direct investment declined sharply to \$95 million from the unusually high level of the previous quarter while there was an influx from transactions in foreign securities for the first time in almost six years as Canadians reduced their holdings. Sales of new issues are taken into the balance of payments at the time of delivery. The effect of adjusting actual long-term capital inflows to reflect the timing of security offerings is given in the accompanying statement which shows that deliveries were in excess of offerings by over \$150 million during the quarter. However the \$803 million balance of offerings undelivered at the end of the quarter was still exceptionally high.

Capital Movements in Long-term Forms

Period	Actual inflow	Adjusted to reflect timing of security offerings
	millions of dollars	
1967	+ 1,347	+ 1,599
1968	+ 1,590	+ 2,142
1968 I Q	+ 132	+ 198
II Q	+ 742	+ 660
III Q	+ 360	+ 367
IV Q	+ 356	+ 917
1969 I Q	+ 549	+ 604
II Q	+ 481	+ 455
III Q	+ 605	+ 453

Capital movements in short-term forms gave rise to an enlarged outflow of \$749 million. The reduced outflow of \$233 million to augment Canadian holdings of bank balances and other short-term funds abroad was still a significant factor in the total. However the largest contribution came from movements amounting to a net outflow of \$427 million in the category described as "all other transactions" (which includes changes in loans and accounts receivable and payable as well as transactions which have not yet been identified).

Foreign currency transactions through the Canadian banking system in the third quarter continued to be a particularly important element of short-term capital movements giving rise to a total outflow of \$122 million. While the net spot holdings by the Canadian chartered banks of foreign currency claims on non-residents rose, on a transactions basis, by the \$122 million mentioned above, those on Canadians declined by

\$371 million to produce an overall decrease of \$249 million. Claims on residents of the United States and overseas countries rose by \$276 million and \$227 million respectively while liabilities to these areas decreased by \$56 million and increased by \$437 million respectively. Foreign currency claims on Canadians were increased by \$10 million while liabilities rose by \$381 million. (Swapped deposit liabilities to Canadian residents rose rapidly at the beginning of July to reach a peak of almost \$1,720 million in mid-July when a temporary ceiling on this type of deposit was requested by the Bank of Canada. Following this request these holdings declined erratically to \$1,637 million at the end of September some \$150 million above the level three months earlier.) Thus the net decrease of \$249 million in foreign currency assets reflects an increase in foreign currency assets of \$332 million with residents of the United States and a net decline of \$210 million and \$371 million with residents of overseas countries and Canada respectively. These figures cannot be identified separately in the balance of payments presentation in this report but form elements of several of the items. The chartered banks' net spot foreign currency position was short by \$271 million at the end of the quarter compared with the previous short position of \$22 million at the end of the second quarter. In general, however, the overall foreign currency position of the chartered banks, including forward contracts, tends to be more stable than the spot position alone.

Direct Investment

The net inflow of long-term capital for direct investment in foreign-controlled enterprises in Canada during the third quarter totalled \$95 million. This represented a sharp decline from the second quarter figure of \$245 million which to a large extent reflected the foreign acquisition of two major Canadian enterprises. Most of this quarter's inflow was directed to the manufacturing and finance industries. Approximately half of the inflow came from the United States and most of the remainder from the countries of continental Europe. The net capital outflow for direct investment abroad was also significantly lower than the second quarter's exceptionally high level. Most of this quarter's outflow of \$30 million was attributable to investment by the petroleum industry although there were also smaller outflows from mining, financial and miscellaneous industries. There was a net inflow of capital into manufacturing as a number of Canadian concerns reduced their investments abroad. About four fifths of the net outflow went to the United States.

Security Transactions

Security transactions in the third quarter resulted in a net inflow of \$563 million, or only slightly less than the record inflow of \$570 million registered for the March quarter. This brought the net inflow from international trading in portfolio securities for the first nine months of 1969 to the extremely high level of \$1,543 million. New issues of Canadian securities sold abroad during the quarter produced \$563 million, of which \$408 million came from the United States and \$154 million from continental Europe. Trading in outstanding foreign issues recorded a net inflow of \$67 million, the first in almost six years. Repatriation of outstanding Canadian stocks gave rise to a net outflow of some \$4 million.

Portfolio Security Transactions Between Canada and Other Countries

Net sales (+) or purchases (-) by Canadians	Year		1968		1969		
	1967	1968	III Q	IV Q	I Q	II Q	III Q
millions of dollars							
Canadian securities:							
Outstanding - Bonds	- 57	- 69	- 13	+ 7	+ 17	- 6	- 11
Stocks	+ 12	+ 112	+ 10	+ 53	+ 37	+ 44	- 4
New issues	+ 1,307	+ 1,933	+ 452	+ 366	+ 643	+ 506	+ 563
Retirements	- 357	- 395	- 37	- 114	- 69	- 126	- 49
Foreign securities:							
Outstanding issues	- 382	- 425	- 121	- 102	- 49	- 6	+ 67
New issues	- 65	- 70	- 14	- 24	- 11	- 21	- 5
Retirements	+ 15	+ 27	+ 3	+ 8	+ 2	+ 19	+ 2
Totals, all countries	+ 473	+ 1,113	+ 280	+ 194	+ 570	+ 410	+ 563
United States	+ 567	+ 665	+ 143	+ 158	+ 316	+ 267	+ 415
United Kingdom	- 65	- 11	- 2	- 7	+ 18	+ 10	- 8
Other countries	- 29	+ 459	+ 139	+ 43	+ 236	+ 133	+ 156

New Issues of Canadian Bonds Sold to United States Residents

Period	Offer- ings	De- liveries	Unde- livered(1)
millions of dollars			
1967	1,466	1,214	374
1968	1,907	1,355	926
1968 I Q	399	333	440
II Q	348	430	358
III Q	284	277	365
IV Q	876	315	926
1969 I Q	429	374	981
II Q	259	285	955
III Q	245	397	803

(1) At end of period.

Non-residents' purchases of Canadian new issues increased by \$57 million to a high \$563 million from the second quarter figure of \$506 million. Deliveries of new bonds and debentures rose sharply to \$551 million as borrowings abroad by corporations and provincial governments expanded to \$171 million and \$331 million, respectively. These increases were partially offset by lower sales of other new bonds, particularly of municipal and railway issues which contracted to \$44 million and less than \$1 million respectively. Sales of new issues of Canadian equities, at \$12 million, were also substantially down from the exceptional levels of \$74 million and \$87 million recorded for the first and second quarters. Borrowing by universities, hospitals, and other institutions rose to the very high level of \$25 million, most of which was raised in Germany. In total some \$150 million of Canadian new issues (mainly provincial) were placed in Germany which thus maintained its recently acquired position as Canada's second foreign source of new debt financing after the United States.

(Statistics published by the Deutsche Bundesbank indicate that borrowing by Canada in the German capital market during the first half of 1969 was higher than that of any other nation.) Investment by Canadians in new issues of other countries of \$5 million during the third quarter was the smallest outflow due to transactions in this class of security since the third quarter of 1964.

Trading in outstanding securities resulted in a sales balance of \$52 million with a net inflow of \$67 million from transactions in foreign securities being slightly reduced by a \$15 million outflow from trading in Canadian issues. Geographically \$49 million of the inflow came from the United States and \$7 million from other foreign countries. An outflow of over \$4 million was experienced in trading with the United Kingdom. The outflow for the retirement of Canadian securities held abroad fell to \$49 million from \$126 million in the previous quarter.

Other Capital Movements in Long-term Forms

During the third quarter the Government of Canada made loan disbursements to other governments of \$12 million. Geographically the disbursements, all of which were made under the development loan program, went mainly to Asia. Slightly more than \$2 million went to countries in other parts of the world. In addition Canada made a subscription of almost \$3 million to an international investment agency. There were no repayments of principal on intergovernmental loans outstanding under earlier programs.

Detail of Long-term Capital Transactions n.i.e.
Item D13

Year and quarter	Export credits(1)						Sub- total	Other trans- actions	Total
	Wheat			Other commodities					
	Ad- vances	Repay- ments	Net	Ad- vances	Repay- ments	Net			
	millions of dollars								
1967	- 91	+ 219	+ 128	- 60	+ 39	- 21	+ 107	+ 161	+ 268
1968	- 143	+ 216	+ 73	- 89	+ 45	- 44	+ 29	- 42	- 13
1968 I Q	- 25	+ 76	+ 51	- 19	+ 12	- 7	+ 44	- 15	+ 29
II Q	- 45	+ 57	+ 12	- 14	+ 10	- 4	+ 8	+ 12	+ 26
III Q	- 45	+ 48	+ 3	- 25	+ 14	- 11	- 8	- 66	- 74
IV Q	- 28	+ 35	+ 7	- 31	+ 9	- 22	- 15	+ 27	+ 12
1969 I Q	- 25	+ 20	- 5	- 20	+ 12	- 8	- 13	- 72	- 85
II Q	- 39	+ 15	- 24	- 17	+ 11	- 6	- 30	+ 7	- 23
III Q	- 18	+ 28	+ 10	- 22	+ 15	- 7	+ 3	- 11	- 8

(1) Medium and long-term export credits extended from Canada directly or indirectly at risk of the Government of Canada.

Transactions arising from the financing of medium and long-term export credits extended from Canada directly or indirectly at the risk of the Government of Canada led to a net capital inflow of \$3 million compared to a net outflow of \$29 million in the second quarter. This differential between the two quarters was largely due to a reduction in advances to and an increase in repayments of wheat credits from China. Other transactions on the whole led to net repayments to Canada.

All other transactions in long-term forms gave rise to a net capital outflow of \$11 million compared with an inflow of \$7 million in the second quarter. Increases in United States long-term bank loans to Canadians and other banking transactions were responsible for significant inflows into Canada which were more than offset by outflows resulting mainly from insurance and miscellaneous government transactions.

Capital Movements in Short-term Forms

Capital movements in short-term forms in the third quarter climbed to a net outflow of \$749 million from a second quarter total of \$215 million. Short-term interest rates (as measured by three

month treasury bill yields) again rose markedly in the quarter in line with the Bank Rate increase of 1/2 per cent to 8 per cent on July 16 and the general international trend towards unusually high interest rates. (Euro-dollar rates, for example, remained at over 11 per cent throughout the quarter.) The yield differential between Canadian and United States treasury bills narrowed from 81 basis points in favour of Canada in June to 50 basis points in September, as yields on United States bills climbed sharply by 95 basis points during the quarter. A substantial fall in the forward premium on the Canadian dollar reduced the covered yield differential to 0.89 per cent in favour of Canada at the end of September from 2.22 per cent at the end of June.

