SYSTEM OF NATIONAL ACCOUNTS

## Quarterly estimates of the Canadian <br> balance of international payments

THIRD QUARTER 1971


* Statistics Canada Statistique Canada



# STATISTICS CANADA <br> Balance of Payments and Financial Flows Division <br> Balance of Payments Section 

## SYSTEM OF NATIONAL ACCOUNTS

# QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS <br> <br> THIRD QUARTER 

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## 1971

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## SYMBOLS

The following standard symbols are used in Statistics Canada publications:
. figures not available.
. figures not appropriate or not applicable.

- nil or, in this publication less than half unit expressed.
p preliminary figures.
$r$ revised figures.
$x$ confidential to meet secrecy requirements of the Statistics Act.
* new series not strictly comparable with earlier years.


## TIIIRD QUARTER 1971

The Canadian balance of payments in the third quarter of 1971 recorded a current account surplus of $\$ 336 \mathrm{million}$, unadjusted for seasonal variations, up $\$ 222 \mathrm{million}$ from the previous quarter. When allowance is made for seasonal factors, however, there was a sharp fall in the surplus to $\$ 38$ million. This underlying decline in the strength of the current account surplus has been evident in all three quarters of 1971.

The net movement of capital between Canada and other countries led to the fifth successive quarterly net outflow which reached $\$ 194$ million in the quarter under review, an increase of $\$ 87$ million from the previous quarter. Capital movements in long-term forms, at $\$ 11$ million, were down slightly from the previous quarter to reach their lowest level since the small outflow recorded in the second quarter of 1970; those in short-term forms led to a net outflow of $\$ 205$ million. In the long-term account major changes from the previous quarter were the reductions in the inflow from the sale of new Canadian issues abroad and in the outflow for security retirements. Among principal changes in movements in short-tem forms was a swing of over $\$ 200$ million to an inflow of $\$ 173$ million as Canadians ran down their holdings of short-term funds abroad. A larger change in the opposite direction was the increase of about $\$ 250$ million in the outflow attributed to "all other capital transactions".

Summary Statement

(1) Excluding items shown below.

With current account transactions producing a surplus of $\$ 336$ million and capital transactions leading to a net outflow of $\$ 194$ million, official monetary assets rose by $\$ 142$ million in the quarter.

Economic activity in Canada in the third quarter, as measured by most indicators, continued to expand at a rapid rate. Concomitantly with this expansion imports of goods and services rose at a faster rate than in the previous year. Abroad, international monetary affairs reached a new crisis. The United States on August 15 introduced new economic measures to improve its domestic and international economic positions. To cushion the effect on Canadian economic activity the Canadian government in early September introduced proposals for an Employment Support Programme. At the same time Canada participated actively in efforts to reshape the international monetary system. The impact of the United States measures on the merchandise trade account was not yet very apparent in the third quarter.

## 2urrnt Account Transactions - Seasonally Adjusted

In the third quarter seasonally adjusted total current account receipts and payments advanced co :ق levels, with receipts rising by 2 per cent to $\$ 5,769$ million and payments by 5 per cent to

$\$ 5,731$ million. The current account surplus thus continued to deteriorate, falling to $\$ 38$ million from $\$ 1.74$ million in the previous quarter. This drop brought the current account surplus to the lowest point aince the present series of surpluses began in the first quarter of 1970 . Thus contrary to what happoned last year when net foreign demand provided the main strength to the growth in the economy, the changes this year in the relative strengths of exports and imports of goods and services have, on balance, moderated this growth in the Gross National Product. Three fifths of the contraction in the surplus was due to the larger non-merchandise deficit which rose by $\$ 82$ million while the remainder was due to the $\$ 54$ million reduction in the merchandise trade surplus. The surplus on merchandise trade at $\$ 551$ million was the lowest since the fourth quarter of 1969 and about $\$ 420$ million below the peak reached in the fourth quarter of 1970 .

Continuing the second quarter pattern, merchandise exports advanced by 2 per cent to $\$ 4,526$ million while imports grew at double that rate to $\$ 3,975$ million. This development was brought about by a number of factors. By the end of the third quarter the Canadian economy had been expanding at a relatively rapid rate for about a year. This strengthening of the economy and the accompanying higher personal incomes and expenditures together with the stimulative effects of the appreciation of the Canadian dollar contributed to the growth of imports. The change in the value of the Canadian dollar combined with a slowing down in the tempo of economic activity in a number of overseas markets tended on the other hand to influence adversely the growth of exports. Trade in automotive products which occupys a unique position because of its size, was assisted in the third quarter by the advance in the annual model changeover by North American automobile manufacturers to mid-August from mid-September in 1970. (In the third quarter of 1970 such trade was reduced by the strike which started in mid-September against General Motors.)

Exports of motor vehicles, engines and parts went up by about 7 per cent compared with the previous quarter. Increased shipments of wheat and lumber raised the levels of both these commodities to the highest since the first quarter of 1969 , and agricultural machinery also rose. Domestic exports of iron and steel products, due in part to cutbacks in steel industry output in the United States, fell to the lowest point since the first quarter of 1970. In the steel industry, production was depressed as the stocks of steel mill products that had been accumulated earlier in the year in anticipation of a strike were worked down. Sales of communication equipment and woodpulp were also lower.


Imports of chemicals and products, agricultural and general purpose machinery, tractors and fabricated steel materials were higher. There were, however, lower imports of fuel oil and other petroleum products (the lowest since 1969) non-ferrous alloys and special industrial machinery. Imports of automobiles, other motor vehicles and motor vehicle engines and parts rose moderately.

The widening of the non-merchandise deficit reflected an increase of 8 per cent in "invisible" payments which rose to $\$ 1,756$ million compared to a 4 per cent increase in receipts to $\$ 1,243$ million. The deficit on services went up by 15 per cent to $\$ 486$ million, while net transfer payments at $\$ 27 \mathrm{mil}-$ lion were among the highest recorded in recent quarters.

