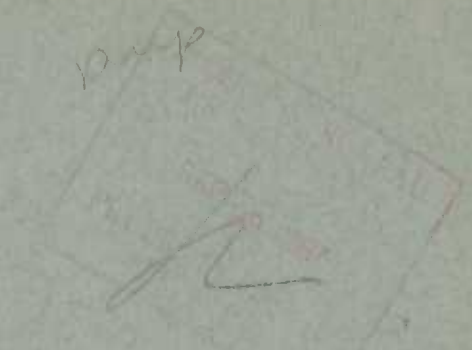


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**CANADA**  
**DEPARTMENT OF TRADE AND COMMERCE**  
**DOMINION BUREAU OF STATISTICS**  
**INTERNAL TRADE BRANCH**

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**THE CANADIAN BALANCE**  
**OF**  
**INTERNATIONAL PAYMENTS**  
**1926 - 1936**

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Dominion Statistician: R. H. Coats, LL.D., F.R.S.C., F.S.S.(Hon.)

Internal Trade Branch  
Chief: H. Marshall, B.A., F.S.S.

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THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS,  
1926 - 1936

Revised estimates of the Canadian Balance of International Payments have been issued by the Dominion Bureau of Statistics covering the period 1926 to 1936. These estimates contain more comprehensive data on the subject of international receipts and payments than have been available in the past and include, in particular, besides the table of current visible and invisible trade items, a supplementary table of capital movements in considerable detail.

Outstanding features of these figures are the facts that though Canadian governments and corporations received \$1,978.6 million from the sale of bonds abroad from 1927 to 1936, during the same ten years they paid off \$1,801.9 million of bonded obligations so that the net capital receipts from these borrowings abroad during the period were only \$176.7 million. At the same time large sums were remitted from Canada for the purchase of American, Latin-American, and other foreign securities, for the re-purchase of Canadian securities, and in connection with capital repayments and other financial transactions of trust companies, international branch plants, etc. While Canada during this ten year period was, on balance, an exporter of capital, the export arose principally through the retirement of existing capital obligations of various kinds.

Balance of Payments, 1936

In 1936 the balance of payments record is particularly impressive. Current visible and invisible items showed a credit balance of \$323.6 million which would indicate the net capital movement outwards if there were no errors or omissions in the current items. The capital account, which includes capital items which can actually be traced, shows a credit balance of \$253.7 million so that \$69.9 million must be attributed to errors and omissions for the present. During 1936, \$270 million was paid abroad for maturing bond issues, for called issues and for serial and sinking fund payments. Net payments of \$74.2 million were made in connection with international branch plant activities, etc., and \$26 million through insurance transactions. Only \$106.1 million was borrowed abroad through bond flotations. There was a net sale of securities amounting to \$7.8 million and a withdrawal of \$2.6 million by Canadian banks. An important feature of the 1936 capital movements was the payment of bond maturities amounting to \$145 million, the calling of \$85 million of Canadian bonds held abroad, and serial repayments, etc., of \$40 million. This fact, of course, demonstrates how a large part of the credit balance in the current account of visible and invisible items of trade was used. If net interest and dividend payments be added to net outward capital payments in 1936, the total outward movement on capital, interest and dividend account was \$487.5 million. This compares with \$327.4 in 1934. During 1935 and 1936, Canadians made considerable progress in reducing their bonded indebtedness abroad, not only through meeting maturities but also through calling certain issues before maturity. In many cases refunding issues were taken up in Canada at lower rates of interest. Amounts called from abroad in 1935 and 1936 were respectively: \$120 million and \$85 million.

In 1936, commodity trade (adjusted figures) showed a credit balance of \$322.2 million, sales of gold a net credit of \$131.0 million, tourist trade \$156.0 million and minor items \$2.3 million. Debit balances included: interest and dividends \$233.8 million, freight receipts and payments \$17.8 million, and other debit balances amounting to \$36.3 million.

Balance of Payments, Ten Year Period, 1927 - 1936

During the ten year period 1927 to 1936 adjusted figures for commodity trade show a credit balance of \$882.4 million, net gold exports gave a credit of \$800.2 million, and tourist traffic a credit of \$1,421.3 million.

Interest and dividend receipts and payments showed a debit of \$2,400.4 million, the freight receipts and payments item a debit of \$237.3 million, and immigrant remittances a debit of \$127.3 million.

Total credits in current account during the period amounted to \$13,423.2 million and total debits to \$13,211.9 million. Thus there was a favourable balance during the ten years on all visible and invisible transactions of \$211.3 million. Without considering errors and omissions which are inevitable in such estimates, the \$211.3 million represents a net export of Canadian capital. A special table of capital transactions indicates the nature of this net capital export. During the period Canada received from other countries \$1,978.6 million for new issues of bonds sold to them but at the same time paid out for matured or called issues and for sinking fund purchase \$1,801.9 million which leaves a net inflow of \$176.7 million. Estimated net withdrawals of Canadian Banks from abroad during the period were \$263.2 million; \$5.4 million were received through Canadian Government loans in other countries; and \$23.4 million from reparations. These inflows total in all \$468.7 million. On the other side of the international capital accounts there was a net purchase by Canadians of foreign securities and repurchase of their own securities amounting to \$391.3 million. There was a net outflow of capital from international "Branch plants", etc., amounting to \$200.2 million and \$8 million from insurance transactions, making a total outflow of \$599.5 million. Thus, according to capital items which can be traced, Canada exported \$130.8 million more capital than was imported. The \$130.8 million obtained through the direct estimate of capital movements compares with a difference of \$211.3 million between the debits and credits shown in the visible and invisible items in the current account. The difference between \$211.3 million and \$130.8, that is \$80.5 million, represents net untraced capital items or errors and omissions in the estimates.