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

Transactions with all countries	1967	1968	1968		1969			
			III Q	IV Q	I Q	II Q	III Q	
millions of dollars								
17.1 Bank balances and other short-term funds abroad (excluding official reserves)	- 286	- 405	- 149	- 158	- 155	- 584	- 233	
17.2 Canadian commercial paper, etc. ..	+ 11	+ 3	+ 2	+ 13	- 3	- 3	- 15	
17.3 Canadian finance company paper ...	- 54	- 131	- 36	-	+ 159	+ 71	- 71	
17.4 Canadian finance company obligations, n.i.e.	+ 34	+ 19	- 2	+ 34	+ 23	+ 28	+ 3	
17.5 All other transactions(1)	- 559	- 751	- 363	+ 195	- 345	+ 283	- 427	
Total (Item D 17)	- 854	- 1,265	- 548	+ 84	- 321	- 205	- 743	

(1) Includes changes in loans and accounts receivable and payable, and also balancing item representing difference between direct measurements of current and capital accounts.

Non-resident holdings of Canadian dollars fell by \$6 million during the quarter. This movement comprised decreases of \$4 million and \$3 million, respectively, in non-resident holdings of Canadian dollar deposits and treasury bills and a \$1 million increase in Government of Canada demand liabilities.

Canadian holdings of foreign currency bank balances and other short-term funds abroad (excluding official reserves) rose by \$233 million, less than half the rate of the second quarter. As in the previous quarter high international interest rates were probably a significant factor in this movement. However it is expected that data which will be available shortly should reveal some movements influenced by short-term speculative considerations particularly the revaluation of the deutsche mark.

Non-residents' holdings of finance company paper (including that of the financing subsidiaries of manufacturing and retail enterprises) decreased by \$71 million after two previous quarterly inflows. For the fourth consecutive time other finance company obligations (including borrowings from foreign banks and inter-company accounts) resulted in a net inflow, but of a greatly reduced amount - \$3 million, compared with \$28 million in the second quarter. Other finance company transactions not identified separately have been included with capital movements in long-term forms, notably new issues and retirements of Canadian securities. However, such transactions were not significant during this quarter. Dealings in commercial paper (including bankers' acceptances) and other short-term paper (comprising mainly notes of banks, mortgage loan companies, and municipal and provincial governments) led on balance to outflows of \$10 million and \$5 million respectively.

All other transactions in the quarter led to a net capital outflow of \$427 million. Amounts in this category so far identified have tended to produce inflows so that the balance for amounts yet to be identified exceeds the net total for the quarter and brings the total outflow for unrecorded items for the first nine months of 1969 to well over \$500 million.

Official Holdings of Monetary Gold and Foreign Exchange

Canada's official holdings of monetary gold and United States dollars totalled US \$2,539 million at September 30, 1969 a fall of US \$84 million over the quarter. Part of the decrease had a counterpart in Canada's net balance with the International Monetary Fund which increased by US \$80 million in the quarter principally as a result of drawings in Canadian dollars by Belgium and France.

To augment the IMF's resources Canada made a loan to that institution in Canadian dollars under the General Arrangements to Borrow equivalent to US \$25.5 million and also bought gold worth US \$6.09 million with Canadian dollars.

The quarterly change expressed in Canadian dollars showed a drop in official holdings of monetary gold and foreign exchange (including working balances of sterling) of \$91 million. The increase in the IMF balance amounted to \$87 million so that in total these transactions reflected a \$4 million decrease in Canada's official net monetary assets.

The spot value of the Canadian dollar on the foreign exchange markets improved markedly from a low in July of 108.25 cents for US \$1.00 to a premium value above the official par value at the end of the quarter of 107.91 cents for US \$1.00.

The following statement provides data on foreign exchange rates and certain reserve items:

Period	United States Dollar in Canada				Official holdings of monetary gold and United States dollars	Net balance with Inter-national Monetary Fund	Reciprocal swap facility with Federal Reserve System
	High	Low	Close	Noon average			
	Canadian cents				millions of United States dollars at end of period		
1968 I Q	109.00	108.09	108.28	108.56	2,244	-	- 250
II Q	108.25	107.50	107.59	107.83	2,574	121	- 125
III Q	107.59	107.25	107.25	107.31	2,534	186	-
IV Q	107.38	107.25	107.28	107.29	2,827	206	-
1969 I Q	107.84	107.25	107.66	107.46	2,779	221	-
II Q	108.16	107.50	108.09	107.76	2,623	322	-
III Q	108.25	107.66	107.91	107.90	2,539	402	-
July	108.25	107.72	107.81	108.06	2,565	356	-
August	107.97	107.66	107.72	107.81	2,594	361	-
September	107.91	107.75	107.91	107.82	2,539	402	-

Note: The total of exchange holdings does not include holdings of the Government of Canada at September 30, 1969 of \$84 million of medium-term non-marketable securities of the United States Government, acquired in 1964 in connection with the Columbia River Treaty arrangements.

Canada's Accounts with the International Monetary Fund

Period	Canadian assets			Canadian liabilities = IMF holdings of Canadian dollars					Canada's net balance with IMF(1)
	Transactions			Transactions					
	Subs- crip- tion (Quota)	Loans (GAB)	Total assets	Subs- crip- tions and loans	Net drawings of foreign currencies by Canada	Net drawings (-) of Cana- dian dollars by other countries	Other transact- ions	Total liabi- lities	
	millions of United States dollars								
1947-1966	740.0	50.0	790.0	605.0	54.3	- 379.3	61.5(2)	341.5	448.5
1967		- 15.0	775.0	- 15.0		15.1		341.6	433.4
1968		- 35.0	740.0	- 35.0	361.2	- 131.2	- 2.8(3)	533.8	206.2
1968 I Q		- 35.0	740.0	- 35.0	426.0	7.3		739.9	0.1
II Q			740.0			- 121.0		618.9	121.1
III Q			740.0		- 64.8			554.1	185.9
IV Q			740.0			- 17.5	- 2.8(3)	533.8	206.2
1969 I Q			740.0			- 15.0		518.8	221.2
II Q		40.0	780.0	40.0		- 103.5	2.5(2)	457.8	322.2
III Q		25.5	805.5	25.5		- 86.2	6.1(2)	403.2	402.3

(1) This is a cumulative measure of the net resources provided by Canada to the IMF including loans under the General Arrangements to Borrow(GAB). The Canadian dollar equivalent of the change appears as item H2 in the balance of payments statement. Canada's net balance with the IMF, when positive, represents its reserve position in the IMF. This may be drawn by Canada virtually automatically on statement of balance of payments need, but Canada would then be under an obligation to restore its net balance to 25 per cent of its quota which is currently \$740 million, i.e. to \$185 million.

(2) Sales of Canadian dollars to IMF for gold.

(3) Dividend payment to Canada.

Note: The statement is expressed in terms of United States dollar equivalents in accordance with the IMF practice. Since members are obligated to maintain the gold value of the IMF's holdings of their currencies, from time to time there have been adjustment payments between the IMF and Canada in Canadian dollars arising from changes in the exchange rate. These transactions are not reflected above because the series are shown in United States dollar equivalents, and do not appear in the balance of payments statements because only the change in Canada's net asset is shown. The adjustment transactions affect the Public Accounts of Canada.

First Estimates

As part of the Dominion Bureau of Statistics programme to make statistics available to the public at the earliest possible opportunity a first estimate of the main aggregates relating to the Canadian balance of payments for the third quarter, 1969 was released in the D.B.S. Daily of November 18, 1969. It is expected that this timetable can be maintained in the future. However, it should be noted that the first estimates relate only to very broad aggregates and that the current quarterly report expands and updates these estimates by incorporating the latest available data.

Canada's International Investment Position

This report includes Tables V to X which will form part of a report on Canada's international investment position to be published in 1970. These tables contain data on all principal series for 1966 and on various components of Canada's investment abroad for 1967.

Preliminary data indicate that Canada's balance of international indebtedness(1) reached a book value of approximately \$26 billion by the end of 1968. Long-term foreign investment in Canada was approaching \$37 billion and other claims of non-residents added more than \$4 billion to Canada's liabilities. Canadian assets abroad had a total book value of more than \$15 billion including long-term investments amounting to about \$9 billion.

Canada's Balance of International Indebtedness, Selected Year Ends, 1926-1966

Item	1926	1930	1939	1945	1949	1958
billions of dollars						
Gross liabilities to other countries	6.4	8.0	7.4	8.2	9.3	21.5
Gross external assets	1.3	1.5	1.9	4.0	5.3	8.2
Net indebtedness	5.1	6.5	5.5	4.2	4.0	13.3
	1959	1960	1961	1964	1965	1966
billions of dollars						
Gross liabilities to other countries	23.8	25.6	27.3	32.8	35.2	37.6
Gross external assets	8.5	8.9	9.6	12.4	12.8	13.9
Net indebtedness	15.3	16.6	17.7	20.3	22.3	23.8

Note: For details see Table V. As figures are individually rounded, totals do not necessarily equal the sum of their component parts.

Canada's balance of international indebtedness rose by about 7 per cent or \$1.5 billion to \$23.8 billion in 1966. Although in absolute terms this increase has been equaled or exceeded only in the period 1956-59 and in 1965, this rate of growth is about 3 percentage points lower than that of the latter year. The rate of growth of Canada's balance of international indebtedness in the sixties has averaged about 7 per cent in comparison with rates of growth which ranged between 13 per cent and 25 per cent annually in the late fifties.

Gross external liabilities at the end of 1966 amounted to \$37.6 billion or more than double the 1956 level of \$17.5 billion. The increase during 1966 equalled the high absolute rises of \$2.4 billion recorded for 1956, 1964 and 1965. However, the rate of increase of gross liabilities of about 7 per cent in 1966 was lower than that for the two previous years and much below those in the late fifties which varied from 9 per cent to 16 per cent.

In 1966 the book value of foreign long-term investments in Canada registered a record annual rise of \$2,505 million, or 9 per cent over the 1965 level, to \$32,012 million. Nearly 70 per cent of this increase was attributable to direct investment which expanded by \$1,721 million to \$18,929 million. Although most of the increase in direct investment was in manufacturing, its share of the increase was less as compared to the previous year. Direct investments in petroleum and natural gas other mining and smelting and finance were relatively more important in 1966.

(1) The term includes equity investments as well as contractual borrowings and is used in the broad sense generally accepted in balance of payments terminology.

Value of Non-resident Owned Investments in Canada, Selected Year Ends, 1900-1966

Owned by residents of	1900(1)	1914(2)	1918(2)	1926	1930	1939
millions of dollars						
United States	168	881	1,630	3,196	4,660	4,151
United Kingdom	1,050	2,778	2,729	2,637	2,766	2,476
Other countries	14	178	177	170	188	286
Total book value	1,232	3,837	4,536	6,003	7,614	6,913
	1945	1961	1964	1965	1966	
millions of dollars						
United States	4,990	18,001	21,443	23,305	25,644	
United Kingdom	1,750	3,381	3,476	3,498	3,518	
Other countries	352	2,224	2,448	2,704	2,850	
Total book value	7,092	23,606	27,367	29,507	32,012	

- (1) Estimated by Dr. Jacob Viner, "Canada's Balance of International Indebtedness, 1900-1913", (Cambridge 1924).
 (2) Estimated by Prof. F.A. Knox, Excursus appearing in "Canadian-American Industry" Marshall, Southard and Taylor, (New Haven, Toronto 1936).