All the service items except gold production available for export contributed to the enlargement of the services deficit. Transactions related to interest and dividends and to travel led the way with increased deficits of $\$ 259$ million and $\$ 65$ million respectively. The main changes in these two items occurred in the payments as the receipts were essentially unchanged from those in the previous quarter. Canadian travel expenditures abroad and interest and dividend payments both advanced by about 8 per cent to $\$ 384$ million and $\$ 393$ million, respectively. A downturn occurred in the freight and
shipping surplus as the payments, following the movement in merchandise imports, rose by 4 per cent ts $\$ 290$ million. On the receipts side there was a 3 per cent increase to $\$ 297$ million due partly to increased earnings arising from the diversion of cargo to Canadian west coast ports as a result of the United States west coast longshoremen's strike. A rise of 8 per cent in "other services receipts" to $\$ 339$ million was due essentially to an increase in miscellaneous income receipts while a similar such change in the payments to $\$ 529$ million resulted mainly from a jump in business service payments.

There was a substantial increase in net transfer payments to $\$ 27$ million from $\$ 9$ million in the second quarter caused mainly by the expansion in official contributions to $\$ 52$ million. Transfers abroad of inheritances and emigrants' funds remained steady at $\$ 49$ million but inflows of funds from immigrants went up by 6 per cent to $\$ 104$ million. The deficit on personal and institutional remittances deteriorated slightly as outflows moved ahead 7 per cent to $\$ 59$ miliion and inflows changed slightly to \$29 million.

## Current Account - Unadjusted for Seasonal Variations

In the third quarter of 1971 there was a current account surplus unadjusted for seasonal variations of $\$ 336$ million. Total current account receipts amounted to $\$ 5,987$ million and total payments to $\$ 5,651$ million. With merchandise exports at $\$ 4,360$ million and imports at $\$ 3,745$ million, a trade surplus of $\$ 615$ million was recorded.

Exports to the United States, at $\$ 2,897$ million amounted to over 66 per cent of total exports. This level of exports to Canada's principal market was attained in the face of a slowing down in the growth rate of the United States economy in the third quarter and against the background of the economic measures introduced in mid-August in the United States to achieve economic growth, price stability and balance of payments equilibrium. The other important markets were the United Kingdom, Japan, West Germany, the People's Republic of China, the Netherlands, Italy, France, Belgium and Luxembourg and the U.S.S.R. On a comodity basis the main items exported were motor vehicles, engines and parts, wheat, newsprint, lumber, crude petroleum, woodpulp, iron and nickel ores, and aluminum.

Principal suppliers of Canadian imports, besides the United States which provided 68 per cent of such imports, were the United Kingdom, Japan, West Germany, Venezuela, France, Italy and Australia. There were significant imports of motor vehicles, engines and parts, industrial machinery, crude petroleum, fabricated iron and steel, communcation and related equipment and office machines including computers.


Third quarter adjustments to recorded merchandise trade for balance of payments purposes are shown in Table 6. These include a net addition of about $\$ 6$ million to exports mainly for timing adjustments in respect of wheat shipments and progress payments on ships and military aircraft, and a net decrease of about $\$ 12$ million from imports reflecting mainly timing adjustments for progress payments and deliveries on civilian and military aircraft. The effect of these adjustments has been to increase the recorded trade balance by $\$ 18$ million.

In the third quarter of this year the index of domestic export prices $(1968=100)$ climbed to an average of 106.0 to regain the level reached in the second quarter of last year. Following the unpegging and subsequent appreciation of the Canadian dollar in mid1970 a downward trend appeared in export prices which lasted into the first quarter
of 1971. The pace of the price rise which emerged in the second quarter accelerated in the period under review. Items showing a rise in the quarterly average index where lumber, woodpulp, newsprint paper, iron ore, natural gas, rolling mill products and fabricated zinc. The import price index reached its highest quarterly level ever at 107.8 . Following the unpegging of the Canadian dollar import prices exhibited a similar pattern to that described above for exports. By the third quarter 1971 import prices reached a level of over 4 percentage points above the corresponding quarter in 1970 . The largest increases in the index from the previous quarter took place in the prices of iron ore, copper ores, crude petroleum, worsted fabrics, gasoline and fuel oil.

Exports to developing countries(1) amounted to $\$ 374$ million. Such exports, to a greater extent than for most other areas, are partly financed by soft loans and export credits provided through the Canadian government and its agencies and include also commodities supplied directly as grants. In this quarter the total value of commodity-oriented aid made available under the various Government of Canada programmes represented 41 per cent of total Canadian exports to these countries. Food and other commodity grants represented 19 per cent of the aid total while soft loans and export credits represented 29 and 52 per cent respectively.

Non-merchandise transactions in the third quarter yielded a deficit of $\$ 279$ million of which $\$ 261$ million was accounted for by service transactions with the balance of $\$ 18$ million by transfers.

Total service receipts amounted to $\$ 1,464$ million while total payments were $\$ 1,725$ million. The largest deficits occurred for net payments of interest and dividends and on "other service transactions". The combined deficit on these two items exceeded by over 60 per cent the overall deficit on service transactions.

Partly offsetting the deficit produced by the above two items, the travel account yielded a surplus of $\$ 137$ million. Travel expenditures in Canada by United States residents amounted to $\$ 62 l$ miliion while expenditures by visitors from overseas countries, mainly the United Kingdom and Continen= tal Europe, amounted to $\$ 68$ million. Expenditures on travel by Canadians in the United States were $\$ 317$ million and in overseas countries, mainly Europe they were $\$ 235$ million.

Interest and dividends received in the third quarter of 1971 amounted to $\$ 116$ million. Earnings on official holdings of foreign exchange continued to be a large component in interest receipts.
(1) Excludes the communist and major industrialized countries.

Investment Income

| Period |  | Interest | Divid- Misc- <br> ends ellaneous <br>  income(1) |  | Totals |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | millions of dollars |  |  |  |
|  |  | Receipts |  |  |  |
| 1969 |  | 160 | 291 | 406 | 857 |
| 1970 |  | 240 | 286 | 510 | 1,036 |
| 1970 | I Q | 40 | 71 | 130 | 241 |
|  | II Q | 58 | 64 | 127 | 249 |
|  | III Q | 59 | 67 | 128 | 254 |
|  | IV Q | 83 | 84 | 125 | 292 |
| 1971 | I Q | 59 | 83 | 119 | 261 |
|  | II Q | 58 | 70 | 105 | 233 |
|  | III Q | 58 | 58 | 121 | 237 |
|  |  | Payments |  |  |  |
| 1969 |  | 649 | 717 | 499 | 1,865 |
| 1970 |  | 743 | 780 | 557 | 2,080 |
| 1970 | 1 Q | 176 | 214 | 136 | 526 |
|  | II Q | 196 | 152 | 144 | 492 |
|  | III Q | 181 | 177 | 136 | 494 |
|  | IV Q | 190 | 237 | 141 | 568 |
| 1971 | I Q | 196 | 168 | 133 | 497 |
|  | II Q | 202 | 145 | 137 | 484 |
|  | III Q | 196 | 154 | 128 | 478 |

(1) In the main balance of payments tables, this is included in other service receipts and other service payments; it includes, in addition to income on short-term and miscellaneous long-term investments, all services associated with international banking and insurance operations. Due to intermediation jetween different geographic areas, including Canada, the levels of receipts and payments between Canada and abroad should not be taken to represent flows of net earnings.