The Dominion Bureau of Statistics has in course of preparation a bulletin describing in detail the methods now employed in collecting and calculating the Canadian Balance of Payments items. This will contain the detailed tables from which the summary statements now published have been derived.

Summary of Direct Estimates of Capital Movements Between Canada  
and Other Countries Between 1927 - 1936

(In millions of dollars)

	<u>Credits</u>	<u>Debits</u>
Net new issues .....	1,978.6	-
Retirements .....	-	1,801.9
Net purchase of securities .....	-	391.3
Net capital transactions of international "branch plants", etc. ....	-	200.2
Net insurance transactions .....	-	8.0
Canadian Government credits received .....	5.4	-
Government receipts, reparations .....	23.4	-
Net decline in estimated net assets of Canadian banks in other countries .....	263.2	-
	<hr/>	<hr/>
Total credits and debits as above .....	2,270.6	2,401.4
	<hr/>	<hr/>
Net capital outflow .....	130.8	-
	<hr/>	<hr/>
	2,401.4	2,401.4

Estimated Canadian Balance of International Payments, 1926 - 1936

(In millions of dollars)

	1926			1927		
	<u>Credits</u>	<u>Debits</u>	Net	<u>Credits</u>	<u>Debits</u>	Net
	Exports	Imports		Exports	Imports	
	Visible	Visible	Credits(+)	Visible	Visible	Credits(+)
	and	and	or	and	and	or
	Invisible	Invisible	Debits (-)	Invisible	Invisible	Debits (-)
1. Commodity Trade -	<u>Current Account of Goods, Gold and Services</u>					
Recorded merchandise exports and imports .....	1,285.7	1,008.3		1,241.3	1,087.1	
Unrecorded imports of ships .....		2.5			17.0	
Deductions for settlers' effects and other non-commercial exports and imports .....	1,285.7	1,010.8		1,241.3	1,104.1	
	12.3	21.8		11.0	22.5	
	1,273.4	989.0		1,230.3	1,081.6	
Correction for overvaluation and undervaluation ...	-	-		-	-	
Minus gold bearing quartz from exports and plus silver and other coin on imports .....	1,273.4	989.0		1,230.3	1,081.6	
	7.3	1.5		7.9	1.9	
Corrected total of commodity trade .....	1,266.1	990.5	+275.6	1,222.4	1,083.5	+138.9
2. Gold Exports(1) and Imports(2) -						
Non-monetary .....	13.7	-	+ 13.7	10.9	-	+ 10.9
Monetary .....	63.4	45.6	+ 17.8	44.0	29.4	+ 14.6
Total gold .....	77.1	45.6	+ 31.5	54.9	29.4	+ 25.5
3. Freight Receipts and Payments, n.o.p. ....	96.4	105.9	- 9.5	96.8	109.0	- 12.2
4. Tourist Expenditures .....	201.2	98.7	+102.5	238.5	108.7	+129.8
5. Interest and Dividend Payments and Receipts .....	39.0	240.0	-201.0	46.5	257.3	-210.8
6. Immigrants' Remittances .....	15.6	31.0	- 15.4	15.4	32.0	- 16.6
7. Government Expenditures and Receipts .....	11.9	10.9	+ 1.0	11.8	11.7	+ 0.1
8. Charitable and Missionary Contributions .....	1.0	2.5	- 1.5	1.0	2.4	- 1.4
9. Advertising Transactions .....	3.1	4.5	- 1.4	4.5	4.8	- 0.3
10. Motion Picture Earnings .....	-	3.5	- 3.5	-	3.5	- 3.5
11. Capital of Immigrants and Emigrants .....	14.9	16.0	- 1.1	14.5	13.8	+ 0.7
12. Earnings of Canadian Residents Employed in U.S.A. and U.S. Residents Employed in Canada .....	20.9	3.6	+ 17.3	22.8	3.6	+ 19.2
13. Exports and Imports of Electric Energy(3) .....	4.6	-	+ 4.6	4.8	-	+ 4.8
14. Exchange - London and New York on Interest and Retirement Receipts and Payments(4) .....	-	-	-	-	-	-
15. Net Payments for Entertainment Services, Royalties, etc., Not Included Above .....	-	10.0	- 10.0	-	11.0	- 11.0
16. Total Credits and Debits as Above .....	1,751.8	1,562.7	+189.1	1,733.9	1,670.7	+ 63.2
17. Differences Between Credits and Debits Above .....		199.1			63.2	
	1,751.8	1,751.8		1,733.9	1,733.9	