United States residents continued to expand their share of foreign owned long-term investments in Canada. At the end of 1966 this investment amounted to \$25,644 million and comprised 80 per cent of all foreign long-term investments in Canada. (The corresponding figures for earlier years were 79 per cent for 1965, 76 per cent for 1961, 75 per cent for 1956 and 72 per cent for 1946.) Direct investments owned in the United States with a book value of \$15,491 million at the end of 1966 represented 82 per cent of total direct investments in Canada which was one percentage point higher than at the end of 1965. United States investment in other long-term forms were significantly higher at \$10,153 million. United Kingdom residents owned \$2,046 million of direct investments which was about one percentage point smaller than the proportion they had held in 1965. Other United Kingdom long-term investments declined by \$13 million to \$1,472 million. Long-term investment owned in other foreign countries increased by \$146 million to \$2,850 million at the end of 1966. Both direct and portfolio investments contributed to this increase. Ownership of government securities and miscellaneous investments declined.

Value of United States Investments in Canada, Selected Year Ends, 1926-1966

Classification	1926	1930	1945	1949	1959
millions of dollars					
Direct investment	1,403	1,993	2,304	3,095	9,912
Government and municipal bonds	909	1,205	1,450	1,534	2,764
Other portfolio investments	799	1,368	1,106	1,107	2,242
Income accumulating investment funds	-	-	-	-	321
Miscellaneous investments	85	94	130	170	587
Total book value	3,196	4,660	4,990	5,906	15,826
	1960	1961	1964	1965	1966
millions of dollars					
Direct investment	10,549	11,284	12,901	13,940	15,491
Government and municipal bonds	2,903	3,049	4,336	4,618	4,832
Other portfolio investments	2,349	2,562	2,958	3,423	3,884
Income accumulating investment funds	264	266	42	-	-
Miscellaneous investments	653	840	1,206	1,324	1,437
Total book value	16,718	18,001	21,443	23,305	25,644

Canada's gross external assets increased by \$1.1 billion to \$13.9 billion at the end of 1966. This growth rate of more than 3 per cent is significantly higher than the increase of 3 per cent for the previous year, and represents a return to the average growth rate of Canada's gross external assets in the sixties.

The proportion of Canada's assets in the form of private investments abroad continued to be small in relation to corresponding foreign investments in Canadian companies. However, private long-term investments abroad in direct and portfolio investments during 1966 increased by almost 11 per cent to \$5,949 million. In 1967 there was a similar rate of increase to \$6,596 million. Geographically, about two thirds of Canada's private investment are located in the United States, a tenth each in the United Kingdom and in other Commonwealth countries and most of the remainder in the European Economic Community and Latin America.

Canadian Direct Investment Abroad, Geographical Distribution, Year Ends, 1965-1967

Region	1965	1966	1967
millions of dollars			
North America (including Caribbean) ..	2,321	2,434	2,593
U. S. A.	2,041	2,100	2,190
Mexico	24	34	32
Bahamas	72	83	121
Bermuda	30	53	65
Other	154	164	185
South and Central America	190	214	235
Europe	680	764	846
United Kingdom	482	541	515
European Economic Community	125	143	191
Belgium and Luxembourg	12	16	17
France	43	48	58
Italy	24	27	30
Netherlands	8	14	22
West Germany	38	38	64
Ireland	20	23	27
Switzerland	22	20	21
Other	31	37	92
Africa	72	79	92
South Africa	32	36	47
Other	40	43	45
Asia	65	66	74
Australasia	141	154	190
Australia	129	140	169
Other	12	14	21
Totals	3,469	3,711	4,030
Developed countries - Total	2,891	3,072	3,279
Developing countries - Total	578	639	751

Canadian direct investment abroad at the end of 1967 had a book value of \$4,030 million, an increase of \$319 million over the 1966 figure of \$3,711 million. More than a quarter of this increase was in the United States and an equal amount in other countries of the Western Hemisphere as significant increases occurred in the Caribbean countries. Direct investment in the United Kingdom, at \$515 million was \$26 million lower than the year-end figure for 1966. However this decrease was a reflection of the devaluation of the pound rather than due to Canadian disinvestment. If the effects of devaluation are abstracted Canadian direct investment in the United Kingdom would have registered an increase commensurate with that of the previous year. Devaluation similarly affected the figures of other sterling area countries that followed the British devaluation of their currency. Substantial increases of direct investment took place in the OECD (Europe) group of countries. Investments in Australasia rose by more than 23 per cent to \$190 million, chiefly due to increased investments in Australia. Although as yet investments in Africa and Asia do not figure prominently in the Canadian totals the tempo of Canadian direct investment in these continents seemed to have increased in 1967.

By the end of 1967 the book value of Canadian direct investment in developing countries (as defined by the Development Assistance Committee of the OECD) reached \$751 million which represented an increase of \$112 million or about 18 per cent during the year. As compared to 1966, Canadian direct investment in developing countries relative to developed countries had increased by two percentage points to nearly 19 per cent.

As shown in the accompanying statement, an attempt has been made for the first time to identify separately figures relating to Canadian direct investment abroad in manufacturing and merchandising. Furthermore manufacturing has also been subdivided into beverages, non-ferrous metals and other manufacturing industries. Industrially, investment in manufacturing was dominant with a total book value of \$2,340 million which represented some 58 per cent of total direct investment abroad. Of the total investment in manufacturing, beverages and non-ferrous metals accounted for 34 per cent and 26 per cent respectively. Canadians also had significant interests in utilities including railways (\$555 million), mining (\$324 million), merchandising (\$262 million), financial (\$202 million), petroleum (\$186 million) and other investments (\$161 million).

The Government of Canada's foreign assets declined quite noticeably in 1966 owing to a substantial decline in Canada's official holdings of gold and foreign exchange. Also, during 1966 credits to foreign governments continued their downward pattern, however there were increases in the Government of Canada's subscriptions to international agencies while Canada's net IMF position also improved. In 1967 the decline in the Government of Canada's foreign assets was slight compared to the previous year and was due to a further fall in credits to foreign governments and a decline in the net IMF position. Canada's official holdings of gold and foreign exchange and subscriptions to international agencies registered increases.

Portfolio holdings of foreign securities by Canadians are estimated to have totalled more than \$2.2 billion at the end of 1966. Holdings of bonds amounted to more than \$0.3 billion and holdings of stocks to about \$1.9 billion. During 1966 the increase of Canadian holdings of portfolio securities amounted to about 18 per cent. A significant proportion of these holdings comprised United States securities which amounted to about \$1.7 billion consisting of about \$1.6 billion of stocks and more than \$0.1 billion of bonds. According to preliminary estimates, Canadian portfolio investments abroad had climbed to about \$2.9 billion at the end of 1968; of this amount stocks comprised about \$2.4 billion and bonds close to \$0.5 billion.

Non-residents have a substantial equity in Canadian assets abroad through their ownership in whole or in part of Canadian corporations having subsidiaries, affiliates, branches or portfolio investments in other parts of the world. This equity of non-residents in Canadian assets abroad is included as a liability in the statement of Canada's balance of international indebtedness. At the end of 1966 about \$1.6 billion of the Canadian assets abroad were beneficially owned by non-residents.

It should be noted that the statistics given above are expressed in book value terms. Market values would be substantially different.

Canadian Direct Investment Abroad, Industrial Detail, Year Ends, 1965-67.

	Manufacturing				Petroleum(1)	Mining
	Beverages	Non-Ferrous Metals	Other Man- facturing	Total Man- facturing		
All Countries						
1965	723	509	783	2,015	235	253
1966	767	564	862	2,193	182	296
1967	792	606	942	2,340	186	324
United States						
1965	558	170	355	1,083	216	34
1966	585	189	389	1,163	159	47
1967	603	182	463	1,248	154	36
United Kingdom						
1965	133	151	146	430	2	1
1966	151	170	159	480	5	2
1967	146	161	136	443	6	1
Other Commonwealth Countries						
1965	10	40	131	181	5	137
1966	9	40	139	188	6	147
1967	5	36	149	190	18	173
Other Countries						
1965	22	148	151	321	12	81
1966	22	165	175	362	12	100
1967	38	227	194	459	8	114

	Utilities			Merchand- ising	Financial	Other	Total
	Railways	Other Utilities	Total Utilities				
All Countries							
1965	302	215	317	155	158	136	3,463
1966	303	243	346	174	176	144	3,711
1967	306	249	355	262	202	161	4,030
United States							
1965	302	121	423	109	129	47	2,041
1966	303	127	430	120	138	43	2,100
1967	306	134	440	151	115	46	2,190
United Kingdom							
1965	-	10	10	24	6	9	482
1966	-	9	9	28	8	9	541
1967	-	5	5	49	6	5	515
Other Commonwealth Countries							
1965	-	34	34	12	18	66	453
1966	-	54	54	18	24	68	505
1967	-	49	49	47	54	82	613
Other Countries							
1965	-	50	50	10	5	14	493
1966	-	53	53	8	6	24	565
1967	-	61	61	15	27	28	712

(1) Excludes pipelines which account for most of "Other Utilities" in the United States.

CANADA'S INTERNATIONAL
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TABLE V. The Canadian Balance of International Indebtedness, Selected Year Ends, 1926-66¹