Total interest and dividends paid in the third quarter of 1971 were $\$ 350$ million. Reflecting mostly new issues of provincial government bonds placed in the United States, payments of interest on funded debt totalled $\$ 196$ million in the quarter. Payments of dividends at $\$ 154$ milion recorded a $\$ 23 \mathrm{mil}$ lion decrease from the corresponding quarter of last year reflecting a smaller disbursement of dividends by Canadian subsidiaries to their foreign parents and a decline in profit remittances of unincorporated Canadian branches of United States corporations.

On "other service transactions" which include government transactions, miscellaneous income and business services there was a deficit of $\$ 190$ million. This deficit arose mainly from net payments on business services which amounted to $\$ 181$ million. (An analysis of this account for the year 1969, based partly on a special survey for a number of specific services, is given at the end of the report.) Receipts from freight and shipping amounted to $\$ 303$ million while payments were $\$ 299$ million, giving rise to a small surplus of $\$ 4$ million.

There was a deficit of $\$ 18$ million on transfers. Total transfer receipts, 82 per cent of which was contributed by inheritances and immigrants' funds, amounted to $\$ 163 \mathrm{mil}-$ lion. Total transfer payments were $\$ 181 \mathrm{mil}$ lion. About 32 per cent of these payments cover remittances from persons, non-governmental organizations and government pension payments abroad. The inflow of immigrants funds continued to show an increase despite a drop in the numbers of immigrants arriving.

In the third quarter, official contributions representing a part of Canada's international developeot: assistance, amounted to $\$ 66$ million. Almost two fifths of this total was disbursed for food aid, representing mainly wheat and flour shipments to India and Pakistan. Canada's contribution of $\$ 16$ million to the United Nations Development Programme also occurred in this quarter.

## Current Account - First Nine Months 1971

Over the first nine months of 1971 the current account balance of $\$ 556$ million showed a decline of about 8 per cent from the same period last year as total current receipts went up to $\$ 16,964$ million and total current payments to $\$ 16,408 \mathrm{million}$. The deterioration was totally due to a drop of 6 per cent in the merchandise trade balance which fell to $\$ 1,887$ million. Merchandise exports rose by 5 per cent to $\$ 13,161$ million and imports increased by over 7 per cent to $\$ 11,274$ million. Within the main groups of countries, there was a significant improvement in the trade surplus with the United States, which went up to $\$ 926$ million. This was, however, more than offset by reductions in the surpluses with all the other groups of countries.

Exports of automobiles, engines and parts continued to increase and there were also significant increases in sales of lumber, crude petroleum, rapeseed, wheat, barley, natural gas, coal, woodpulp and office machines and equipment. Decreases in exports were recorded in aluminum, copper, lead and nickel alloys, iron, and copper ores and newsprint. While higher values were recorded for imports of motor vehicles, engines and parts, crude petroleum, textiles, tractors, fabricated iron and steel, live animals and coal, there were reductions in purchases of metal-working machinery, inorganic chemicals, meat, and electronic computers.

On non-merchandise trade, the deficit fell by 5 per cent to $\$ 1,331$ million. Receipts rose to $\$ 3,803$ million while payments increased to $\$ 5,134$ million. The improvement in the balance came mainly from reduced deficits on travel and interest and dividends which together contributed $\$ 115$ million and a rise of $\$ 34$ million in the surplus on inheritances and migrants' funds. Offsetting these improvements there was a larger deficit in "other services" mainly business services and miscellaneous incone. merall there were retuctions in the deficits on services and transfers of $\$ 24$ million and s44 million. tespaccivaly.
 surplus of $\$ 64$ million in the first nine months of 1971 largely due to an improved trade balance which rose by about 55 per cent to $\$ 926$ million. The deficit on non-merchandise transactions fell by $\$ 23$ million largely due to improved balances on travel, interest and dividends and migrants' funds. If the credit representing gold production available for export is excluded Canada's current account balance to date in 1971 would swing by $\$ 68$ miliion to a deficit of $\$ 4$ million

With the United Kingdom on the other hand the current account surplus declined by 69 per cent to $\$ 342$ million due to a reduced trade surplus and an expanded deficit on the non-merchandise items. Nearly all of the component items contributed to the increase in the non-merchandise deficit.

With the Rest of the Sterling Area group of countries the current account surplus increased by about 12 per cent to $\$ 145$ million. A relatively large increase in the surplus on invisibles largely due to higher receipts of interest and dividends and of immigrants' funds and lower official contributions more than offset a reduction of over 30 per cent in the trade surplus which went down to $\$ 87$ million.

With the OECD (Europe) group the current account deficit soared to $\$ 146$ million from $\$ 43 \mathrm{million}$ in the same period last year. This change arose from a drop of about 30 per cent in the trade balance to $\$ 207$ million and from a net increase of $\$ 18$ million in the deficit on non-merchandise. Increases in the deficits on travel, freight and shipping and interest and dividends amounting in total to $\$ 48$ million more than offset an improvement of $\$ 20$ million in the balances on "other services" and transfers.

With the "Other Countries" group there was also a relatively significant drop of over 50 per cent in the surplus to $\$ 151$ million. The narrowing by 45 per cent of the trade surplus to $\$ 238$ million due to an upsurge in imports which more than offset the reductions in the deficit on non-merchandise transactions. This latter was due to improved balances on travel, "other services" and migrants' funds. which went down by 27 per cent to $\$ 87$ million.

Gindin's Bilateral Accounts with the United States

(1) Excludes gold production available for export.