Capital Account

	<u>Credits</u>	<u>Debits</u>	
1. New Issues (par value) .....	318.6	-	
Less commissions and discounts .....	18.0	-	
Net new issues .....	300.6	-	+300.6
2. Retirements - including maturities, redemptions and sinking fund repurchases(5) .....	-	160.0	-160.0
3. Purchases and Sales of Outstanding Securities, 1933 - 1936 .....	-	-	-
4. Estimated Net Purchase of Foreign and Canadian Securities, 1927 - 1932 .....	-	184.0	-184.0
5. Net Capital Transactions of International "Branch Plants", etc. (6) .....	27.6	-	+ 27.6
6. Insurance Transactions, n.o.p. ....	10.0	25.0	- 15.0
7. Canadian Government Credits Received .....	3.7	-	+ 3.7
8. Government Receipts, Reparations .....	6.8	-	+ 6.8
9. Change in Estimated Net Assets of Canadian Banks Outside Canada .....	16.1	-	+ 16.1
10. Total Credits and Debits as Above .....	364.8	369.0	- 4.2
11. Balancing Item - Direct Estimate of Net Capital Movement .....	4.2		
12. Residual Item(7) (Item 17 of Current Account Minus Item 11 of Capital Account) .....	369.0	369.0	
	59.0		

(Not Available)

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- (1) Includes earmarked gold.
- (2) Gold in quartz has been subtracted from trade figures where it is classified under non-ferrous metals and included in the gold item. Silver coin included with gold coin. Bullion imports in trade figures has been subtracted from the gold item and added to the trade figure. This procedure permits all gold to be segregated in one item.
- (3) Included with Commodity Trade since 1928.
- (4) From 1934 on the adjustment for exchange is included in interest and retirement items.
- (5) From 1933 - 1936, sinking fund repurchases are included in "Purchases of outstanding securities".
- (6) Included in this item are the net movements of funds resulting from the operations of the branches, subsidiaries, etc., of British and foreign companies in Canada and the branches, subsidiaries, etc., of Canadian companies operating outside of Canada and the net movements of funds resulting from the international transactions of Canadian trust companies. Although the more important current transactions of these concerns, such as dividends, have been included in the current account, various small items of current transactions which are difficult to segregate remain in this item.
- (7) This item is the difference between Item 17 of the current account which indirectly indicates the net capital movement and Item 11 of the capital account which is the net capital movement arrived at by the direct estimate of the capital movements shown. As these two balancing items would balance in a statement that was absolutely correct, it may be assumed that the residual item represents either errors in the computations or the omission of transactions which have not been traced.

Estimated Canadian Balance of International Payments, 1926 - 1936 (Continued) -  
(In millions of dollars)

	1928			1929		
	<u>Credits</u>	<u>Debits</u>	Net	<u>Credits</u>	<u>Debits</u>	Net
	Exports	Imports		Exports	Imports	
	Visible	Visible	Credits(+)	Visible	Visible	Credits(+)
and	and	or	and	and	or	
	Invisible	Invisible	Debits (-)	Invisible	Invisible	Debits (-)
<u>Current Account of Goods, Gold and Services</u>						
1. Commodity Trade -						
Recorded merchandise exports and imports .....	1,376.8	1,222.3		1,211.0	1,299.0	
Unrecorded imports of ships .....		21.2			23.6	
	1,376.8	1,243.5		1,211.0	1,322.6	
Deductions for settlers' effects and other non- commercial exports and imports .....	10.9	21.4		11.7	24.6	
	1,365.9	1,222.1		1,199.3	1,298.0	
Correction for overvaluation and undervaluation .....	-	-		-	-	
	1,365.9	1,222.1		1,199.3	1,298.0	
Minus gold bearing quartz from exports and plus silver and other coin on imports .....	10.5	2.3		30.0	2.6	
Corrected total of commodity trade .....	1,355.4	1,224.4	+131.0	1,169.3	1,300.6	-131.3
2. Gold Exports(1) and Imports(2) -						
Non-monetary .....	12.6	-	+ 12.6	36.3	-	+ 36.3
Monetary .....	102.9	26.3	+ 76.6	39.3	1.1	+ 38.2
Total gold .....	115.5	26.3	+ 89.2	75.6	1.1	+ 74.5
3. Freight Receipts and Payments, n.o.p. ....	95.9	115.3	- 19.4	91.3	130.4	- 39.1
4. Tourist Expenditures .....	275.2	107.5	+167.7	309.4	121.6	+187.8
5. Interest and Dividend Payments and Receipts .....	52.9	273.9	-221.0	61.7	321.8	-260.1
6. Immigrants' Remittances .....	14.4	33.0	- 18.6	14.0	33.0	- 19.0
7. Government Expenditures and Receipts .....	11.8	11.0	+ 0.8	11.7	11.3	+ 0.4
8. Charitable and Missionary Contributions .....	1.5	2.5	- 1.0	1.0	2.5	- 1.5
9. Advertising Transactions .....	3.8	5.0	- 1.2	4.0	5.3	- 1.3
10. Motion Picture Earnings .....	-	3.7	- 3.7	-	3.7	- 3.7
11. Capital of Immigrants and Emigrants .....	14.8	12.2	+ 2.6	14.1	12.3	+ 1.8
12. Earnings of Canadian Residents Employed in U.S.A. and U.S. Residents Employed in Canada .....	20.9	3.6	+ 17.3	14.5	3.8	+ 10.7
13. Exports and Imports of Electric Energy(3) .....	-	-	-	-	-	-
14. Exchange - London and New York on Interest and Retirement Receipts and Payments(4) .....	-	-	-	-	-	-
15. Net Payments for Entertainment Services, Royalties, etc., Not Included Above .....	-	12.0	- 12.0	-	15.0	- 15.0
16. Total Credits and Debits as Above .....	1,962.1	1,830.4	+131.7	1,766.6	1,962.4	-195.8
17. Differences Between Credits and Debits Above .....		131.7		195.8		
	1,962.1	1,962.1		1,962.4	1,962.4	