Item	1926	1930	1939	1945	1957	1958	1959	1960	1961 ^r	1962 ^r	1963 ^r	1964 ^r	1965 ^r	1966
billions of dollars														
Canadian liabilities:														
Direct investment VIII, X	1.8	2.4	2.3	2.7	10.1	10.9	11.9	12.9	13.7	14.7	15.4	15.9 [*]	17.2	18.9
Government and municipal bonds IX	1.4	1.7	1.7	1.7	2.3	2.6	3.1	3.3	3.4	3.7	4.2	4.7	5.0	5.2
Other portfolio investment VIII	2.5	3.2	2.6	2.4	4.1	4.4	4.6	4.6	4.7	4.7	4.7	4.7	5.2	5.7
Miscellaneous investments VIII	0.3	0.3	0.3	0.3	0.9	1.1	1.3	1.4	1.7	1.8	1.8	2.0	2.2	2.3
Foreign long-term investments in Canada VIII, IX	6.0	7.6	6.9	7.1	17.5	19.0	20.9	22.2	23.6	24.9	26.1	27.4	29.5	32.0
Equity of non-residents in Canadian assets abroad .....	..	..	0.2	0.2	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.6	1.6	1.6
Canadian dollar holdings of non-residents .....	..	..	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Gross liabilities²	6.4	8.0	7.4	7.6	18.7	20.4	22.4	24.0	25.4	26.8	28.1	29.5	31.8	34.3
United States ²	3.5	4.9	4.5	5.4	14.1	15.5	17.0	18.0	19.3	20.6	22.0	23.1 [*]	25.0	27.3
United Kingdom ²	2.7	2.9	2.6	1.8	3.1	3.2	3.4	3.5	3.5	3.6	3.5	3.6	3.7	3.7
Other countries ^{2,3}	0.2	0.2	0.3	0.4	1.5	1.7	2.1	2.4	2.5	2.6	2.6	2.8	3.1	3.3
Short-term payables n.i.e. ⁴ .....	..	..	..	0.6	1.0	1.1	1.4	1.6	1.9	2.0	2.3	3.2 [*]	3.4 ⁵	3.4 ⁵
Gross liabilities	6.4²	8.0²	7.4³	8.2	19.6	21.5	23.8	25.6	27.3	28.8	30.4	32.8	35.2	37.6
Canadian assets:														
Direct investment VII	0.4	0.4	0.7	0.7	2.1	2.1	2.3	2.5	2.6	2.8	3.1	3.3	3.5	3.7
Portfolio investments VII	0.5	0.8	0.7	0.6	1.1	1.1	1.2	1.3	1.4	1.6	1.7	1.8	1.9	2.2
Government of Canada credits VII .....	..	..	..	0.7	1.6	1.5	1.5	1.5	1.4	1.3	1.3	1.5 ⁶	1.5 ⁶	1.5 ⁶
Government of Canada subscriptions to international investment agencies .....	..	..	..	..	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Miscellaneous investment ⁷ .....	..	..	..	..	-0.1	-0.1	..	..	0.1	0.2	0.3	0.4	0.6	0.7
Canadian long-term investments abroad	0.9	1.3	1.4	2.0	4.7	4.8	5.0	5.3	5.7	6.1	6.4	7.1	7.6	8.3
Government of Canada holdings of gold and foreign exchange VI .....	..	..	0.5	1.7	1.8	1.9	1.8	1.8	2.2	2.7	2.8	2.9	2.9	2.4
Net IMF position .....	..	..	..	..	0.1	0.1	0.1	0.2	0.2	-0.1	-0.1	0.2	0.4	0.5
Other Canadian short-term holdings of exchange .....	..	..	..	0.1	0.9	1.0	1.0	1.2	1.1	1.0	1.3	1.8	1.7	2.4
Gross assets²	1.3	1.5	1.9	3.9	7.5	7.7	8.0	8.5	9.1	9.7	10.5	12.0	12.5	13.6
Government of Canada holdings of gold, foreign exchange and net IMF position .....	..	..	0.5	1.7	1.9	2.0	1.9	2.0	2.4	2.6	2.7	3.1	3.3	2.9
United States ^{2,9}	0.7	0.9	0.9	1.0	3.0	3.1	3.3	3.7	3.8	4.0	4.5 [*]	4.7	5.7	6.6
United Kingdom ^{2,9}	0.1	0.1	0.1	0.7	1.4	1.4	1.4	1.5	1.5	1.6	1.9 [*]	2.6	2.1	2.1
Other countries ^{2,3}	0.5	0.5	0.4	0.5	1.2	1.3	1.3	1.3	1.4	1.5	1.3 [*]	1.6	1.5	1.9
Short-term receivables n.i.e. ⁴ .....	..	..	..	0.1	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.3	0.3
Gross assets	1.3²	1.5²	1.9²	4.0	7.9	8.2	8.5	8.9	9.6	10.1	10.9	12.4	12.8	13.9
Canadian net international indebtedness:														
Net liabilities	5.1²	6.5²	5.5²	4.2	11.8	13.3	15.3	16.6	17.7	18.7	19.5	20.3	22.3	23.8
Government of Canada holdings of gold, foreign exchange and net IMF position .....	..	..	-0.5	-1.7	-1.9	-2.0	-1.9	-2.0	-2.4	-2.6	-2.7	-3.1	-3.3	-2.9
United States ^{2,9}	2.8	4.0	3.6	4.4	11.1	12.4	13.6	14.3	15.5	16.7	17.5 [*]	18.4 [*]	19.3	20.7
United Kingdom ^{2,9}	2.6	2.8	2.5	1.1	1.6	1.8	1.9	2.0	2.0	2.0 [*]	1.6 [*]	1.1	1.6	1.6
Other countries ^{2,3}	-0.3	-0.3	-0.1	-0.1	0.3	0.4	0.8	1.1	1.1	1.1	1.4 [*]	1.2	1.6	1.3
Short-term n.i.e. ⁴ .....	..	..	..	0.4	0.6	0.6	1.0	1.1	1.4	1.6	1.8	2.8 [*]	3.1	3.1

¹ For missing years see Table 12 in "The Canadian Balance of International Payments - A Compendium of Statistics from 1946 to 1965" (DBS Catalogue No. 67-505).

² Excludes short-term receivables and payables.

³ Includes international investment agencies.

⁴ Country distribution not available.

⁵ Includes finance company obligations of \$0.9 billion in 1964 and \$1.1 billion in 1966.

⁶ Includes medium-term non-marketable United States government securities acquired under the Columbia River Treaty arrangements.

⁷ Includes export credits by government and private sectors less reserve against government inactive assets.

⁸ Net external assets of the chartered banks of Canada amounted to \$370 million in 1926 and \$180 million in 1930.

⁹ Excludes Government of Canada holdings of gold and foreign exchange.

^r Revised.

^{*} New series not strictly comparable with earlier years.

Note: As figures are rounded, totals do not necessarily equal the sum of their component parts. Roman numerals refer to tables with further detail.

General note applicable to all statistics of foreign investments in Canada

Common and preference stocks are included at book (equity) values as shown in the balance sheets of the issuing companies, bonds and debentures are valued at par, liabilities in foreign currencies being converted into Canadian dollars at the original par of exchange.

Investments in Canadian companies have been classified according to principal activities in Canada.

Investments in Canada shown as owned by residents of the United States and the United Kingdom include some investments held for residents of other countries.

TABLE VI. Canada's Official Holdings of Gold and United States Dollars,¹ 1954-67

At end of	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
millions of U.S. dollars														
March	1,827.2	1,871.5	1,871.4	1,923.6	1,867.7	1,888.3	1,856.1	1,934.9	1,709.4	2,600.1	2,465.5	2,554.1	2,509.8	2,203.4
June	1,863.3	1,930.4	1,899.5	1,941.8	1,921.4	1,934.2	1,773.9	1,985.2	1,806.7 ²	2,691.6	2,533.9	2,480.1	2,341.8	2,168.7
September	1,898.6	1,936.7	1,903.5	1,889.9	1,888.2	1,938.3	1,813.0	1,924.3	2,444.6 ²	2,568.3	2,624.5	2,614.1	2,244.3	2,220.3
December	1,942.6	1,900.8	1,936.2	1,828.3	1,939.1	1,869.2	1,829.2	2,055.8	2,539.4 ²	2,595.0	2,674.3	2,664.5	2,235.9	2,267.6

¹ Gold, United States dollars and short-term securities of the United States Government held by the Exchange Fund Account and other government accounts and net holdings of the Bank of Canada.

² Includes some funds representing special international financial assistance in the form of central bank swaps and/or net IMF drawings.

TABLE VII. Canadian Long-term Investments Abroad.¹ Selected Year Ends, 1926-67²

Location and year	Direct investment in branches, subsidiaries and controlled companies					Portfolio investment in foreign securities			Total private long-term investments abroad	Government of Canada credits	Total
	Railways and utilities	Manufacturing and merchandising	Mining and petroleum	Other concerns	Total direct investment	Stocks	Bonds	Total portfolio investment			
millions of dollars											
In all countries:											
1926	..	..	..	..	397	..	..	493	890	36	926
1930	..	..	..	..	443	..	..	789	1,232	31	1,263
1939	249	289	123	10	671*	511	208	719*	1,390	31	1,421
1945	239	337	138	6	720	454	167	621	1,341	707	2,048
1947	246	414	155	7	822	426	153	579	1,401	1,816	3,217
1956	418	1,106	340	27	1,891	785	221	1,006	2,897	1,587	4,484
1957	425	1,198	410	40	2,073	811	257	1,068	3,141	1,560	4,701
1960	456	1,482	445	84	2,467	1,050	265	1,315	3,782	1,462	5,244
1961	484	1,566	414	132	2,596	1,167	276	1,443	4,039	1,424	5,463
1962	455*	1,769	426	134	2,784	1,370	273	1,643	4,427	1,301	5,728
1963	478	1,892	510	202	3,082	1,426	266	1,692	4,774	1,285	6,059
1964	472	2,061	499	240	3,272	1,504	275	1,779	5,051	1,517	6,568
1965	517	2,170	488	294	3,469	1,617	280	1,897	5,366	1,495	6,861
1966	546	2,367	478	320	3,711	1,866	372	2,238	5,949	1,451	7,400
1967	555	2,602	510	363	4,030	2,094	472	2,566	6,596	1,406	8,002
In the United States:											
1939	211	176	21	4	412	380	121	501	913	—	913
1945	212	214	25	4	455	317	92	409	864	—	864
1947	217	272	37	5	531	283	83	366	897	—	897
1956	378	804	190	22	1,394	569	84	653	2,047	—	2,047
1957	380	833	206	32	1,451	593	118	711	2,162	—	2,162
1960	374	971	209	64	1,618	827	120	947	2,565	—	2,565
1961	400	1,018	208	98	1,724	916	119	1,035	2,759	—	2,759
1962	411	1,092	188	95	1,786	1,060	111	1,171	2,957	—	2,957
1963	418	1,108	262	134	1,922	1,116	101	1,217	3,139	—	3,139
1964	402	1,158	239	168	1,967	1,200	103	1,303	3,270	219 ³	3,489
1965	423	1,192	250	176	2,041	1,309	99	1,408	3,449	187 ³	3,636
1966	430	1,283	206	181	2,100	1,559	143	1,702	3,802	156 ³	3,958
1967	440	1,399	190	161	2,190	1,779	188	1,967	4,157	123 ³	4,280
In the United Kingdom:											
1939	—	53	—	6	59	22	21	43	102	—	102
1945	—	53	—	1	54	26	27	53	107	561	668
1947	—	64	—	—	64	26	26	52	116	1,331	1,447
1956	3	135	—	1	139	30	16	46	185	1,179 ⁴	1,364
1957	3	168	—	1	172	33	15	48	220	1,171 ⁴	1,391
1960	14	240	—	3	257	26	16	42	299	1,092 ⁴	1,391
1961	12	271	—	5	288	43	16	59	347	1,074 ⁴	1,421
1962	9*	327	—	8	344	47	16	63	407	1,057 ⁴	1,464
1963	9	367*	—	16	392	48	16	64	456	1,039 ⁴	1,495
1964	8	406	1	16	431	50	15	65	496	1,059 ⁴	1,555
1965	10	454	3	15	482	53	15	68	550	1,078 ⁴	1,628
1966	9	508	7	17	541	51	13	64	605	1,059 ⁴	1,664
1967	5	492	7	11	515	52	15	67	582	1,040 ⁴	1,622
In other Commonwealth countries: ⁵											
1939	7	30	17	—	54	7	15	22	76	—	76
1945	7	34	28	—	69	7	12	19	88	—	88
1947	8	47	30	—	85	7	11	18	103	—	103
1956	8	85	98	—	191	7	21	28	219	—	219
1957	8	93	131	3	235	7	21	28	263	—	263
1960	10	121	156	12	299	10	18	28	327	35	362
1961	15	95	145	24	279	11	30	41	320	30	350
1962	16	132	162	26	336	12	31	43	379	25	404
1963	17	149	163	48	377	12	29	41	418	29	447
1964	26	186	164	50	426	13	32	45	471	25	496
1965	34	193	142	84	453	14	31	45	498	19	517
1966	54	206	153	92	505	15	29	44	549	27	576
1967	49	237	191	136	613	13	27	40	653	36	689
In other foreign countries:											
1939	31	30	85	—	146	102	51	153	299	31	330
1945	20	36	85	1	142	104	36	140	282	146	428
1947	21	31	88	2	142	110	33	143	285	485	770
1956	29	82	52	4	167	179	100	279	446	408	854
1957	34	104	73	4	215	178	103	281	496	389	885
1960	58	150	80	5	293	187	111	298	591	335	926
1961	57	182	61	5	305	197	111	308	613	320	933
1962	19*	218	76	5	318	251	115	366	684	219 ⁶	903
1963	34	268	85	4	391	250	120	370	761	217 ⁶	978
1964	36	311	95	6	448	241	125	366	814	214 ⁶	1,028
1965	50	331	93	19	493	241	135	376	869	211 ⁶	1,080
1966	53	370	112	30	565	241	187	428	993	209 ⁶	1,202
1967	61	474	122	55	712	250	242	492	1,204	207 ⁶	1,411