## Capital Movement:

 gave rise to an outflow of $\$ 194$ million, an increase of $\$ 87$ million from the second quarter. Tins movement, together with the sharp increase in Canada's current account surplus from second quarter levels of $\$ 114$ million to $\$ 336$ million, resulted in an increase in Canada's net official monetary assets of $\$ 142$ million.

Capital movements in long-term forms produced a net inflow of $\$ 11$ million, a minor change from a $\$ 28$ million inflow in the second quarter. There were, however, some relatively large changes within the long-term category. Net inflows due to direct investment from abroad declined $\$ 35$ million to $\$ 120$ million from $\$ 155$ million in the second quarter while net Canadian direct investment abroad was reduced $\$ 10$ million to $\$ 65$ million. New issues of Canadian securities sold abroad gave rise to inflows of $\$ 231$ million. This is a sharp reduction from a $\$ 351$ million inflow due to sales of new issues in the second quarter. Outflows due to the retirement of Canadian securities held abroad at $\$ 135$ million were also down substantially from second quarter levels when retirements amounted to $\$ 319$ million. With the exception of trade in outstanding Canadian stocks, which resulted in net repurchases of $\$ 58$ million compared to $\$ 27$ million in the second quarter, net movements in other categories remained relatively unchanged. The effect of adjusting actual long-term capital inflows to reflect the timing

Capital Movements in Long-term Forms

|  | Period | Actual movement | Adjusted to reflect timing of security offerings |
| :---: | :---: | :---: | :---: |
|  |  | millions | of dollars |
| 1969 |  | + 2,105 | + 1,957 |
| 1970 |  | + 738 | + 386 |
| 1970 | I Q | + 630 | + 580 |
|  | II Q | 47 | 169 |
|  | III Q | + 110 | + 19 |
|  | IV Q | + 45 | 44 |
| 1971 | I Q | + 234 | + 111 |
|  | II Q | + 28 | 15 |
|  | IIIQ | + 11 | + 31 | of security offerings is given in the accompanying statement which shows that offerings were in excess of deliveries by $\$ 20$ million during the quarter.

Capital movements in short-term forms gave rise to net outflows of $\$ 205$ million, an increase of $\$ 70$ million from net outflows of \$135 million in the second quarter. Canada had a substantial inflow as residents reduced their holdings of foreign bank balances and other short-term funds abroad by $\$ 173$ million following a build-up of $\$ 35$ million in the second quarter. Non-residents, on balance, reduced their holdings of Canadian dollar deposits by $\$ 51$ million. The principal contribution to the net short-term outflow however, was in the "other short-term capital transactions" category which includes the balancing item. Trading in money market instruments resulted in a net inflow of \$34 million.

Transactions through the Canadian chartered banks accounted for a net inflow of $\$ 328$ million during the third quarter. This inflow arising from the Canadian chartered banks' transactions with non-residents cannot be separately identified in the tabular presentation of the balance of payments. Because of the pattern and similarity of behavior of foreign currency claims of Canadian residents whether booked directly with chartered banks in Canada or with Canadian and foreign banks abroad, it has been the practice to treat all the foreign currency business of the chartered banks as being outside Canada and to show transactions of residents with them within the framework of the capital account. Thus there is distributed within the capital account an outflow in the third quarter of $\$ 4$ million representing the increase in the banks net spot holdings of foreign currency with both residents and non-residents and an inflow of $\$ 332$ million reflecting the net decline in the banks position with residents, composed of a rise in claims of $\$ 117$ million and a decline in liabilities of $\$ 215$ million. The resulting net inflow of $\$ 328$ million is the same as would have been yielded by the alternative treatment of measuring directly the chartered banks transactions with non-residents. These transactions show that claims on residents of the United States declined by $\$ 52$ million while those on residents of other countries increased by $\$ 73$ million. Liabilities to residents of the United States and other countries increased by $\$ 282 \mathrm{million}$ and $\$ 67 \mathrm{million}$, respectively.

## Direct Investment

The net capital inflow in long-term forms for direct investment in foreign-controlled Canadian enterprises amounted to $\$ 120 \mathrm{mill}$ ion in the third quarter of 1971 , and compares with the revised figures of $\$ 305$ million and $\$ 155$ million in the first and second quarters, respectively. The net inflow from
the United States represented just over half the total but was influenced by a number of significant non-recurring flows both inwards and outwards. These special transactions included the refinancing of Asabilities to parent companies and principals abroad, the drawing down of capital funds earlier than required, and the prepayment of long-term advances from principals abroad and takeovers by Canadians Qt existing facilities in Canada, formerly owned by non-residents. If these large and non-recurring transactions are excluded, the net inflows from all countries during the quarter for investment contributing to current capital formation in Canada and for normal working capital requirements would be of the order of $\$ 160$ million from the United States and $\$ 225$ million in total.

Net inflows from Continental Europe represented almost 30 per cent of the total with the balance about equally divided between residents of the United Kingdom and all other countries. By far the largest part of the net inflows in the current quarter were directed to the mining industry. Particularly notable in recent quarters are the inflows from Japan for investment in the pulp and paper industry.

Canadians increased their direct investments in other countries during the third quarter as a result of the net outflow of capital amounting to $\$ 65$ million, down only moderately from the previous quarter. Net outflows to the United States represented about 40 per cent of the total and were about half the amount recorded in the previous quarter, while flows to the United Kingdom and Continental Europe remained virtually unchanged. All other countries as a group received about 45 per cent of the net flows, almost three times the amount recorded in the earlier quarter. About 60 per cent of the net outflow originated with companies in the mining sector and a further 15 per cent from the petroleum and natural gas industry.

## Security Transactions

International transactions in long-term portfolio securities during the third quarter of 1971 gave rise to a net inflow of $\$ 76$ million, up from a net inflow of $\$ 43$ million during the second quarter. Portfolio transactions in Canadian and in foreign securities resulted in net inflows of $\$ 16$ million and $\$ 60$ million respectively. Geographically, Canada had net inflows of $\$ 112$ million from the United States and $\$ 19$ million from continental European countries while there were net outflows of $\$ 49$ million to the lnited Kingdom and $\$ 6$ million to all other countries.

Trade in outstanding Canadian bonds produced a net outflow of $\$ 22$ million, primarily due to net purchases from the United States of $\$ 15$ million. Canada had a net purchase balance from trading in Canadian stocks of $\$ 58$ million with net outflows to the United States of $\$ 9$ million, the United Kingdom of $\$ 42$ million and to other European countries of $\$ 7$ million.