	<u>Capital Account</u>			<u>Capital Account</u>	
	<u>Credits</u>	<u>Debits</u>		<u>Credits</u>	<u>Debits</u>
1. New Issues (par value) .....	224.3	-		297.6	-
Less commissions and discounts .....	17.0	-		15.0	-
Net new issues .....	207.3	-	+207.3	282.6	-
2. Retirements - including maturities, redemptions and sinking fund repurchases(5) .....	-	200.0	-200.0	-	150.0
3. Purchases and Sales of Outstanding Securities, 1933 - 1936 .....	-	-	-	-	-
4. Estimated Net Purchase of Foreign and Canadian Securities, 1927 - 1932 .....	-	188.0	-188.0	-	105.0
5. Net Capital Transactions of International "Branch Plants", etc. (6) .....	18.1	-	+ 18.1	15.0	-
6. Insurance Transactions, n.o.p. ....	8.0	20.0	- 12.0	30.0	11.0
7. Canadian Government Credits Received .....	1.3	-	+ 1.3	0.2	-
8. Government Receipts, Reparations .....	4.7	-	+ 4.7	4.3	-
9. Change in Estimated Net Assets of Canadian Banks Outside Canada .....	86.6	-	+ 86.6	87.8	-
10. Total Credits and Debits as Above .....	326.0	408.0	- 82.0	419.9	266.0
11. Balancing Item - Direct Estimate of Net Capital Movement .....	82.0				153.9
12. Residual Item(7) (Item 17 of Current Account Minus Item 11 of Capital Account) .....	408.0	408.0		419.9	419.9
	49.7				41.9

(1) Includes earmarked gold.

(2) Gold in quartz has been subtracted from trade figures where it is classified under non-ferrous metals and included in the gold item. Silver coin included with gold coin. Bullion imports in trade figures has been subtracted from the gold item and added to the trade figure. This procedure permits all gold to be segregated in one item.

(3) Included with Commodity Trade since 1928.

(4) From 1934 on the adjustment for exchange is included in interest and retirement items.

(5) From 1933 - 1936, sinking fund repurchases are included in "Purchases of outstanding securities".

(6) Included in this item are the net movements of funds resulting from the operations of the branches, subsidiaries, etc., of British and foreign companies in Canada and the branches, subsidiaries, etc., of Canadian companies operating outside of Canada and the net movements of funds resulting from the international transactions of Canadian trust companies. Although the more important current transactions of these concerns, such as dividends, have been included in the current account, various small items of current transactions which are difficult to segregate remain in this item.

(7) This item is the difference between Item 17 of the current account which indirectly indicates the net capital movement and Item 11 of the capital account which is the net capital movement arrived at by the direct estimate of the capital movements shown. As these two balancing items would balance in a statement that was absolutely correct, it may be assumed that the residual item represents either errors in the computations or the omission of transactions which have not been traced.

Estimated Canadian Balance of International Payments, 1926 - 1936 (Continued) -  
(In millions of dollars)

	1930			1931		
	<u>Credits</u>	<u>Debits</u>	Net	<u>Credits</u>	<u>Debits</u>	Net
	Exports Visible and Invisible	Imports Visible and Invisible		Exports Visible and Invisible	Imports Visible and Invisible	
					Credits(+) or Debits (-)	Credits(+) or Debits (-)
1. Commodity Trade -	<u>Current Account of Goods, Gold and Services</u>					
Recorded merchandise exports and imports .....	907.9	1,008.5		620.7	628.1	
Unrecorded imports of ships .....		10.5			2.7	
	907.9	1,019.0		620.7	630.8	
Deductions for settlers' effects and other non- commercial exports and imports .....	11.0	23.8		9.3	16.8	
	896.9	995.2		611.4	614.0	
Correction for overvaluation and undervaluation ....	-	-		-	5.0	
Minus gold bearing quartz from exports and plus silver and other coin on imports .....	896.9	995.2		611.4	609.0	
	22.3	1.5		17.7	2.1	
Corrected total of commodity trade .....	874.6	996.7	-122.1	593.7	611.1	- 17.4
2. Gold Exports(1) and Imports(2) -						
Non-monetary .....	22.3	-	+ 22.3	43.4	-	+ 43.4
Monetary .....	18.0	37.6	- 19.6	46.7	-	+ 46.7
Total gold .....	40.3	37.6	+ 2.7	90.1	-	+ 90.1
3. Freight Receipts and Payments, n.o.p. ....	70.3	102.5	- 32.2	54.1	73.7	- 24.6
4. Tourist Expenditures .....	279.2	100.4	+178.3	250.8	76.4	+174.4
5. Interest and Dividend Payments and Receipts .....	59.5	348.1	-288.6	50.3	330.1	-279.8
6. Immigrants' Remittances .....	13.2	30.0	- 16.8	10.1	20.0	- 9.9
7. Government Expenditures and Receipts .....	11.7	10.4	+ 1.3	11.7	11.0	+ 0.7
8. Charitable and Missionary Contributions .....	1.0	2.5	- 1.5	1.0	2.5	- 1.5
9. Advertising Transactions .....	4.0	5.3	- 1.3	4.0	6.0	- 2.0
10. Motion Picture Earnings .....	-	3.7	- 3.7	-	3.7	- 3.7
11. Capital of Immigrants and Emigrants .....	11.1	8.9	+ 2.2	5.2	3.5	+ 1.7
12. Earnings of Canadian Residents Employed in U.S.A. and U.S. Residents Employed in Canada .....	10.3	3.6	+ 6.7	6.0	2.8	+ 3.2
13. Exports and Imports of Electric Energy(3) .....	-	-	-	-	-	-
14. Exchange - London and New York on Interest and Retirement Receipts and Payments(4) .....	-	-	-	4.5	5.0	- 0.5
15. Net Payments for Entertainment Services, Royalties, etc., Not Included Above .....	-	12.0	- 12.0	-	9.0	- 9.0
16. Total Credits and Debits as Above .....	1,375.2	1,661.7	-286.5	1,081.5	1,159.7	- 78.3
17. Differences Between Credits and Debits Above .....	286.5			78.3		
	1,661.7	1,661.7		1,159.7	1,159.7	