¹ Figures exclude investments of insurance companies and banks (held mainly against liabilities to non-residents), subscriptions to international investment agencies (Table V), and miscellaneous investments (Table V). Figures include the equity of non-residents in assets abroad of Canadian companies (Table V).

² For years 1949 to 1955 see Table VII, "The Canadian Balance of International Payments, 1961 and 1962 and International Investment Position" and for years 1958 and 1959 see Table VII, "The Canadian Balance of International Payments 1963, 1964 and 1965 and International Investment Position" Catalogue No. 67-201.

³ Medium-term non-marketable United States government securities acquired under the Columbia River Treaty arrangements.

⁴ Includes deferred interest amounting to \$22 million in 1956, to \$44 million in 1957 through 1963, to \$64 million in 1964, to \$83 million in 1965, 1966 and 1967.

⁵ Includes investments in Newfoundland prior to 1949.

⁶ Includes \$7 million United Nations bonds in 1962 and 1963, and \$6 million in 1964, 1965, 1966 and 1967.

⁷ Revised.

* New series not strictly comparable with earlier years.

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TABLE VIII. Foreign Capital Invested in Canada, Selected Year Ends, 1945-66
 Classification by type of assets and nature of national ownership

Long-term investments in Canada	A. Owned by all non-residents								B. Owned in United States							
	1945	1960	1961	1962	1963	1964	1965	1966	1945	1960	1961	1962	1963	1964	1965	1966
	millions of dollars															
By type of assets																
Bonds and debentures:																
Government ¹	1,662	3,269	3,438	3,737	4,207	4,682	4,965	5,153	1,450	2,903	3,049	3,387	3,869	4,336	4,618	4,832
Railways.....	843	499	512	475	483	509	520	554	495	152	174	143	151	158	153	190
Other corporations.....	561	2,309	2,400	2,672	2,860	3,056	3,614	4,133	414	1,980	2,124	2,402	2,585	2,786	3,360	3,886
Sub-totals	3,066	6,077	6,350	6,884	7,550	8,247	9,099	9,840	2,359	5,035	5,347	5,932	6,605	7,280	8,133	8,886
Capital stock of Canadian companies.....	3,194	10,480	10,865	11,631	12,009	12,668	13,541	14,599	2,088	7,472	7,894	8,460	8,907	9,446	10,090	11,020
Other corporation assets ²	548	3,965	4,429	4,457	4,681	4,373	4,696	5,309	413	3,294	3,654	3,727	3,940	3,469	3,758	4,381
Income accumulating investment funds.....	—	264	266	164	123	42	—	—	—	264	266	164	123	42	—	—
Miscellaneous investments.....	284	1,428	1,696	1,753	1,771	2,037	2,171	2,264	130	653	840	872	904	1,206	1,324	1,437
Total investments	7,092	22,214	23,606	24,889	26,134	27,367	29,507	32,012	4,990	16,718	18,001	19,155	20,479	21,443	23,305	25,644
By nature of national ownership																
I. Direct investments (controlled in country of ownership):																
Bonds and debentures:																
Railways.....	46	14	13	4	4	3	3	3	38	10	10	1	1	1	1	1
Other corporations.....	281	1,211	1,346	1,565	1,608	1,567	1,673	1,848	254	1,116	1,255	1,486	1,523	1,470	1,584	1,753
Sub-totals	327	1,225	1,359	1,569	1,612	1,570	1,676	1,851	292	1,126	1,265	1,487	1,524	1,471	1,585	1,754
Capital stock of Canadian companies.....	1,860	7,839	8,190	8,983	9,529	10,232	11,111	12,072	1,613	6,263	6,579	7,093	7,612	8,177	8,810	9,672
Other corporation assets ²	526	3,808	4,188	4,108	4,293	4,087	4,421	5,006	399	3,160	3,440	3,426	3,618	3,253	3,545	4,065
Total direct investments	2,713	12,872	13,737	14,660	15,434	15,889	17,208	18,929	2,304	10,549	11,284	12,006	12,754	12,901	13,940	15,491
II. Government bonds¹.....	1,662	3,269	3,438	3,737	4,207	4,682	4,965	5,153	1,450	2,903	3,049	3,387	3,869	4,336	4,618	4,832
III. Other portfolio investments (not controlled in country of ownership):																
Bonds and debentures:																
Railways:																
Controlled in Canada.....	795	483	497	470	478	505	516	551	457	141	163	141	149	156	153	195
Controlled in other countries.....	2	2	2	1	1	1	1	—	—	1	1	1	1	1	1	—
Other corporations:																
Controlled in Canada.....	220	809	791	836	979	1,141	1,563	1,831	158	749	771	815	954	1,117	1,527	1,790
Controlled in other countries.....	60	289	263	271	273	348	378	454	2	115	98	101	108	199	249	315
Sub-totals	1,077	1,583	1,553	1,578	1,731	1,995	2,458	2,836	617	1,006	1,033	1,058	1,212	1,473	1,930	2,300
Capital stock of Canadian companies:																
Companies controlled in Canada.....	1,249	2,340	2,395	2,351	2,189	2,131	2,122	2,163	462	1,104	1,215	1,259	1,198	1,165	1,166	1,211
Companies controlled in other countries.....	85	301	280	297	291	305	308	364	13	105	100	108	97	104	114	137
Other corporation assets ² :																
Companies controlled in Canada.....	16	129	197	297	327	195	169	155	13	117	187	263	284	135	119	110
Companies controlled in other countries.....	6	28	44	52	61	91	106	148	1	17	27	38	38	81	94	126
Income accumulating investment funds.....	—	264	266	164	123	42	—	—	—	264	266	164	123	42	—	—
Total other portfolio investments	2,433	4,645	4,735	4,739	4,722	4,759	5,163	5,666	1,106	2,613	2,828	2,890	2,952	3,000	3,423	3,884
IV. Miscellaneous investments:																
Real estate, mortgages, assets administered for non-residents, private investment companies, etc.	284	1,428	1,696	1,753	1,771	2,037	2,171	2,264	130	653	840	872	904	1,206	1,324	1,437
SUMMARY																
I. Direct investments.....	2,713	12,872	13,737	14,660	15,434	15,889	17,208	18,929	2,304	10,549	11,284	12,006	12,754	12,901	13,940	15,491
II. Government bonds.....	1,662	3,269	3,438	3,737	4,207	4,682	4,965	5,153	1,450	2,903	3,049	3,387	3,869	4,336	4,618	4,832
III. Other portfolio investments.....	2,433	4,645	4,735	4,739	4,722	4,759	5,163	5,666	1,106	2,613	2,828	2,890	2,952	3,000	3,423	3,884
IV. Miscellaneous investments.....	284	1,428	1,696	1,753	1,771	2,037	2,171	2,264	130	653	840	872	904	1,206	1,324	1,437
Total investments	7,092	22,214	23,606	24,889	26,134	27,367	29,507	32,012	4,990	16,718	18,001	19,155	20,479	21,443	23,305	25,644

See footnotes at end of table.

TABLE VIII. Foreign Capital Invested in Canada, Selected Year Ends, 1945-66 - *Continued*
 Classification by type of assets and nature of national ownership