New Issues of Canadian Bonds Sold to United States Residents

|  | Period | $\begin{gathered} \text { Offer- } \\ \text { ings } \\ \hline \end{gathered}$ | Deliveries | Undelivered(1) |
| :---: | :---: | :---: | :---: | :---: |
|  |  | millions of dollars |  |  |
| 1969 |  | 1,172 | 1,320 | 775 |
| 1970 |  | 627 | 979 | 423 |
| 1970 | I Q | 366 | 416 | 725 |
|  | II Q | 2 | 124 | 603 |
|  | III Q | 183 | 274 | 512 |
|  | IV Q | 76 | 165 | 423 |
| 1971 | I Q | 75 | 198 | 300 |
|  | II Q | 294 | 337 | 257 |
|  | III Q | 182 | 162 | 277 |

(1) At end of period.

Capital outflows for the retirement of Canadian securities amounted to $\$ 135$ million, down $\$ 184$ million following the heavy retirement schedule during the second quarter. Corporate maturities amounted to $\$ 66$ million and were almost exclusively issues held in the United States. Maturities of provincial government issue held by non-residents totalled $\$ 47 \mathrm{million}$. Some $\$ 20$ million of the resulting capital outflow went to the United States and $\$ 19$ million to European countries other than the United Kingdom.

Trading in foreign securities resulted in a net inflow of $\$ 60$ million as Canadians, for the third quarter in succession, decreased their holdings of foreign securities. The inflow was causati primarily by net sales amounting to $\$ 69$ million of outstanding United States equities to the United States. Foreign new issues purchased by Canadians amounted to $\$ 9$ million and retirements of foreiz: issues in the hands of Canadians to $\$ 2$ million. This compares with new issues of $\$ 11$ million and retirements of $\$ 2$ million during the second quarter.

## Other Capital Flows in Long-term Forms



Disbursements of loans and advances by the Canadian Government under development assistance programes totalled $\$ 46$ million, an increase of $\$ 9$ million from the previous quarter. Disbursements to Commonwealth Asia and Africa accounted for approximately 60 per cent and 20 per cent, respectively.

Transactions during the quarter arising from the financing of medium and longterm export credits extended from Canada directly or indirectly at the risk of the government led to a net capital outflow of $\$ 72$ million, an increase of $\$ 2$ million from the preceding quarter. Substantial advances for the purchase of wheat were made to the People's Republic of China as well as to Latin American and Middle Eastern countries. However, in the case of the People's Republic of China, repayments of prior loans almost offset the disbursements. Latin America also received some disbursements for the purchase of Canadian manufactured goods. Disbursements of credits for the sale of non-wheat commonities financed directly at the risk of the government rose sharply and resulted in an increase over the last quarter of approximately \$15 million.

The remaining capital movements in long-term forms, which include bank and other long-term loans, mortgage investments and movements of insurance funds, led to a net capital outflow of $\$ 2$ million compared to an inflow of $\$ 5$ million in the previous quarter.

## Capital Movements in Short-term Forms

Canadian dollar deposits of non-residents dropped by $\$ 51$ million in the quarter. Residents of the United States, the United Kingdom and other countries reduced their holdings by $\$ 25$ million, $\$ 6$ million and $\$ 20$ million, respectively. Government of Canada demand liabilities in the form of interestfree demand notes issued to international investment agencies remained unchanged during the quarter.

Canadian holdings of foreign currency bank balances and other short-term funds abroad led to a net capital inflow of $\$ 173$ million compared with an outflow of $\$ 35$ million in the second quarter. A large net inflow from the United States of $\$ 301$ million was somewhat offset by net outflows to the United Kingdom and other countries of $\$ 59$ million and $\$ 69$ million, respectively. Canadian holdings of swapped deposits fell in the quarter by about $\$ 115$ million to $\$ 916$ million. Net inflows through the chartered banks were partially offset by net outflows to build up balances held directly abroad by Canadians in foreign banks. These movements conform with changes in hedged interest rate differentials between Canada and the United States and Furope.


Transactions in commercial paper resulted in a net inflow of $\$ 34$ million, up $\$ 15$ million from the second quarter inflow of $\$ 19$ million. Trading in commercial paper took place almost entirely with the United States and net movements with other countries amounted to less than half a million dollars.

Finance company paper trading produced a net outflow as maturities and repurchases by Canadians exceeded sales by $\$ 18$ million, up from a $\$ 9$ million outflow in the second quarter. Net repurchases from the United States were $\$ 16 \mathrm{million}$. This movement was augmented by a $\$ 2$ million outflow to overseas countries other than the United Kingdom. Trading with the United Kingdom resulted in a balance of less than half a million dollars.

## REPRESENTATIVE INTEREST RATES



Transactions in other short-tem paper (which includes mainly obligations of junior levels of government, banks, and mortgage loan companies) was responsible for a net inflow of \$9 million. $\because$ this movement represents a partial reversal of outflows amounting to $\$ 5$ million in the second quarter and $\$ 43$ million in the first quarter. The net inflow was comprised of an $\$ 11$ million inflow from the United States and a net outflow of $\$ 2$ million to other countries.

All other short-term capital transactions led to a net capital outflow of $\$ 361$ million. Canadian dollar deposits placed by Canadian institutions in overseas banks continued to drop during the quarter and accounted for an inflow of $\$ 69$ million compared to an inflow of $\$ 160$ million in the second quarter. Short-term foreign currency bank borrowings by Canadians led to a net inflow of $\$ 155$ million as opposed to an outflow of $\$ 103$ million in the preceding quarter. All other components in this account led to a net outflow of $\$ 585$ million. Increases in intercompany accounts receivable and reductions in intercompany accounts payable accounted for a significant portion of the outflow but by far the largest part was the balancing item representing amounts not yet identified.

Other Short-term Capital Transactions

| Period | Char- <br> tered <br> bank <br> Cana- <br> dian <br> dollar <br> claims <br> on non- <br> resi- <br> dents | Short-term foreign currency bank borrowing by Canadians | Other (1) | Total |
| :---: | :---: | :---: | :---: | :---: |
|  |  | millions of | llars |  |
| 1970 | - 39 | $+388$ | - 451 | $-102$ |
| 1970 I Q | $+37$ | - | - 362 | $-325$ |
| II Q | - 10 | $+245$ | +138 | $+373$ |
| III Q | + 2 | + 208 | - 31 | +179 |
| IV Q | - 68 | - 65 | - 196 | - 329 |
| 1971 I Q | - 296 | $+35$ | - 514 | $-775$ |
| II Q | $+160$ | - 103 | $-171$ | - 114 |
| III Q | + 69 | +155 | - 585 | - 361 |

(1) Includes inter-company and other accounts receivable and payable and balancing item representing the difference between recorded measures of current and capital accounts.