	<u>Capital Account</u>					
	<u>Credits</u>	<u>Debits</u>		<u>Credits</u>	<u>Debits</u>	
1. New Issues (par value) .....	420.3	-		222.3	-	
Less commissions and discounts .....	20.0	-		6.0	-	
Net new issues .....	400.3	-	+400.3	216.3	-	+216.3
2. Retirements - including maturities, redemptions and sinking fund repurchases(5) .....	-	110.0	-110.0	-	207.0	-207.0
3. Purchases and Sales of Outstanding Securities, 1933 - 1936 .....	-	-	-	-	-	-
4. Estimated Net Purchase of Foreign and Canadian Securities, 1927 - 1932 .....	-	13.0	- 13.0	-	24.0	- 24.0
5. Net Capital Transactions of International "Branch Plants", etc.(6) .....	22.9	-	+ 22.9	-	1.2	- 1.2
6. Insurance Transactions, n.o.p. ....	21.0	12.0	+ 9.0	41.0	7.0	+ 34.0
7. Canadian Government Credits Received .....	0.2	-	+ 0.2	-	-	-
8. Government Receipts, Reparations .....	6.3	-	+ 6.3	1.3	-	+ 1.3
9. Change in Estimated Net Assets of Canadian Banks Outside Canada .....	-	0.4	- 0.4	27.7	-	+ 27.7
10. Total Credits and Debits as Above .....	450.7	135.4	+315.3	286.3	239.2	+ 47.1
11. Balancing Item - Direct Estimate of Net Capital Movement .....		315.3			47.1	
12. Residual Item(7) (Item 17 of Current Account Minus Item 11 of Capital Account) .....	450.7	450.7		286.3	286.3	
	28.8				31.2	

(1) Includes earmarked gold.

(2) Gold in quartz has been subtracted from trade figures where it is classified under non-ferrous metals and included in the gold item. Silver coin included with gold coin. Bullion imports in trade figures has been subtracted from the gold item and added to the trade figure. This procedure permits all gold to be segregated in one item.

(3) Included with Commodity Trade since 1928.

(4) From 1934 on the adjustment for exchange is included in interest and retirement items.

(5) From 1933 - 1936, sinking fund repurchases are included in "Purchases of outstanding securities".

(6) Included in this item are the net movements of funds resulting from the operations of the branches, subsidiaries, etc., of British and foreign companies in Canada and the branches, subsidiaries, etc., of Canadian companies operating outside of Canada and the net movements of funds resulting from the international transactions of Canadian trust companies. Although the more important current transactions of these concerns, such as dividends, have been included in the current account, various small items of current transactions which are difficult to segregate remain in this item.

(7) This item is the difference between Item 17 of the current account which indirectly indicates the net capital movement and Item 11 of the capital account which is the net capital movement arrived at by the direct estimate of the capital movements shown. As these two balancing items would balance in a statement that was absolutely correct, it may be assumed that the residual item represents either errors in the computations or the omission of transactions which have not been traced.

Estimated Canadian Balance of International Payments, 1926 - 1936 (Continued) -

(In millions of dollars)