Long-term investments in Canada	C. Owned in United Kingdom								D. Owned in all other countries							
	1945	1960	1961	1962	1963	1964	1965	1966	1945	1960	1961	1962	1963	1964	1965	1966
	millions of dollars															
By type of assets																
Bonds and debentures:																
Government ¹	157	127	147	137	121	111	100	108	55	239	242	213	217	235	247	213
Railways.....	316	290	288	264	259	259	262	259	32	57	50	68	73	92	103	99
Other corporations.....	116	214	185	178	178	172	160	158	31	115	91	92	97	98	94	117
Sub-totals.....	589	631	620	579	558	542	522	525	118	411	383	373	387	425	444	429
Capital stock of Canadian com- panies.....	973	2,078	2,023	2,083	2,040	2,098	2,150	2,184	133	930	948	1,088	1,062	1,124	1,301	1,395
Other corporation assets ²	103	439	515	509	512	627	624	609	32	232	260	221	229	277	314	399
Miscellaneous investments.....	85	211	223	228	221	209	202	200	69	564	633	653	646	622	645	627
Total investments.....	1,750	3,359	3,381	3,399	3,331	3,476	3,498	3,518	352	2,137	2,224	2,335	2,324	2,448	2,704	2,850
By nature of national ownership																
I. Direct investments (controlled in country of ownership):																
Bonds and debentures:																
Railways.....	8	4	3	3	3	2	2	2	-	-	-	-	-	-	-	-
Other corporations.....	13	46	38	24	25	35	31	30	14	49	53	55	60	62	58	65
Sub-totals.....	21	50	41	27	28	37	33	32	14	49	53	55	60	62	58	65
Capital stock of Canadian com- panies.....	226	1,057*	1,072	1,209	1,244	1,331	1,397	1,440	21	519*	539	681	673	724	904	960
Other corporation assets ²	101	428*	500	470	465	576	583	574	26	220*	248	212	210	258	293	367
Total direct investments.....	348	1,535	1,613	1,706	1,737	1,944	2,013	2,046	61	788	840	948	943	1,044	1,255	1,392
II. Government bonds².....	157	127	147	137	121	111	100	108	55	239	242	213	217	235	247	213
III. Other portfolio investments (not controlled in country of owner- ship):																
Bonds and debentures:																
Railways:																
Controlled in Canada.....	306	285	284	261	256	257	260	257	32	57	50	68	73	92	103	99
Controlled in other coun- tries.....	2	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Other corporations:																
Controlled in Canada.....	46	19	3	4	5	5	6	5	16	41	17	17	20	19	30	36
Controlled in other coun- tries.....	57	149	144	150	148	132	123	123	1	25	21	20	17	17	6	16
Sub-totals.....	411	454	432	415	409	394	389	385	49	123	88	105	110	128	139	151
Capital stock of Canadian com- panies:																
Companies controlled in Canada.....	691	924	860	787	708	674	660	643	96	312	320	305	283	292	296	309
Companies controlled in other countries.....	56	97	91	87	88	93	93	101	16	99	89	102	106	108	101	126
Other corporation assets ² :																
Companies controlled in Canada.....	2	5	6	30	36	48	38	31	1	7	4	4	7	12	12	14
Companies controlled in other countries.....	-	6	9	9	11	3	3	4	5	5	8	5	12	7	9	18
Total other portfolio invest- ments.....	1,160	1,486	1,398	1,328	1,252	1,212	1,183	1,164	167	546	509	521	518	547	557	618
IV. Miscellaneous investments:																
Real estate, mortgages, assets administered for non-resi- dents, private investment companies, etc.....	85	211	223	228	221	209	202	200	69	564	633	653	646	622	645	627
SUMMARY																
I. Direct Investments.....	348	1,535	1,613	1,706	1,737	1,944	2,013	2,046	61	788	840	948	943	1,044	1,255	1,392
II. Government bonds.....	157	127	147	137	121	111	100	108	55	239	242	213	217	235	247	213
III. Other portfolio investments.....	1,160	1,486	1,398	1,328	1,252	1,212	1,183	1,164	167	546	509	521	518	547	557	618
IV. Miscellaneous investments.....	85	211	223	228	221	209	202	200	69	564	633	653	646	622	645	627
Total investments.....	1,750	3,359	3,381	3,399	3,331	3,476	3,498	3,518	352	2,137	2,224	2,335	2,324	2,448	2,704	2,850

¹ For division into Government of Canada, provincial and municipal see Table IX.

² Includes net assets of unincorporated branches and other long-term investments.

TABLE IX. Foreign Capital Invested in Canada, Selected Year Ends, 1945-66
Classification by type of investment

Long-term investments in Canada by type of investment	A. Owned by all non-residents								B. Owned in United States							
	1945	1960	1961	1962	1963	1964	1965	1966	1945	1960	1961	1962	1963	1964	1965	1966
millions of dollars																
Government securities:																
Dominion	726	611	657	788	899	897	880	649	682	382	416	576	695	690	675	480
Provincial	624	1,632	1,743	1,862	2,217	2,564	2,828	3,171	574	1,544	1,641	1,768	2,127	2,469	2,729	3,054
Municipal	312	1,026	1,038	1,087	1,091	1,221	1,257	1,333	194	977	992	1,043	1,047	1,177	1,214	1,290
Sub-totals	1,662	3,269	3,438	3,737	4,207	4,682	4,965	5,153	1,450	2,903	3,049	3,387	3,869	4,336	4,618	4,832
Manufacturing:																
Vegetable products	268	720	749	787	824	828	891	911	199	551	586	620	654	653	713	734
Animal products	61	132	145	149	162	169	194	228	47	118	132	135	147	153	176	200
Textiles	83	141	148	142	145	148	166	180	41	84	93	92	97	99	118	129
Wood and paper products	455	1,315	1,410	1,464	1,545	1,703	1,897	2,195	383	1,116	1,207	1,242	1,323	1,422	1,623	1,891
Iron and products	319	1,580	1,647	1,742	1,895	1,952	2,231	2,365	297	1,286	1,339	1,425	1,577	1,643	1,913	2,044
Non-ferrous metals	274	1,155	1,185	1,211	1,212	1,191	1,295	1,428	209	928	973	992	996	969	1,069	1,183
Non-metallic minerals	57	276	286	310	321	314	313	359	48	151	158	162	171	179	185	236
Chemicals and allied products	169	698	768	810	848	1,094	1,229	1,378	124	492	553	584	623	851	994	1,133
Miscellaneous manufactures	37	98	108	116	122	133	150	156	34	92	101	109	115	127	143	150
Sub-totals (excluding petro- leum refining)	1,723	6,115	6,446	6,731	7,074	7,532	8,366	9,200	1,382	4,818	5,142	5,361	5,703	6,096	6,934	7,709
Petroleum and natural gas	160	3,727	4,029	4,384	4,703	4,799	5,192	5,720	152	3,184*	3,444	3,662	3,945	3,964	4,170	4,657
Other mining and smelting	356	1,977	2,094	2,297	2,347	2,473	2,555	2,871	277	1,701	1,821	1,998	2,054	2,115	2,198	2,483
Public utilities:																
Railways	1,599	1,406	1,366	1,270	1,231	1,236	1,038	1,055	720	479	506	472	476	491	491	477
Other (excluding pipelines and public enterprises)	493	743	656	691	590	605	666	758	374	551	513	557	505	553	619	703
Sub-totals	2,092	2,149	2,022	1,961	1,821	1,841	1,704	1,813	1,094	1,030	1,019	1,029	981	1,044	1,020	1,130
Merchandising	220	872	917	972	1,003	1,092	1,196	1,297	158	608	629	674	698	739	822	913
Financial	525	2,380	2,616	2,688	2,847	2,503*	2,875	3,135	285	1,587	1,775	1,872	2,033	1,617*	1,823	2,040
Other enterprises	70	297	348	366	361	408	483	559	62	234	282	300	292	326	395	468
Miscellaneous investments	284	1,428	1,696	1,753	1,771	2,037	2,171	2,264	130	653	840	872	904	1,206	1,324	1,487
Total investments	7,092	22,214	23,606	24,889	26,134	27,367	29,507	32,012	4,990	16,718	18,001	19,155	20,479	21,443	23,305	25,644
C. Owned in United Kingdom																
D. Owned in all other countries																
	1945	1960	1961	1962	1963	1964	1965	1966	1945	1960	1961	1962	1963	1964	1965	1966
millions of dollars																
Government securities:																
Dominion	—	48	50	48	34	21	10	7	44	181	191	164	170	186	195	156
Provincial	45	47	67	60	58	61	62	73	5	41	35	34	32	34	37	42
Municipal	112	32	30	29	29	29	28	28	6	17	16	15	15	15	15	15
Sub-totals	157	127	147	137	121	111	100	108	55	239	242	213	217	235	247	213
Manufacturing:																
Vegetable products	66	137	136	136	153	158	152	157	3	32	27	31	17	17	26	20
Animal products	6	8	7	7	8	6	8	9	8	6	6	7	7	10	10	13
Textiles	38	55	53	48	46	47	44	47	4	2	2	2	2	2	4	4
Wood and paper products	64	167	174	188	182	244	233	246	8	32	29	34	40	37	41	58
Iron and products	12	201	209	209	206	203	204	200	10	93	99	108	112	106	114	121
Non-ferrous metals	64	188	177	183	184	182	182	189	1	39	35	36	32	40	44	51
Non-metallic minerals	8	55	54	66	67	49	50	38	1	70	74	82	83	86	78	87
Chemicals and allied products	36	169	176	183	180	183	187	192	9	37	39	43	45	60	48	53
Miscellaneous manufactures	2	5	6	6	6	5	6	5	1	1	1	1	1	1	1	1
Sub-totals (excluding petro- leum refining)	296	985	992	1,026	1,032	1,077	1,066	1,083	45	312	312	344	339	359	366	408
Petroleum and natural gas	7	270*	296	355	380	449	524	542	1	273*	289	367	378	386	498	521
Other mining and smelting	60	152	148	184	161	211	199	209	19	124	125	115	132	147	157	199
Public utilities:																
Railways	806	755	699	618	584	560	473	467	73	172	161	180	171	185	164	161
Other (excluding pipelines and public enterprises)	90	125	76	78	53	25	24	29	29	67	67	56	32	27	23	26
Sub-totals	896	880	775	696	637	585	497	496	102	239	228	236	203	212	187	187
Merchandising	57	214	238	241	250	273	283	288	5	50	50	57	55	80	91	96
Financial	186	469	512	487	481	501	566	525	54	324	329	329	333	385	486	570
Other enterprises	6	51	50	45	48	60	61	67	2	12	16	21	21	22	27	29
Miscellaneous investments	85	211	223	228	221	209	202	200	69	564	633	653	646	622	645	627
Total investments	1,750	3,359	3,381	3,399	3,331	3,476	3,498	3,518	352	2,137	2,224	2,335	2,324	2,448	2,704	2,850

TABLE X. Foreign Direct Investment^a in Canada, Selected Year Ends, 1945-66
Classification by type of business