The Canadian dollar equivalent of US $\$ 53 \mathrm{million}$ was also preceived drawings totalled us $\$ 210 \mathrm{million}$. of amounts outstanding under the General Arrangements to Borrow. The repayment did not affect Canada's net asset position in the IMF.


The overall increase in Canada's net official monetary assets in the third quarter expressed in Canadian dollars was $\$ 142$ million. As noted earlier in this report earnings on official international reserves are an important element of interest receipts from abroad. They also contributed significantly to the total increase in these assets.

The closing spot rate for the United States dollar in terms of Canadian funds, which was $102.31 \phi$ at the end of June, fell to $100.91 \phi$ at the end of September. A rise in value in relation to the United States dollar was common to most major international currencies in the second half of the quarter following the introduction of new economic
policy measures by the United States on August 15. Many currencies rose more sharply in value than She Canadian dollar which had already appreciated by about 6 per cent vis-à-vis the United States dollar since it was unpegged at the end of May 1970.

The forward Canadian dollar for delivery in 90 days declined vis-à-vis the United States dollar from a premium of nearly $11 / 2$ per cent (rate per annum) early in July to a premium of almost 1 per cent in late September. A premium on the forward Canadian dollar increases a non-resident's yield on a Canadian dollar investment on a hedged basis.

## Appendix - Business Service Payments 1969

The purpose of this appendix is two-fold. In the first place it contains the results of a special survey on business service transactions with other countries which was undertaken for 1969 as a supplement to the regular Balance of Payments survey. This survey therefore covered the 6,000 largest enterprises in Canada including all those with significant foreign investment in them or with investments abroad. Secondly, the opportunity is being taken to give more details of the current account items "other service receipts" and "other service payments", (lines 6 and 16 in Table 1)

The supplement referred to above obtained details of business service transactions by countries, net of withholding tax, on both the receipts and payments side. Broadly similar data for payments only are filed under the Corporations and Labour Unions Returns Act but these include the tax withheld and do not provide geographic detail. In addition, they may differ from Balance of Payments data due to (i) fiscal years ending on dates other than December 31, (ii) to the inclusion in the Balance of Payments survey of certain companies exempt from reporting to C.A.L.U.R.A., (iii) the exclusion of certain items from the Balance of Payments data on business services e.g. charter hire receipts and payments which, are included elsewhere in the Balance of Payments statement and (iv) the exclusion of conmissions from the C.A.L.U.R.A. report.

The results of the special survey cover about 63 and 33 per cent of the total payments and aceipts on business services and other transactions respectively, included in "other service receipts" and "other service payments". Given the nature of the classification of enterprises employed for Balance of Payments statistics, the survey also provided data on service receipts and payments on the basis at country of control of the enterprise. Thus the statements being published show receipts and payments for the individual services on a geographical and on a country of control basis.

As indicated above and as shown in the accompanying statements, the survey results constitute only one part of the items "other service receipts" and "other service payments". The non-covered portion contains estimates for other services and business expenditures, details for which are obtained from other sources or estimated on the basis of the best available information. Thus, for example, details for the compilation of the items business service expenditures of Canadian railways and airlines abroad and foreign carriers in Canada are obtained directly from Canadian railways and from Canadian and foreign airlines. Such transactions include use of railroads, payment of wages and salaries, expenses in connection with the operation and maintenance of buildings and offices, purchases of fuel and oil, aircraft services, fees and taxes, advertising, agency expenses, and communications. The item "commuters" represents the net earnings of Canadian residents working in the United States on a commuter basis. It covers the workers employed in the automobile industry as well as other workers in other industries along the U.S. -Canada border. The data are based on average wage rates and number of weekly hours worked less an estimate for taxes deducted from pay and personal expenditure made in the United States. On the payments side, the amounts involved are relatively small and are included in "miscellaneous services".

Miscellaneous services shown on both receipts and payments include transactions relating to trade union operations, telecommuications, transportation of migrants, lotteries and miscellaneous engineering and other professional services rendered by various individual consultants and small firms. Automotive tooling charges represent amortization and other automotive special tooling charges payable by the automobile companies in Canada to their parent companies in the United States. Other insurance business represents, on the receipts side, premiums received by resident insurance companies from nonresidents and claims of residents on foreign insurance companies; on the payments side this item covers claims by non-residents on resident companies and premiums paid to non-resident companies. The insurance transactions covered by the special survey refer to insurance premiums paid by and claims met on sccout of the companies covered by the survey.

The provision for unallocated receipts and payments is an estimate to cover sundry personal and other transactions such as entertainment fees, subscriptions to newspapers and periodicals, payments for newspaper features and articles, membership fees of professional societies, education by correspondence and in foreign schools, and payments to foreign correspondents.
"Other Service Receipts" by Geographical Area, 1969


Special Survey Results - Business Service Receipts by Country of Control, 1969

|  | Total | Canadian controlled enterprises | United States controlled enterprises | United Kingdom controlled enterprises | Enterprises controlled by other countries |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | millions of dollars |  |  |  |  |
| Management and administrative services | 35.1 | 23.3 | 4.2 | 7.2 | 0.4 |
| Consulting and other professional services | 29.1 | 8.6 | 11.0 | 7.2 | 2.3 |
| Insurance premiums and other insurance cransactions | 18.2 | 3.0 | 7.9 | 5.2 | 2.1 |
| Scientific research and product development ...... | 18.2 | 0.6 | 16.2 | 0.1 | 1.3 |
| Commissions . . . . . . . . . . . . . . . . . . . . . . . . | 16.1 | 0.7 | 8.3 | 4.4 | 2.7 |
| Advertising and sales promotion ...... | 13.4 | 5.7 | 6.3 | 0.3 | 1.1 |
| Royalties, patents, copyrights, trademarks | 4.0 | 1.5 | 1.6 | 0.2 | 0.7 |
| Equipment rentals ............................ | 3.6 | 0.5 | 1.6 | 1.5 | - |
| Franchises and similar rights | 0.1 | - | 0.1 | - | - |
| Other services, not included above | 80.4 | 8.6 | 70.9 | 0.3 | \%. 5 |
| Totals, survey results | 218.2 | 52.5 | 128.1 | 26.4 | 11.2 |


