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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

INTERNAL TRADE BRANCH

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ESTIMATED BALANCE  
of  
INTERNATIONAL PAYMENTS  
for  
CANADA

(Preliminary Statement for 1933)

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Published by Authority of the Hon. H.H. Stevens, M.P.,  
Minister of Trade and Commerce.

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DOMINION BUREAU OF STATISTICS - CANADA  
INTERNAL TRADE BRANCH

(Issued January 13th, 1933)

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ESTIMATED BALANCE OF INTERNATIONAL PAYMENTS FOR CANADA

PRELIMINARY STATEMENT FOR 1933

A preliminary statement of the Canadian Balance of International Payments issued by the Dominion Bureau of Statistics sets forth the debits and credits of the Dominion International accounts for the year 1933. While a good deal of information is not yet available upon which to base a final statement, the preliminary estimate, though subject to correction at a later date, is sufficiently accurate to bring out the salient features of last year's transactions.

Outstanding among the data presented is the fact that in 1933 the task of anassing sufficient international credits to meet international debits became easier. In 1933 the net flow of capital was inward whereas in 1931 and 1932 it was outward. How this easier situation was achieved is seen by reference to the individual items which constitute the balance statement.

Commodity and Bullion Trade

Commodity trade had a favourable balance amounting to \$145 million as compared with one of \$80 million in 1932. Net gold exports in terms of Canadian funds were \$92 million as compared with \$69 million in 1932. This large increase was due, of course, to the heavy premium prevailing on gold.

Tourist Trade

Tourist expenditures were favourable on balance to the extent of \$60 million which compares with \$155 million in 1932. This drastic decline was due not only to a falling off in the number of tourists but also to a lower average expenditure per tourist.

Interest Receipts and Payments

Among the items showing net debits, interest and dividend receipts and payments is the most important. It is estimated that the net payment amounted to \$225 million. This compares with \$192 million in 1932, the increase being accounted for by improved sources of information on interest and dividend payments and also because of back remittances made by Branch and Subsidiary plants after the disappearance of the discount on the Canadian dollar.

Exchange

The recovery of the Canadian dollar on the New York market rendered the bill for exchange payments in 1933 very much less than in 1932. It is estimated that there was a net debit of \$9 million on this item as compared with one of \$14 million in 1932. The rise in sterling quotations at Montreal partially offset the gain in Canadian-New York exchange. While the better exchange situation was a favourable influence on the balance of payments, it should be noted that the rise in exchange was in a large measure an effect of the more favourable situation regarding international payments.

Miscellaneous Debits and Credits

Freight payments were adverse to the extent of \$15 million; government expenditures by \$3 million; advertising by \$1½ million; and motion picture earnings by \$4 million. The flow of insurance payments showed a net credit of \$4 million.





### Capital Items

During the year 1933 it is estimated that the sale and purchase of securities between Canada and outside countries reached the large total of \$600 million. There was heavy buying abroad of Canadian mining stocks and Canadian government bonds, but Canadian purchase of their own and foreign securities from other countries reached \$250 million. In addition to the purchase of this large sum in securities by Canadians, our governments and corporations retired \$40 million in bonds owned abroad which had reached maturity. Direct investments are estimated at \$1½ million. On balance we were importers of capital to the extent of \$61½ million. This import, comparing with capital exports in the two preceding years, was another important factor in easing the situation with regard to the accumulation of credits to meet our international debits.

### Summary

Credit balances of \$146 million for commodities, \$92 million for gold, \$60 million for tourist trade, amounting in all to \$298 million, were more than sufficient to meet net debits of \$225 million for interest, \$15 million for freight, and \$9 million for exchange, totalling \$249 million. Minor invisible items showed a net debit of \$8 million. The total net credit, exclusive of capital, was approximately \$40 million which, plus a net credit of approximately \$62 million, representing capital inflow, makes a total of \$102 million for which no debit items appear. An error and omission estimate is therefore added to bring the two sides of the international accounts into balance.





ESTIMATED BALANCE OF INTERNATIONAL PAYMENTS FOR  
CANADA

PRELIMINARY STATEMENT FOR 1933

(000's omitted)

	Exports Visible and Invisible \$	Imports Visible and Invisible \$	Net Debit (-) or Credit (+)
1. <u>Commodity Trade</u> (Corrected by deduction of non-commercial items, overvaluations, etc.) .....	535,000	389,250	+ 146.0
2. Exports and imports of gold coin and bullion .....	66,000	850	+ 65.1
3. Correction for gold movements to convert to Canadian currency ....	27,000	350	+ 26.6
4. Freight payments and receipts, n.o.p..	40,000	55,000	- 15.0
5. Tourist expenditures .....	110,000	50,000	+ 60.0
6. Interest payments and receipts ....	50,000	275,000	- 225.0
7. Immigrant remittances .....	5,000	6,000	- 1.0
8. Government expenditures and receipts	6,500	9,500	- 3.0
9. Charitable and missionary contributions .....	1,000	1,000	-
10. Insurance transactions .....	15,000	11,000	+ 4.0
11. Advertising transactions .....	1,500	3,000	- 1.5
12. Motion picture earnings .....	-	4,000	- 4.0
13. Capital of immigrants and emigrants	4,000	3,250	+ .75
14. Earnings of Canadian residents employed in U.S.A. ....	700	-	+ .7
15. Exchange London and New York on interest and maturity payments and receipts .....	3,000	12,000	- 9.0
16. Miscellaneous items such as direct magazine subscriptions, artists and entertainers receipts, radio programmes, etc. ....	-	4,000	- 4.0
17. Difference between debits and credits as above .....	-	40,500	
	864,700	864,700	
18. Sale and purchase of securities ...	350,000	250,000	+ 100.0
19. Maturities .....	-	40,000	- 40.0
20. Direct investments .....	1,500	-	+ 1.5
21. Net inflow of capital .....	-	61,500	
	351,500	351,500	
22. Total debits and credits .....	1,216,200	1,114,200	
23. Net errors and omissions .....	-	102,000	
	1,216,200	1,216,200	

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