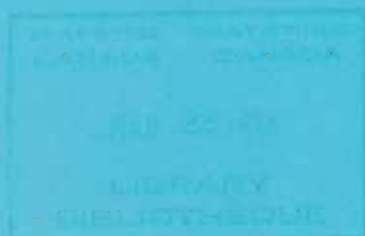


SYSTEM OF NATIONAL ACCOUNTS

Quarterly estimates of the Canadian balance of international payments

THIRD QUARTER 1972

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STATISTICS CANADA
Balance of Payments and Financial Flows Division
Balance of Payments Section

SYSTEM OF NATIONAL ACCOUNTS

QUARTERLY ESTIMATES OF THE CANADIAN
BALANCE OF INTERNATIONAL PAYMENTS

THIRD QUARTER

1972

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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.

QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

THIRD QUARTER 1972

The current account balance weakened considerably to a seasonally adjusted deficit of \$355 million in the third quarter after showing some strength in its movement in the previous quarter. The increased deficit resulted from a sharp \$343 million decline in the merchandise trade surplus which dropped to \$75 million. The non-merchandise balance, due to irregular factors, improved slightly to a deficit of \$430 million, down \$16 million from the second quarter. The weakness of the current account contributed significantly to the slackening pace of economic activity in Canada as measured by the change in Gross National Product. Special factors affecting the flow of some merchandise trade in the quarter were the extended shutdown of a major automobile company in Canada to switch its product line, as well as dock strikes on the Canadian west coast and in the United Kingdom. Such factors which distort the month-to-month pattern of trade, and to some extent quarterly movements when the events bridge quarters, make it difficult to interpret the underlying trend.

Capital movements, unadjusted for seasonal variations, led to a net inflow of \$51 million, a decline of over \$350 million from the previous quarter. Transactions in long-term forms produced a net inflow of \$247 million, a drop of almost \$400 million from the high level of the second quarter. The most significant factor accounting for the decrease was the \$426 million reduction in the inflow from the sale to non-residents of Canadian new issues, particularly provincial direct and guaranteed bonds. This decline was associated with a general reduction in total borrowing in capital markets by these borrowers.