|  | A11 countries | United States | United Kingdom | other OECD (Europe) | All other countries |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | millions of dollars |  |  |  |  |
| Business services and other transactions: |  |  |  |  |  |
| Survey resules: |  |  |  |  |  |
| Royalties, patents, copyrights, trademarks | 136.7 | 122.8 | 5.8 | 7.6 | 0.5 |
| Special tooling and other automotive charges .. | 135.1 | 135.1 | - | - | - |
| Management and administrative services ....... | 109.8 | 101.6 | 1.2 | 5.9 | 1.1 |
| Consulting and other professional services | 98.0 | 92.2 | 0.6 | 3.0 | 2.2 |
| Scientific research and product development ..... | 57.7 | 51.6 | 2.5 | 3.4 | 0.2 |
| Insurance premiums and other insurance transactions | 41.0 | 18.2 | 19.5 | 3.1 | 0.2 |
| Commissions ... | 32.9 | 23.9 | 1.6 | 3.3 | 4.1 |
| Film rentals ................ | 31.3 | 28.9 | 2.0 | 0.4 | 4. |
| Advertising and sales promotion | 30.8 | 30.4 |  | 0.2 | 0.2 |
| Equipment rentals : 3 ..... | 14.4 | 14.2 | 0.2 | - | - |
| Franchises and similar rights .... | 9.1 | 9.1 | - | - |  |
| Other services, not included above | 23.8 | 16.9 | 1.1 | 3.6 | 2.2 |
| Totals, survey results | 720.6 | 644.9 | 34.5 | 30.5 | : 0.7 |
| Other payments not covered by aurvey: Comission agents | 49.0 | 12.2 | 4.9 | 14.7 | 12.3 |
| Service expenditures outside Canada of railways and airlines | 127.9 | 80.1 | 12.9 | 14.7 16.2 |  |
| Other insurance business | 41.8 | 23.6 | 15.3 | 1.4 | 1.5 |
| Miscellaneous services | 131.0 | 72.7 | 10.7 | 30.1 | 17.5 |
| Mruvision for unallocated business service payments | 80.0 | 72.0 | 4.0 | 3.2 | 0.8 |
| Yeshls, business services and other transactions | 1,150.3 | 905.5 | 82.3 | 96.1 | 66.4 |
| Camennmat transactions | 212.5 | 50.7 | 18.8 | 111.1 | 31.9 |
| Miscellaneous income | 499.2 | 286.4 | 33.9 | 91.3 | 87.6 |
| Totals "Orher service payments" | 1,862.0 | 1,242.6 | 135.0 | 298.5 | 185.9 |

Special Survey Results - Business Service Payments by Country of Control, 1969

|  | Total | Canadian controlled enterprises | United States controlled enterprises | United <br> Kingdom controlled enterprises | Enterprises controlled by other countries |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | millions of dollars |  |  |  |  |
| Royalties, patents, copyrights, trademarks | 136.7 | 10.1 | 112.3 | 9.1 | 5.2 |
| Special tooling and other automotive charges | 135.1 | - | 135.1 | - | - |
| Management and administrative services | 109.8 | 4.6 | 97.3 | 2.9 | 5.0 |
| Consulting and other profesaional services | 98.0 | 15.5 | 70.4 | 4.2 | 7.9 |
| Scientific research and product development | 57.7 | 3.1 | 49.5 | 0.8 | 4.3 |
| Insurance premiums and other insurance transactions | 41.0 | 5.1 | 20.8 | 11.1 | 4.0 |
| Commissions | 32.9 | 10.4 | 16.9 | 3.2 | 2.4 |
| Film rentals | 31.3 | 5.3 | 26.0 | - | - |
| Advertising and sales promotion | 30.8 | 4.5 | 25.3 | 0.4 | 0.6 |
| Fquipment rentals | 14.4 | 0.8 | 12.4 | 1.0 | 0.2 |
| Franchises and similar rights | 9.1 | 2.0 | 7.0 | - | 0.1 |
| Sther services, not included above | 23.8 | 11.3 | 7.2 | 0.6 | 4.7 |
| Totals, survey results ...................................... | 720.6 | 72.7 | 580.2 | 33.3 | 34.4 |

The government item includes international transactions of a current expense or receipt natura sh account of Canadian and foreign governments which are not covered elsewhere in the balance of payments. The main component of government receipts are costs of foreign government representation (embassies, etc.) in Canada, United States Government defence spending for services, taxes and international postal receipts. Government payments encompass the costs of representation abroad and payments for services by the Federal and Provincial Governments, military expenditures of a service nature, international postal payments, contributions and membership assessments in international organizations and participation in world exhibitions such as Expo 70 at Osaka, Japan.

Miscellaneous income includes all those transfers of income on investments which are not included in the interest and dividend item shown separately in the Balance of Payments. These income items pertain to foreign operations of banks and insurance companies, interest paid on inter-company loans, mortgages, savings balances and treasury bills, interest received for export credits on sales abroad and rentals and fiduciary income from the administration of estates, trusts and agencies. Miscellaneous income also includes transfers of earnings on private holdings of foreign exchange. The transactions relating to insurance companies represent transfers of net underwriting gain from branch operations, including returns on the employment of shareholders capital and accumulated reserves, if any. They also cover services provided by the home offices of these companies.

Within the special survey a large element of the receipts item "other services, not included dhove" renrasents retroactive price adjustments to exports which due to their special rature have been cousidered as bervices for baiance of paymencs pucposss

Canads's_Incerpacional Inveacment Pcsicion. 1926 co 1967 (Cac. No. 67-202)
A major new report has been published in December bringing together available data on Canada's Laceraational investment position and extending and revising material published in Canada's International Investment Position 1926-1954 and subsequent releases in Canada's Balance of International Paywonts reports. The main sumary tables contain data from 1926 to 1969 while most of the detail extend only to 1967. In addition to statistics on the year-end levels of Canada's international assets and liabilities, the report contains tables covering investment income flows, and broad measures of the extent of foreign ownership and control in the Canadian economy. The principal statistical changes ert to extend considerably geographic detail of foreign direct investment in Canada and both geographic and industrial detail of Canadian direct investment abroad. The latter series provide for the first time data covering numbers of investors and investments, and size distributions. With a special tnct:s on Canada's direct investment in developing countries, more detailed information than hitherto available is also given for Canadian export credits.