Direct Investment in Canada by type of business	A. Owned by all non-residents								B. Owned in United States							
	1945	1960	1961	1962	1963	1964	1965	1966	1945	1960	1961	1962	1963	1964	1965	1966
	millions of dollars															
Manufacturing:																
Vegetable products	200	637	648	691	738	738	794	822	140	488	504	539	583	576	627	656
Animal products	47	122	135	140	153	160	185	211	44	111	125	129	141	148	171	196
Textiles	56	118	122	124	127	129	141	155	28	72	78	82	87	89	97	108
Wood and paper products	348	1,033	1,064	1,098	1,184	1,289	1,359	1,535	316	886	939	950	1,029	1,078	1,164	1,328
Iron and products	277	1,441	1,504	1,584	1,730	1,776	2,013	2,100	272	1,198	1,248	1,326	1,479	1,538	1,769	1,862
Non-ferrous metals	211	983	1,020	1,022	1,034	1,013	1,112	1,234	203	890	931	939	949	923	1,021	1,132
Non-metallic minerals	43	240	249	265	274	267	262	282	39	134	140	136	145	152	160	175
Chemicals and allied products	144	671	741	780	822	1,043	1,171	1,317	118	478	538	565	605	810	947	1,084
Miscellaneous manufactures	33	97	106	115	120	130	148	154	31	91	100	109	114	125	142	148
Sub-totals (excluding petroleum refining)	1,359	5,342	5,589	5,819	6,182	6,545	7,185	7,810	1,191	4,348	4,603	4,775	5,132	5,439	6,098	6,689
Petroleum and natural gas	141	3,313	3,534	3,901	4,119	4,201	4,530	5,012	141	2,885*	3,060	3,277	3,464	3,472	3,600	4,062
Other mining and smelting	237	1,439	1,549	1,686	1,758	1,915	2,018	2,279	215	1,348	1,451	1,595	1,666	1,774	1,875	2,107
Utilities (excluding pipelines)	375	285	289	294	299	301	306	318	358	224	228	238	250	276	286	297
Merchandising	202	757	804	859	883	967	1,057	1,132	147	501	520	565	586	622	695	759
Financial	339	1,464	1,660	1,769	1,867	1,596*	1,685	1,890	198	1,028	1,171	1,287	1,394	1,031*	1,041	1,177
Other enterprises	60	272	312	332	326	364	427	488	54	215	251	269	262	287	345	400
Totals	2,713	12,872	13,737	14,660	15,434	15,889*	17,208	18,929	2,304	10,549	11,284	12,006	12,754	12,901*	13,940	15,491
	C. Owned in United Kingdom								D. Owned in all other countries							
	1945	1960	1961	1962	1963	1964	1965	1966	1945	1960	1961	1962	1963	1964	1965	1966
	millions of dollars															
Manufacturing:																
Vegetable products	60	124	123	129	146	152	147	151	—	25	21	23	9	10	20	15
Animal products	3	6	6	6	7	6	8	9	—	5	4	5	5	6	6	6
Textiles	26	45	43	41	39	39	42	45	2	1	1	1	1	1	2	2
Wood and paper products	30	138	115	133	133	192	184	191	2	9	10	15	22	19	11	16
Iron and products	4	185	191	190	190	185	185	179	1	58	65	68	61	53	59	59
Non-ferrous metals	8	65	65	60	62	59	58	64	—	28	24	23	23	31	33	38
Non-metallic minerals	4	38	37	49	49	31	25	22	—	68	72	80	80	84	77	85
Chemicals and allied products	19	162	170	177	176	177	182	186	7	31	33	38	41	56	42	47
Miscellaneous manufactures	2	5	5	5	5	4	5	5	—	1	1	1	1	1	1	1
Sub-totals (excluding petroleum refining)	156	768	755	790	807	845	836	852	12	226	231	254	243	261	251	269
Petroleum and natural gas	—	208*	234	298	323	390	470	476	—	220*	240	326	332	339	460	474
Other mining and smelting	22	66	62	67	63	104	100	111	—	25*	36	24	29	37	43	61
Utilities (excluding pipelines)	16	40	38	38	33	14	13	14	1	21	23	18	16	11	7	7
Merchandising	51	208	231	236	244	268	275	283	4	48	53	58	53	77	87	90
Financial	98	198	246	234	222	265	261	248	43	238	243	248	251	300	383	465
Other enterprises	5	47	47	43	45	58	58	62	1	10	14	20	19	19	24	26
Totals	348	1,535	1,613	1,706	1,737	1,944	2,013	2,046	61	788	840	948	943	1,044	1,255	1,392

^a Direct Investment covers investment in branches, subsidiaries, and controlled companies; the figures are part of the totals in Tables VIII and IX.

**Estimated Distribution of Ownership of Net Canadian Long-term Funded Debt,
End of 1956 and 1966**

Classification by currency of payment

Debtor and currency	Amounts outstanding		Distribution of ownership							
			Canada		United States		United Kingdom		Other countries	
	1956	1966	1956	1966	1956	1966	1956	1966	1956	1966
millions of dollars										
Government of Canada, direct and guaranteed excluding railways:										
Payable in Canadian dollars only ¹	12,543	17,249	12,200	16,787	228	299	28	7	87	156
Payable in foreign currencies only	343	187	184	—	112	187	44	—	3	—
Payable optionally in Canadian or foreign currencies	—	—	—	—	—	—	—	—	—	—
Sub-totals	12,886	17,436	12,384	16,787	340	486	72	7	90	156
Provincial, direct and guaranteed excluding railways:										
Payable in Canadian dollars only	3,073	9,162	2,952	8,789	68	280	38	60	15	33
Payable in foreign currencies only	694	2,748	1	6	692	2,721	1	12	—	9
Payable optionally in Canadian or foreign currencies	283	75	16	19	261	55	6	1	—	—
Sub-totals	4,050	11,985	2,969	8,814	1,021	3,056	45	73	15	42
Municipal:										
Payable in Canadian dollars only	1,833	4,666	1,728	4,390	73	242	27	24	5	10
Payable in foreign currencies only	395	1,042	—	5	391	1,029	3	3	1	5
Payable optionally in Canadian or foreign currencies	73	33	21	13	47	19	5	1	—	—
Sub-totals	2,301	5,741	1,749	4,408	511	1,290	35	28	6	15
Railways:										
Payable in Canadian dollars only	868	1,557	845	1,425	8	41	8	14	7	77
Payable in foreign currencies only	427	444	1	22	139	155	285	245	2	22
Payable optionally in Canadian or foreign currencies	119	—	64	—	35	—	3	—	17	—
Sub-totals	1,414	2,001	910	1,447	182	196	296	259	26	99
Other corporations:										
Payable in Canadian dollars only	4,213	10,434	3,655	9,184	356	1,004	155	150	47	96
Payable in foreign currencies only	847	3,000	13	144	813	2,827	9	8	12	21
Payable optionally in Canadian or foreign currencies	150	45	46	18	83	27	8	—	13	—
Sub-totals	5,210	13,479	3,714	9,346	1,252²	3,858²	172	158	72	117
Total bonds and debentures:										
Payable in Canadian dollars only	22,530	43,067	21,380	40,575	733	1,866	256	254	161	372
Payable in foreign currencies only	2,706	7,422	199	177	2,147	6,919	342	269	18	57
Payable optionally in Canadian or foreign currencies	625	153	147	50	426	101	22	2	30	—
Totals	25,861	50,642	21,726	40,802	3,306	8,886	620	525	209	429

	1956	1966
¹ Excludes treasury bills and notes	1,575	2,170
² Includes corporate bonds held by United States parent companies and affiliates:		
Payable in Canadian dollars only	4	3
Payable in foreign currencies only	154	144
Payable optionally in Canadian or foreign currencies	39	—
Totals	197	147

STATISTICS OF THE CANADIAN
BALANCE OF INTERNATIONAL PAYMENTS

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Summary of Current Transactions with the United States, United Kingdom, Rest of Sterling Area, Other OECD Countries in Europe and Other Countries
Third Quarters 1968 and 1969 and Changes between the Periods

	1968	1969	Change	1968	1969	Change
	millions of dollars					
	All Countries			United States		
Merchandise exports (adjusted)	3,342	3,682	+ 340	2,199	2,562	+ 363
Merchandise imports (adjusted)	2,859	3,316	+ 457	2,019	2,283	+ 264
Balance on merchandise trade	+ 483	+ 366	- 117	+ 180	+ 279	+ 99
Other current receipts	1,243	1,308	+ 65	905	968	+ 63
Other current payments	1,393	1,534	+ 141	929	1,002	+ 73
Balance on non-merchandise transactions ...	- 150	- 226	- 76	- 24	- 34	- 10
Total receipts	4,585	4,990	+ 405	3,104	3,530	+ 426
Total payments	4,252	4,850	+ 598	2,948	3,285	+ 337
Current account balance	+ 333	+ 140	- 193	+ 156	+ 245	+ 89
	United Kingdom			Rest of Sterling Area		
Merchandise exports (adjusted)	323	271	- 52	165	174	+ 9
Merchandise imports (adjusted)	161	215	+ 54	130	168	+ 38
Balance on merchandise trade	+ 162	+ 56	- 106	+ 35	+ 6	- 29
Other current receipts	100	111	+ 11	66	65	- 1
Other current payments	150	164	+ 14	51	49	- 2
Balance on non-merchandise transactions ...	- 50	- 53	- 3	+ 15	+ 16	+ 1
Total receipts	423	382	- 41	231	239	+ 8
Total payments	311	379	+ 68	181	217	+ 36
Current account balance	+ 112	+ 3	- 109	+ 50	+ 22	- 28
	Other OECD (Europe)			Other Countries		
Merchandise exports (adjusted)	283	308	+ 25	372	367	- 5
Merchandise imports (adjusted)	235	283	+ 48	314	367	+ 53
Balance on merchandise trade	+ 48	+ 25	- 23	+ 58	-	- 58
Other current receipts	81	80	- 1	91	84	- 7
Other current payments	181	221	+ 40	82	98	+ 16
Balance on non-merchandise transactions ...	- 100	- 141	- 41	+ 9	- 14	- 23
Total receipts	364	388	+ 24	463	451	- 12
Total payments	416	504	+ 88	396	465	+ 69
Current account balance	- 52	- 116	- 64	+ 67	- 14	- 81

Note: Exports of goods and services as published in the National Income and Expenditure Accounts exclude inheritances and immigrants' funds and personal and institutional remittances. Imports of goods and services include withholding tax and exclude inheritances and emigrants' funds, personal and institutional remittances, official contributions and pension payments.

Summary of Current Transactions with the United States, United Kingdom, Rest of Sterling Area, Other OECD Countries in Europe and Other Countries
First Nine Months 1968 and 1969 and Changes between the Periods

	1968	1969	Change	1968	1969	Change
	millions of dollars					
	All Countries			United States		
Merchandise exports (adjusted)	9,871	10,956	+ 1,085	6,584	7,687	+ 1,103
Merchandise imports (adjusted)	8,753	10,250	+ 1,497	6,402	7,398	+ 996
Balance on merchandise trade	+ 1,118	+ 706	- 412	+ 182	+ 289	+ 107
Other current receipts	2,765	3,021	+ 256	1,890	2,086	+ 196
Other current payments	3,797	4,177	+ 380	2,626	2,835	+ 209
Balance on non-merchandise transactions	- 1,032	- 1,156	- 124	- 736	- 749	- 13
Total receipts	12,636	13,977	+ 1,341	8,474	9,773	+ 1,299
Total payments	12,550	14,427	+ 1,877	9,028	10,233	+ 1,205
Current account balance	+ 86	- 450	- 536	- 554	- 460	+ 94
	United Kingdom			Rest of Sterling Area		
Merchandise exports (adjusted)	938	851	- 87	466	470	+ 4
Merchandise imports (adjusted)	501	620	+ 119	317	414	+ 97
Balance on merchandise trade	+ 437	+ 231	- 206	+ 149	+ 56	- 93
Other current receipts	276	328	+ 52	161	175	+ 14
Other current payments	353	388	+ 35	141	163	+ 22
Balance on non-merchandise transactions	- 77	- 60	+ 17	+ 20	+ 12	- 8
Total receipts	1,214	1,179	- 35	627	645	+ 18
Total payments	854	1,008	+ 154	458	577	+ 119
Current account balance	+ 360	+ 171	- 189	+ 169	+ 68	- 101
	Other OECD (Europe)			Other Countries		
Merchandise exports (adjusted)	756	884	+ 128	1,127	1,064	- 63
Merchandise imports (adjusted)	656	807	+ 151	877	1,011	+ 134
Balance on merchandise trade	+ 100	+ 77	- 23	+ 250	+ 53	- 197
Other current receipts	211	214	+ 3	227	218	- 9
Other current payments	461	539	+ 78	216	252	+ 36
Balance on non-merchandise transactions	- 250	- 325	- 75	+ 11	- 34	- 45
Total receipts	967	1,098	+ 131	1,354	1,282	- 72
Total payments	1,117	1,346	+ 229	1,093	1,263	+ 170
Current account balance	- 150	- 248	- 98	+ 261	+ 19	- 242

Note: Exports of goods and services as published in the National Income and Expenditure Accounts exclude inheritances and immigrants' funds and personal and institutional remittances. Imports of goods and services include withholding tax and exclude inheritances and emigrants' funds, personal and institutional remittances, official contributions and pension payments.