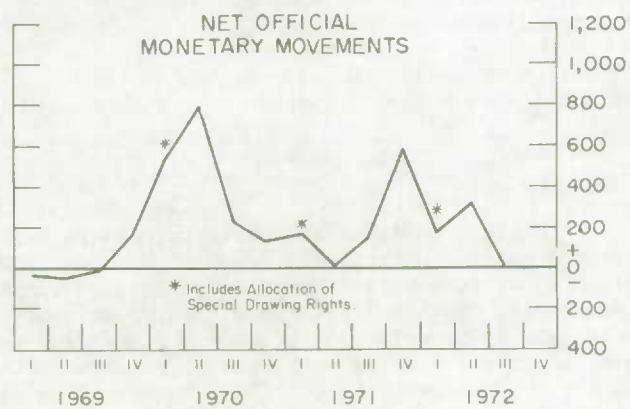
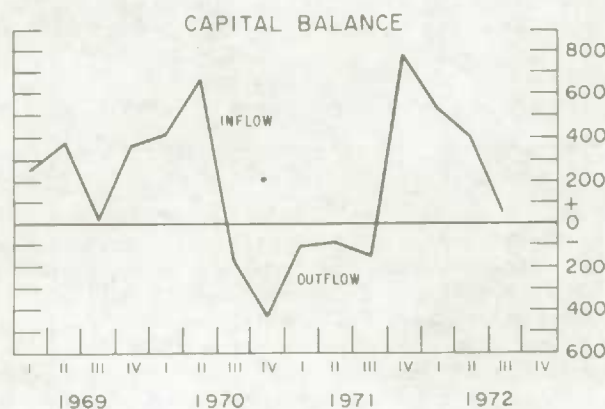
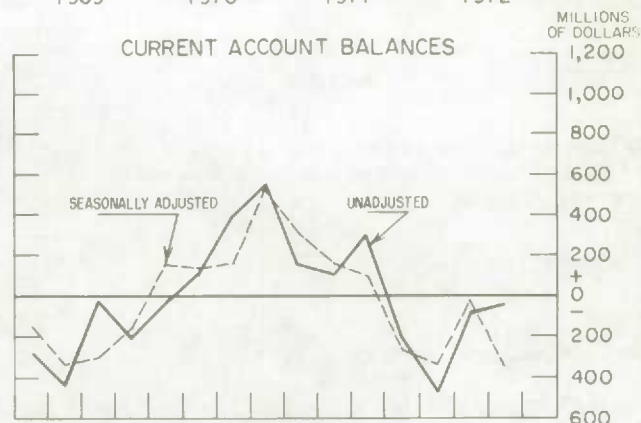
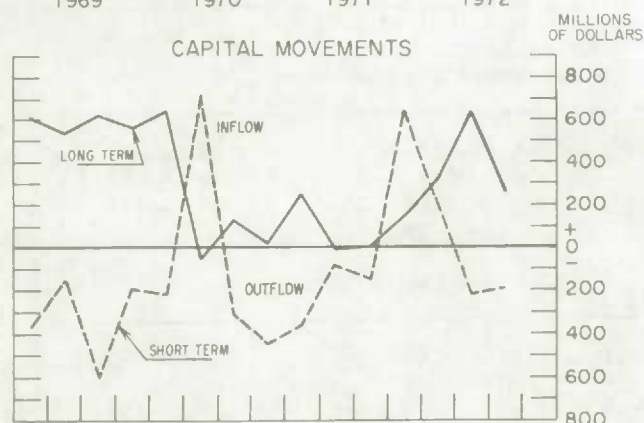
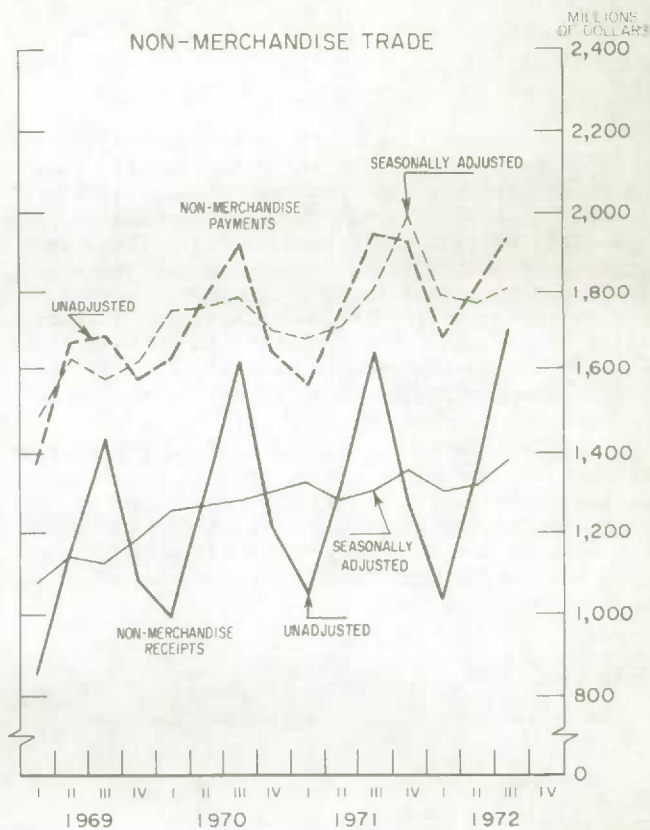
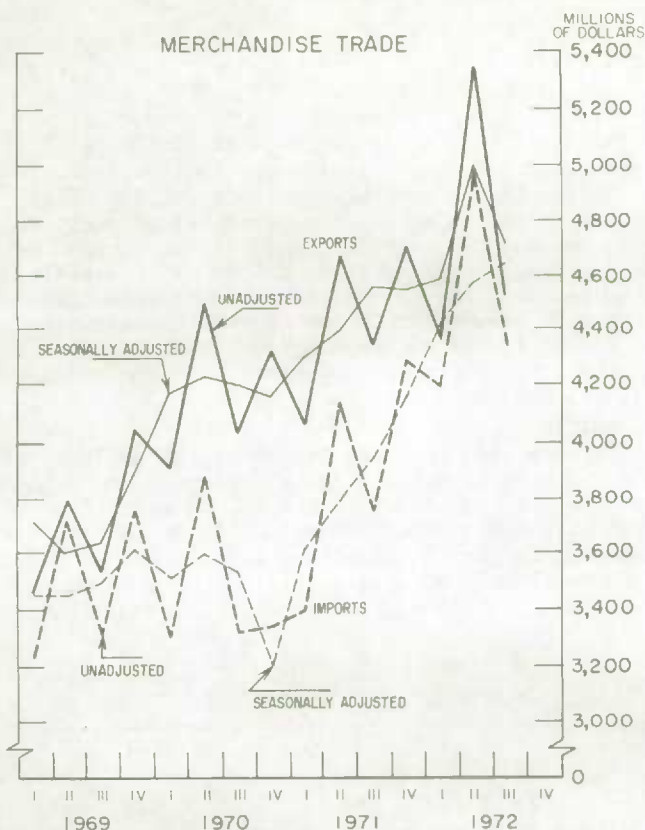
Summary Statement

	1970	1971	1971			1972		
			I IQ	III Q	IV Q	I Q	II Q	III Q
			millions of dollars					
			Seasonally adjusted					
Merchandise trade balance			+ 586	+ 605	+ 382	+ 168	+ 418	+ 75
Balance on non-merchandise transactions			- 422	- 503	- 637	- 494	- 446	- 430
Current account balance			+ 164	+ 102	- 255	- 326	- 28	- 355
			Not seasonally adjusted					
Current account balance	+ 1,036	+ 348	+ 103	+ 293	- 206	- 466	- 86	- 48
Capital movements in long-term forms ..	+ 742	+ 393	- 9	+ 1	+ 151	+ 311	+ 637	+ 247
Capital movements in short-term forms	- 248	+ 36	- 87	- 152	+ 635	+ 215	- 229	- 196
Net capital movement(1)	+ 494	+ 429	- 96	- 151	+ 786	+ 526	+ 408	+ 51
Allocation of Special Drawing Rights ..	+ 133	+ 119	-	-	-	+ 117	-	-
Net official monetary movements	+ 1,663	+ 896	+ 7	+ 142	+ 580	+ 177	+ 322	+ 3

(1) Excluding items shown below.