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## TABLES

Current Account


[^1]Current Account

(i) Hersonal and institutional remittances include pension payments. Prior to 1 Quarter 1971 publications, the total of this line was included in "all other current" transactions.

Capital Account (4)

(4) A minus sign in Accounts D and E equals an outflow of capital from Canada and represents an increase in holdings of assets abroad or a reduction in liabilities to non-residents.
(5) Exclusive of undistributed profits.

4able 1. Canadtan balance of international payments(1) - concluded
Capital Account (4)

(i,) imbludes balancing item representing difference between recorded measures of current and capital accounts and embodies ertors and omissions from both accounts.
(7) For detailed composition of official monetary assets see Table 4.

Current Account - Seasonally Adjusted

(1) Trade of Canada figures with certain valuation and timing adjustments appropriate for balance of payments.

TSBLE 2. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS
Current Account - Seasonally Adjusted


[^2] line was included in "all other current" transactions.
table 3. Canadlan balance of international paymlits

By Area


[^3]TAELE 3. CANADIAN BALANCE OF INTERNATIONAL RAYMENTS

By Area


TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - ConcIudad

By Area


[^4]$6 y$ irea

(3) Includes Austria, Belgium and Luxembourg, Denmark, Federal Republic of Germany, France, Greece, Greenland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and Turkey. Finland included as of January 1969.
(4) Gold production available for export has not been allocated on a bilateral basis but is included in the total for all countries.

TABLE 4. CANADA'S OFFICIAL INTERNATIONAL MONETARY ASSETS AND LIABILITIES

(1) As published by the Minister of Finance.
(2) Transactions with the IMF when that institution holds Canadian dollars in excess of 100 per cent of the Canadian quata.

TABLE 4. CANADA'S OFFICIAL INTERNATIONAL MONETARY ASSETS AND LIABILITIES


These totals appear as items 14 and $H 5$ In Table 1.

TABLE 5. CANADA'S GENERAL ACCOUNT WITH THE INTERNATIONAL MONETARY FUND (1)

(1) Excludes Special Drawing Rights account.
(2) This is a cumalative measure of the net resources provided by Canada to the TMF including loans under the General Arrangements to Borrow (CAB). Canada's net balance with the DMF, 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 chen be under an obligation to restore its net balance to 25 per cent of its quota which is currently $\$ 1,100 \mathrm{milifon}$, i.e. to $\$ 275$ million. The Canadian dollar equivalent of changes in positive balances appears as a component of item H 4 in Table 1. Changes in negative balances, i, e, use of TMF credit, are shown as a component of item H5.
(3) Sales of Canadian dollars to IMF for gold.
(4) Dividend payment to Canada.
(5) Acquisition of GAB notes issued previously to another TMF member.
(6) Sales of Canadian dollars to IMF for SDR'S.
(7) Includes a sale by other countries of Canadian dollars equivalent to U.S. $\$ 5$ million to the IMF for SDR's.

Note: The statement is expressed in tems of United States dollar equivalents in accordance with mp practice. Since members are obligated to maintain the gold value of the MF's holdings of their currencies, from time to time there have been adjustment payments between the TMF 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.
table 6. balance of payments adjustments to trade of canada figures


TABLE 7. RECONCILIATION STATEMENT WITH NATIONAL INCOME AND EXPENUITURE ACCOUNTS


1) Includes timing adjustments.

Bote: Data include some revisions not yet reflected in the National Income and Expenditure Accounts.

TABLE 8. EXPORT CREDITS (1) EXTENDED DIRECTLY OR INDIRECTLY AT RISK OF THE GOVERNMENT OF CANA A

(1) Medium and long-term.

Note: Credits extended represent a capital outflow.

TABLE 9. DISBURSEMENTS OF GOVERNMENT OF CANADA BILATERAL SOFT LOANS, AND SUBSCRIPTIONS AND ADVANCES TO INTERNATIONAL INVESTMENT AGENCIES


TABLE 10. FOREIGN EXCHANGE RATES


[^5](3) Rates per annum computed on basis of average 90 -day forward spread on the spot noon rates.

Summary of Current Account

(1) Includes transfers.
(2) :ncludes कold proxivetion नvailahle for extert.

LABLE 11. CANADLAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

Summary of Capital Account


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## SBFEREHGE DUMTTCAITONS

Catalogue
number

## Title

67-505

67-201

67-202

67-001

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67-001

67-001
"The Canadian Balance of International Payments - A Compendium of Statis tics from 1946 to $1965^{\prime \prime}$, for 1946 to 1964.
"The Canadian Balance of International Payments 1963,1964 and 1965 and International Investment Position".
"Canada's Internationa1 Investment Position, 1926 to 1967".
"Quarterly Estimates of the Canadian Balance of International Payments, Fourth Quarter 1967' revised 1965.
"Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1969" revised 1966.
"Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1970" for revised bilateral data for 1967.
"Quarterly Estimates of the Canadian Balance of International Payments,
Second Quarter 1971" for revised bilateral data for 1968 and 1969.

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

In addition to the selected publications listed above, Statistics Canada publishes a wide range of statistical reports on Canadian economic and social affairs. A comprehensive catalogue of all current publications is available free on request from Statistics Canada, Ottawa, KlAOT6.


[^0]:    STATISTICS OF THE CANADIAN

    BALANCE OF INTERNATIONAL PAYMENTS

[^1]:    (1) Data for 1969 and 1970 are preliminary.
    (2) Trade of Canada figures with certain valuation and timing adjustments appropriate for balance of payments - see Table 6 .

[^2]:    72 Fersonal and institutional remittances include pension payments. Prior to I Quarter 1970 publications, the total of this

[^3]:    See footnotes at the end of rable.

[^4]:    (1) Including transfer receipts/payments.
     States and the lnited fingdom.

[^5]:    (1) Rates prevailing on the interbank market in Canada.
    (2) Average spot rates based on nominal quotations in terms of United States dollars, converted into Canadian dollars at noon Ottawa time.

[^6]:    1) lin unve zeters and omissions.