Exports and Imports of Goods and Services, Seasonally adjusted, 1968-69

	1968					1969		
	I Q	II Q	III Q	IV Q	Year	I Q	II Q	III Q
	millions of dollars							
<u>Receipts</u>								
Merchandise exports (adjusted)	3,268	3,361	3,334	3,575	13,538	3,748	3,611	3,776
Gold production available for export	31	28	32	29	120	29	29	29
Travel expenditures	241	257	252	242	992	275	278	266
Interest and dividends	71	85	94	81	331	97	124	95
Freight and shipping	220	223	222	229	894	230	230	231
Inheritances and immigrants' funds	77	90	109	94	370	87	90	87
All other current receipts	211	219	221	224	875	248	256	263
Sub-totals, non-merchandise transactions ..	851	902	930	899	3,582	966	1,007	971
Totals	4,119	4,263	4,264	4,474	17,120	4,714	4,618	4,747
<u>Payments</u>								
Merchandise imports (adjusted)	2,967	2,908	3,007	3,280	12,162	3,484	3,455	3,464
Gold production available for export	-	-	-	-	-	-	-	-
Travel expenditures	240	239	278	258	1,015	290	321	342
Interest and dividends	321	337	336	296	1,290	338	346	341
Freight and shipping	228	232	232	245	937	244	248	246
Inheritances and emigrants' funds	56	58	48	47	209	53	54	45
All other current payments (including official contributions)	385	397	418	418	1,618	410	426	452
Sub-totals, non-merchandise transactions ..	1,230	1,263	1,312	1,264	5,069	1,335	1,395	1,426
Totals	4,197	4,171	4,319	4,544	17,231	4,819	4,850	4,890
<u>Balance</u>								
Merchandise trade (adjusted)	+ 301	+ 453	+ 327	+ 295	+ 1,376	+ 264	+ 156	+ 312
Gold production available for export	+ 31	+ 28	+ 32	+ 29	+ 120	+ 29	+ 29	+ 29
Travel expenditures	+ 1	+ 18	- 26	- 16	- 23	- 15	- 43	- 76
Interest and dividends	- 250	- 252	- 242	- 215	- 959	- 241	- 222	- 246
Freight and shipping	- 8	- 9	- 10	- 16	- 43	- 14	- 18	- 15
Inheritances and migrants' funds	+ 21	+ 32	+ 61	+ 47	+ 161	+ 34	+ 36	+ 42
All other current transactions (including official contributions)	- 174	- 178	- 197	- 194	- 743	- 162	- 170	- 189
Sub-totals, non-merchandise transactions ..	- 379	- 361	- 382	- 365	- 1,487	- 369	- 388	- 455
Totals	- 78	+ 92	- 55	- 70	- 111	- 105	- 232	- 143

QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Note: Data for 1968 and 1969 are preliminary and data for 1967 are mostly final.

No.		1967		1968		
		III	IV	I	II	III
		millions of dollars				
A	Current receipts:					
1	Merchandise exports (adjusted)	2,691	3,048	3,017	3,512	3,342
3	Gold production available for export	26	26	33	27	32
4	Travel expenditures	723	166	79	235	548
5	Interest and dividends	64	107	61	78	78
6	Freight and shipping	218	222	192	229	234
7	Inheritances and immigrants' funds	104	73	55	99	131
11	All other current receipts	215	208	214	220	220
12	Total current receipts	4,041	3,850	3,651	4,400	4,585
B	Current payments:					
1	Merchandise imports (adjusted)	2,591	2,725	2,754	3,140	2,859
4	Travel expenditures	298	155	209	258	375
5	Interest and dividends	280	413	293	314	297
6	Freight and shipping	227	225	193	243	247
7	Inheritances and emigrants' funds	65	59	47	54	57
9	Official contributions	21	29	14	40	50
11	All other current payments	359	361	369	370	367
12	Total current payments	3,841	3,967	3,879	4,419	4,252
C	Current account balance:					
1	Merchandise trade	+ 100	+ 323	+ 263	+ 372	+ 483
2	Other transactions, excluding B 9	+ 121	- 411	- 477	- 351	- 100
3	Official contributions	- 21	- 29	- 14	- 40	- 50
4	Total	+ 200	- 117	- 228	- 19	+ 333
D	Capital account:					
	Direct investment:					
1	Direct investment in Canada	+ 166	+ 185	+ 20	+ 229	+ 178
2	Direct investment abroad	- 34	- 38	- 66	+ 17	- 9
	Canadian securities:					
3.1	Trade in outstanding bonds and debentures	- 10	- 14	- 52	- 11	- 13
3.2	Trade in outstanding common and preference stocks	+ 29	+ 52	+ 15	+ 34	+ 10
4	New issues	+ 276	+ 424	+ 407	+ 708	+ 452
5	Retirements	- 49	- 98	- 124	- 120	- 37
6,7,8	Foreign securities	- 144	- 138	- 89	- 129	- 132
	Loans and capital subscriptions by Government of Canada:					
9	Advances, etc.	- 9	- 23	- 10	- 8	- 16
10	Repayments to Canada	+ 1	+ 20	+ 2	+ 2	+ 1
11	Columbia River Treaty, net	-	+ 44	-	-	-
13	Long-term capital transactions n.i.e.	+ 87	+ 93	+ 29	+ 20	- 74
	Change in Canadian dollar holdings of foreigners:					
14.1	Deposits	+ 7	+ 28	+ 8	+ 4	+ 4
14.2	Government of Canada demand liabilities	- 2	+ 11	- 4	- 3	+ 1
14.3	Canadian treasury bills	- 17	- 2	+ 23	+ 1	+ 11
17	Other capital movements	- 445	- 398	- 696	- 105	- 548
E	Net capital movement (excluding monetary items shown below) in:					
1	Long-term forms (D1 to D13)	+ 313	+ 507	+ 132	+ 742	+ 360
2	Short-term forms (D14 to D17)	- 457	- 361	- 669	- 103	- 532
3	Total	- 144	+ 146	- 537	+ 639	- 172
H = C+E	Official monetary movements in the form of:					
1	Change in official holdings of gold and foreign exchange	+ 55	+ 51	- 23	+ 355	- 43
2	Change in net International Monetary Fund position	+ 1	- 22	- 471	+ 130	+ 70
3	Reciprocal swap facility with Federal Reserve System	-	-	- 271	+ 135	+ 134

Notes: Mutual Aid to NATO countries is not included in either current receipts or current payments.

A 1) Merchandise trade statistics are adjusted for use in this statement. Details of these adjustments are shown in B 1) the annual reports on "The Canadian Balance of International Payments".

A 11) This item includes government transactions n.o.p., personal and institutional remittances, miscellaneous income, B 11) insurance transactions, and business services.

QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Note: Data for 1968 and 1969 are preliminary and data for 1967 are mostly final.

1968	1969			Annual totals		Four quarters ended September 30, 1969	No.
IV	I	II	III	1967	1968		
millions of dollars							
3,667	3,469	3,805	3,682	11,338	13,538	14,623	A
28	31	28	29	112	120	116	1
130	90	260	585	1,318	992	1,065	3
114	83	114	80	295	331	391	4
239	201	236	243	830	894	919	5
85	62	100	109	329	370	356	6
221	251	257	262	863	875	991	7
4,484	4,187	4,800	4,990	15,085	17,120	18,461	11
							12
3,409	3,226	3,708	3,316	10,772	12,162	13,659	B
173	260	346	468	895	1,015	1,247	1
386	309	320	299	1,211	1,290	1,314	4
254	207	260	262	861	937	983	5
51	44	50	53	213	209	198	6
29	16	48	46	182	133	139	7
379	390	393	406	1,450	1,485	1,568	9
4,681	4,452	5,125	4,850	15,584	17,231	19,108	11
							12
+ 258	+ 243	+ 97	+ 366	+ 566	+ 1,376	+ 964	C
- 426	- 492	- 374	- 180	+ 883	- 1,354	- 1,474	1
- 29	- 16	- 48	- 46	- 182	- 133	- 139	2
- 197	- 265	- 325	+ 140	- 499	- 111	- 647	3
							4
							D
+ 183	+ 130	+ 245	+ 95	+ 691	+ 610	+ 653	1
- 77	- 55	- 110	- 30	- 125	- 135	- 272	2
+ 7	+ 17	- 6	- 11	- 57	- 69	+ 7	3.1
+ 53	+ 37	+ 44	- 4	+ 12	+ 112	+ 130	3.2
+ 366	+ 643	+ 506	+ 563	+ 1,307	+ 1,933	+ 2,078	4
- 114	- 69	- 126	- 49	- 357	- 395	- 358	5
- 118	- 58	- 8	- 64	- 432	- 468	- 120	6,7,8
- 44	- 11	- 43	- 15	- 38	- 78	- 113	9
-	-	+ 2	-	+ 34	+ 5	+ 2	10
+ 88	-	-	-	+ 44	+ 88	+ 88	11
+ 12	- 85	- 23	- 8	+ 268	- 13	- 104	13
+ 54	- 11	+ 25	- 4	+ 24	+ 70	+ 64	14.1
+ 27	- 2	- 30	+ 1	- 4	+ 21	- 4	14.2
+ 13	+ 13	- 5	- 3	+ 4	+ 48	+ 18	14.3
+ 84	- 321	- 205	- 743	- 854	- 1,265	- 1,185	17
+ 356	+ 549	+ 481	+ 605	+ 1,347	+ 1,590	+ 1,991	E
+ 178	- 321	- 215	- 749	- 830	- 1,126	- 1,107	1
+ 534	+ 228	+ 266	- 144	+ 517	+ 464	+ 884	2
							3
							H = C+E
+ 315	- 53	- 168	- 91	+ 34	+ 604	+ 3	1
+ 22	+ 16	+ 109	+ 87	- 16	- 249	+ 234	2
-	-	-	-	-	- 2	-	3

Notes: D A minus sign indicates an outflow of capital from Canada.

D 1.2 Exclusive of undistributed profits.

D 17 This item includes mainly changes in private and chartered bank holdings of exchange, international money market transactions, loans, and changes in open account commercial indebtedness. It also includes the balancing item representing unrecorded capital movements and errors and omissions throughout the accounts.

H 3 A minus sign indicates a receipt by Canada.

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