	1932			1933		
	Credits	Debits	Net	Credits	Debits	Net
	Exports	Imports		Exports	Imports	
	Visible	Visible	Credits(+)	Visible	Visible	Credits(+)
and	and	or	and	and	or	
	Invisible	Invisible	Debits (-)	Invisible	Invisible	Debits (-)
<u>Current Account of Goods, Gold and Services</u>						
1. Commodity Trade -						
Recorded merchandise exports and imports .....	502.8	452.6		538.1	401.2	
Unrecorded imports of ships .....		1.0			0.3	
	502.8	453.6		538.1	401.5	
Deductions for settlers' effects and other non- commercial exports and imports .....	6.5	14.0		3.5	9.7	
	496.3	439.6		534.6	391.8	
Correction for overvaluation and undervaluation .....	-	22.0		-	7.0	
	496.3	417.6		534.6	384.8	
Minus gold bearing quartz from exports and plus silver and other coin on imports .....	3.9	1.1		2.3	0.9	
Corrected total of commodity trade .....	492.4	418.7	+ 73.7	532.3	385.7	+146.6
2. Gold Exports(1) and Imports(2) -						
Non-monetary .....	60.6	-	+ 60.6	79.4	-	+ 79.4
Monetary .....	12.5	-	+ 12.5	8.4	-	+ 8.4
Total gold .....	73.1	-	+ 73.1	87.8	-	+ 87.8
3. Freight Receipts and Payments, n.o.p. ....	38.0	65.9	- 27.9	43.7	65.8	- 22.1
4. Tourist Expenditures .....	212.4	57.4	+155.0	117.1	50.9	+ 66.2
5. Interest and Dividend Payments and Receipts .....	39.4	301.2	-261.8	39.0	263.3	-224.3
6. Immigrants' Remittances .....	6.1	15.0	- 8.9	5.3	14.0	- 8.7
7. Government Expenditures and Receipts .....	8.8	10.4	- 1.6	6.0	10.0	- 4.0
8. Charitable and Missionary Contributions .....	1.2	1.5	- 0.3	2.2	2.0	+ 0.2
9. Advertising Transactions .....	3.0	5.0	- 2.0	2.0	3.5	- 1.5
10. Motion Picture Earnings .....	-	3.2	- 3.2	-	3.0	- 3.0
11. Capital of Immigrants and Emigrants .....	4.4	3.4	+ 1.0	2.6	3.2	- 0.6
12. Earnings of Canadian Residents Employed in U.S.A. and U.S. Residents Employed in Canada .....	3.7	1.4	+ 2.3	3.1	0.7	+ 2.4
13. Exports and Imports of Electric Energy(3) .....	-	-	-	-	-	-
14. Exchange - London and New York on Interest and Retirement Receipts and Payments(4) .....	10.0	23.7	- 13.7	3.0	12.0	- 9.0
15. Net Payments for Entertainment Services, Royalties, etc., Not Included Above .....	-	8.0	- 8.0	-	10.0	- 10.0
16. Total Credits and Debits as Above .....	892.5	914.8	- 22.3	844.1	824.1	+ 20.0
17. Differences Between Credits and Debits Above .....	22.3				20.0	
	914.8	914.8		844.1	844.1	

10

	<u>Capital Account</u>			<u>Credits</u> <u>Debits</u>		
	<u>Credits</u>	<u>Debits</u>		<u>Credits</u>	<u>Debits</u>	
1. New Issues (par value) .....	104.7	-		139.6	-	
Less commissions and discounts .....	1.0	-		2.0	-	
Net new issues .....	103.7	-	+103.7	137.6	-	+137.6
2. Retirements - including maturities, redemptions and sinking fund repurchases(5) .....	-	104.7	-104.7	-	163.7	-163.7
3. Purchases and Sales of Outstanding Securities, 1933 - 1936 .....	-	-	-	288.7	237.7	+ 51.0
4. Estimated Net Purchase of Foreign and Canadian Securities, 1927 - 1932 .....	-	16.0	- 16.0	-	-	-
5. Net Capital Transactions of International "Branch Plants", etc.(6) .....	-	31.1	- 31.1	-	74.3	- 74.3
6. Insurance Transactions, n.o.p. ....	14.0	15.0	- 1.0	20.0	21.0	- 1.0
7. Canadian Government Credits Received .....	-	-	-	-	-	-
8. Government Receipts, Reparations .....	-	-	-	-	-	-
9. Change in Estimated Net Assets of Canadian Banks Outside Canada .....	37.7	-	+ 37.7	23.9	-	+ 23.9
10. Total Credits and Debits as Above .....	155.4	166.8	- 11.4	470.2	496.7	- 26.5
11. Balancing Item - Direct Estimate of Net Capital Movement .....	11.4			26.5		
12. Residual Item(7) (Item 17 of Current Account Minus Item 11 of Capital Account) .....	166.8	166.8		496.7	496.7	
		33.7			6.5	

(1) Includes earmarked gold.

(2) Gold in quartz has been subtracted from trade figures where it is classified under non-ferrous metals and included in the gold item. Silver coin included with gold coin. Bullion imports in trade figures has been subtracted from the gold item and added to the trade figure. This procedure permits all gold to be segregated in one item.

(3) Included with Commodity Trade since 1928.

(4) From 1934 on the adjustment for exchange is included in interest and retirement items.

(5) From 1933 - 1936, sinking fund repurchases are included in "Purchases of outstanding securities".

(6) Included in this item are the net movements of funds resulting from the operations of the branches, subsidiaries, etc., of British and foreign companies in Canada and the branches, subsidiaries, etc., of Canadian companies operating outside of Canada and the net movements of funds resulting from the international transactions of Canadian trust companies. Although the more important current transactions of these concerns, such as dividends, have been included in the current account, various small items of current transactions which are difficult to segregate remain in this item.

(7) This item is the difference between Item 17 of the current account which indirectly indicates the net capital movement and Item 11 of the capital account which is the net capital movement arrived at by the direct estimate of the capital movements shown. As these two balancing items would balance in a statement that was absolutely correct, it may be assumed that the residual item represents either errors in the computations or the omission of transactions which have not been traced.

Estimated Canadian Balance of International Payments, 1926 - 1936 (Continued) -

(In millions of dollars)

	1934			1935		
	<u>Credits</u>	<u>Debits</u>	Net	<u>Credits</u>	<u>Debits</u>	Net
	Exports	Imports		Exports	Imports	
	Visible	Visible	Credits(+)	Visible	Visible	Credits(+)
and	and	or	and	and	or	
	Invisible	Invisible	Debits (-)	Invisible	Invisible	Debits (-)
<u>Current Account of Goods, Gold and Services</u>						
1. Commodity Trade -						
Recorded merchandise exports and imports .....	660.6	513.5		743.3	550.3	
Unrecorded imports of ships .....		0.3			0.5	
Deductions for settlers' effects and other non-	660.6	513.8		743.3	550.8	
commercial exports and imports .....	3.7	8.3		3.4	8.2	
Correction for overvaluation and undervaluation ...	656.9	505.5		739.9	542.6	
Minus gold bearing quartz from exports and plus	-	1.5		-	1.1	
silver and other coin on imports .....	656.9	504.0		739.9	541.5	
Corrected total of commodity trade .....	4.0	0.8		4.3	1.4	
	652.9	504.8	+148.1	735.6	542.9	+192.7
2. Gold exports(1) and Imports(2) -						
Non-monetary .....	109.6	-	+109.6	116.7	-	+116.7
Monetary .....	-	-	-	-	-	-
Total gold .....	109.6	-	+109.6	116.7	-	+116.7
3. Freight Receipts and Payments, n.o.p. ....	51.4	79.3	- 27.9	68.2	82.3	- 14.1
4. Tourist Expenditures .....	146.0	63.6	+ 82.4	214.8	91.6	+123.2
5. Interest and Dividend Payments and Receipts .....	55.4	267.0	-211.6	62.0	270.6	-208.6
6. Immigrants' Remittances .....	5.8	15.0	- 9.2	6.3	15.0	- 8.7
7. Government Expenditures and Receipts .....	5.8	10.1	- 4.3	5.6	10.9	- 5.3
8. Charitable and Missionary Contributions .....	2.0	2.0	-	1.0	2.0	- 1.0
9. Advertising Transactions .....	2.0	1.5	+ 0.5	1.7	1.4	+ 0.3
10. Motion Picture Earnings .....	-	2.7	- 2.7	-	3.2	- 3.2
11. Capital of Immigrants and Emigrants .....	1.9	3.6	- 1.7	1.7	3.1	- 1.4
12. Earnings of Canadian Residents Employed in U.S.A. and						
U.S. Residents Employed in Canada .....	3.3	0.7	+ 2.6	3.8	1.5	+ 2.3
13. Exports and Imports of Electric Energy(3) .....	-	-	-	-	-	-
14. Exchange - London and New York on Interest and						
Retirement Receipts and Payments(4) .....	-	-	-	-	-	-
15. Net Payments for Entertainment Services, Royalties,						
etc., Not Included Above .....	-	11.0	- 11.0	-	12.0	- 12.0
16. Total Credits and Debits as Above .....	1,036.1	961.3	+ 74.8	1,217.4	1,036.5	+180.9
17. Differences Between Credits and Debits Above .....		74.8			180.9	
	<u>1,036.1</u>	<u>1,036.1</u>		<u>1,217.4</u>	<u>1,217.4</u>	

	<u>Credits</u>			<u>Debits</u>		
	<u>Capital Account</u>					
1. New Issues (par value) .....	114.0	-		117.1	-	
Less commissions and discounts .....	3.0	-		4.0	-	
Net new issues .....	111.0	-	+111.0	113.1	-	+113.1
2. Retirements - including maturities, redemptions and sinking fund repurchases(5) .....	-	169.0	-169.0	-	267.5	-267.5
3. Purchases and Sales of Outstanding Securities, 1933 - 1936 .....	321.2	312.3	+ 8.9	301.8	230.8	+ 71.0
4. Estimated Net Purchase of Foreign and Canadian Securities, 1927 - 1932 .....	-	-	-	-	-	-
5. Net Capital Transactions of International "Branch Plants", etc.(6) .....	-	50.8	- 50.8	-	52.2	- 52.2
6. Insurance Transactions, n.o.p. ....	27.0	24.0	+ 3.0	20.0	38.0	- 18.0
7. Canadian Government Credits Received .....	-	-	-	-	-	-
8. Government Receipts, Reparations .....	-	-	-	-	-	-
9. Change in Estimated Net Assets of Canadian Banks Outside Canada .....	-	18.9	- 18.9	0.1	-	+ 0.1
10. Total Credits and Debits as Above .....	459.2	575.0	-115.8	435.0	588.5	-153.5
11. Balancing Item - Direct Estimate of Net Capital Movement .....	115.8			153.5		
12. Residual Item(7) (Item 17 of Current Account Minus Item 11 of Capital Account) .....	575.0	575.0		588.5	588.5	
		41.0		27.4		

(1) Includes earmarked gold.

(2) Gold in quartz has been subtracted from trade figures where it is classified under non-ferrous metals and included in the gold item. Silver coin included with gold coin. Bullion imports in trade figures has been subtracted from the gold item and added to the trade figure. This procedure permits all gold to be segregated in one item.

(3) Included with Commodity Trade since 1928.

(4) From 1934 on the adjustment for exchange is included in interest and retirement items.

(5) From 1933 - 1936, sinking fund repurchases are included in "Purchases of outstanding securities".

(6) Included in this item are the net movements of funds resulting from the operations of the branches, subsidiaries, etc., of British and foreign companies in Canada and the branches, subsidiaries, etc., of Canadian companies operating outside of Canada and the net movements of funds resulting from the international transactions of Canadian trust companies. Although the more important current transactions of these concerns, such as dividends, have been included in the current account, various small items of current transactions which are difficult to segregate remain in this item.

(7) This item is the difference between Item 17 of the current account which indirectly indicates the net capital movement and Item 11 of the capital account which is the net capital movement arrived at by the direct estimate of the capital movements shown. As these two balancing items would balance in a statement that was absolutely correct, it may be assumed that the residual item represents either errors in the computations or the omission of transactions which have not been traced.

Estimated Canadian Balance of International Payments, 1926 - 1936 (Continued)

(In millions of dollars)

	1936		
	Credits	Debits	Net
	Exports	Imports	
	Visible and Invisible	Visible and Invisible	Credits(+) or Debits (-)
<u>Current Account of Goods, Gold and Services</u>			
1. Commodity Trade -			
Recorded merchandise exports and imports .....	957.4	635.2	
Unrecorded imports of ships .....		0.3	
	957.4	635.5	
Deductions for settlers' effects and other non- commercial exports and imports .....	3.6	9.1	
	953.8	626.4	
Correction for overvaluation and undervaluation ..	-	1.7	
Minus gold bearing quartz from exports and plus silver and other coin on imports .....	953.8	624.7	
Corrected total of commodity trade .....	5.9	1.0	
	947.9	625.7	+322.2
2. Gold Exports(1) and Imports(2) -			
Non-monetary .....	132.0	1.0	+131.0
Monetary .....	-	-	
Total gold .....	132.0	1.0	+131.0
3. Freight Receipts and Payments, n.o.p. ....	30.2	98.0	- 17.8
4. Tourist Expenditures .....	255.8	99.3	+156.0
5. Interest and Dividend Payments and Receipts .....	76.2	310.0	-233.8
6. Immigrants' Remittances .....	7.1	18.0	- 10.9
7. Government Expenditures and Receipts .....	6.5	11.0	- 4.5
8. Charitable and Missionary Contributions .....	1.0	2.0	- 1.0
9. Advertising Transactions .....	1.8	1.4	+ 0.4
10. Motion Picture Earnings .....	-	3.5	- 3.5
11. Capital of Immigrants and Emigrants .....	1.7	3.1	- 1.4
12. Earnings of Canadian Residents Employed in U.S.A. and U.S. Residents Employed in Canada .....	3.6	1.7	+ 1.9
13. Exports and Imports of Electric Energy(3) .....	-	-	-
14. Exchange - London and New York on Interest and Retirement Receipts and Payments(4) .....	-	-	-
15. Net Payments for Entertainment Services, Royalties, etc., Not Included Above .....	-	15.0	- 15.0
16. Total Credits and Debits as Above .....	1,513.8	1,190.2	+323.6
17. Differences Between Credits and Debits Above .....		323.6	
	1,513.8	1,513.8	



	<u>Credits</u>	<u>Debits</u>	
<u>Capital Account</u>			
1. New Issues (par value) .....	110.1	-	
Less commissions and discounts .....	4.0	-	
Net new issues .....	106.1	-	+106.1
2. Retirements - including maturities, redemptions and sinking fund repurchases(5) .....	-	270.0	-270.0
3. Purchases and Sales of Outstanding Securities, 1933 - 1936 .....	422.5	414.7	+ 7.8
4. Estimated Net Purchase of Foreign and Canadian Securities, 1927 - 1932 .....	-	-	-
5. Net Capital Transactions of International "Branch Plants", etc.(6) .....	-	74.2	- 74.2
6. Insurance Transactions, n.o.p. ....	19.0	45.0	- 26.0
7. Canadian Government Credits Received .....	-	-	-
8. Government Receipts, Reparations .....	-	-	-
9. Change in Estimated Net Assets of Canadian Banks Outside Canada .....	2.6	-	+ 2.6
10. Total Credits and Debits as Above .....	550.2	803.9	-253.7
11. Balancing Item - Direct Estimate of Net Capital Movement .....	253.7	-	-
12. Residual Item(7) (Item 17 of Current Account Minus Item 11 of Capital Account) .....	803.9	803.9	-
	69.9	-	-

(1) Includes earmarked gold.

(2) Gold in quartz has been subtracted from trade figures where it is classified under non-ferrous metals and included in the gold item. Silver coin included with gold coin. Bullion imports in trade figures has been subtracted from the gold item and added to the trade figure. This procedure permits all gold to be segregated in one item.

(3) Included with Commodity Trade since 1928.

(4) From 1934 on the adjustment for exchange is included in interest and retirement items.

(5) From 1933 - 1936, sinking fund repurchases are included in "Purchases of outstanding securities".

(6) Included in this item are the net movements of funds resulting from the operations of the branches, subsidiaries, etc., of British and foreign companies in Canada and the branches, subsidiaries, etc., of Canadian companies operating outside of Canada and the net movements of funds resulting from the international transactions of Canadian trust companies. Although the more important current transactions of these concerns, such as dividends, have been included in the current account, various small items of current transactions which are difficult to segregate remain in this item.

(7) This item is the difference between Item 17 of the current account which indirectly indicates the net capital movement and Item 11 of the capital account which is the net capital movement arrived at by the direct estimate of the capital movements shown. As these two balancing items would balance in a statement that was absolutely correct, it may be assumed that the residual item represents either errors in the computations or the omission of transactions which have not been traced.





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