Capital movements in short-term forms resulted in a net outflow of \$196 million, little changed from the second quarter. There were, however, substantial changes in several component accounts which reflected to some extent continued unsettled conditions in international financial markets. Flows representing changes in resident foreign currency holdings swung by \$1.1 billion as residents built up their balance by over \$550 million. Offsetting movements came from a decline in the outflow due to a slowdown in the pace of non-resident reduction of their holdings of Canadian money market instruments and a swing of almost \$1.0 billion to an inflow of over \$430 million in the category "other short-term capital transactions".

CANADIAN BALANCE OF INTERNATIONAL PAYMENTS



The current account deficit, unadjusted for seasonal variations, was \$48 million in the third quarter. This deficit combined with the net capital inflow of \$51 million produced an increase in net official monetary assets of \$3 million in the quarter. Month-to-month changes were also relatively small. The last time an increase of such a small magnitude occurred was the \$7 million rise recorded in the second quarter of 1971.

Current Account Transactions - Seasonally Adjusted

The improvement in the current account balance which appeared in the second quarter of this year was not maintained in the third quarter as the deficit on current account rose by \$327 million to \$355 million to become the largest deficit since the second quarter of 1960. The deepening of the deficit in the third quarter was due to a drastic \$343 million reduction in the merchandise trade surplus to \$75 million. In the quarter exports fell by about 6 per cent to \$4,716 million while imports, on the other hand, rose by about 1 1/2 per cent to \$4,641 million. The rise in imports reflected some slowdown in their growth from previous rates. The decline in exports was mainly concentrated in July and followed a June total which was unusually high. Developments in Canada and abroad have contributed to the shifting patterns of imports and exports. The level of economic activity in Canada together with a certain amount of sluggishness in foreign demand for Canadian products following a period of slower growth in a number of overseas countries, were important factors. In addition, dock strikes on the Canadian west coast and in the United Kingdom and an extended shut down of a major automobile plant in Canada to switch its product line accentuated the weakness in Canadian exports.

Declines in exports occurred both to the United States and to overseas markets, the former falling by over \$200 million and the latter by over \$100 million. Within the latter group exports to the United Kingdom, the European Economic Community and Japan declined by about \$100 million, \$35 million and \$10 million respectively. Imports from the United States rose by about \$40 million while from overseas countries they went up by about \$20 million. There were declines in imports from the United Kingdom and Japan of \$40 million and \$16 million respectively and an increase of \$50 million from the European Economic Community.

On a commodity basis there was a large increase in exports of wheat, with smaller rises recorded for motor vehicle engines and parts, agricultural machinery, aircraft engines and parts, scientific equipment, woodpulp and lumber. There were major reductions in shipments of motor vehicles, nickel, and copper, while smaller declines were recorded for aluminum, newsprint, communications equipment, wood products and meat and dairy produce. There were increases in imports of automobiles and trucks, tractors, communication equipment, apparel and footwear, miscellaneous equipment and tools, office machines and agricultural machinery, and decreases for motor vehicle engines and parts, machinery, non-ferrous ores and alloys and fuel oil.

With total non-merchandise receipts rising by 4 per cent to \$1,382 million and payments by 2 per cent to \$1,812 million, the non-merchandise deficit dropped by \$16 million to \$430 million, the lowest deficit since the second quarter of 1971. An increase in dividend receipts, due mainly to a large irregular dividend, was the single most important factor accounting for the decline. Receipts of interest and dividends rose in total by 53 per cent to \$211 million while the deficit on this account fell by \$74 million to \$160 million, its lowest level since the fourth quarter of 1964.

Travel receipts fell by \$24 million to \$298 million while travel payments also registered a drop, falling to \$340 million. In the case of travel expenditures by non-residents in Canada it appears that there were declines in both the number of United States visitors and in their average expenditures. On the payments side there seems to have been a reduction in the number of Canadian travellers to the United States which was only partly offset by an increase in expenditure per capita.

The freight and shipping account, partly reflecting the sharp fall in the merchandise trade balance, swung by \$22 million to a deficit of \$16 million. The deficit on "other services" rose 6 per cent to \$215 million, the highest deficit so far recorded on this account. An increase of \$33 million in payments to \$549 million due to a rise in expenditures on business services exceeded the increase in receipts on business services and miscellaneous income by \$13 million. Gold production available for export remained practically unchanged at \$29 million.

The surplus on transfers dropped by \$12 million to \$43 million. Transfer receipts, due mainly to a reduction in immigrants' funds, were \$11 million lower than in the previous quarter while transfer payments rose marginally to \$162 million. At \$104 million inflows of inheritances and migrants' funds fell to their lowest level since the second quarter of 1971. The surplus on this account deteriorated by \$6 million to \$57 million. There was a smaller reduction in tax withheld on income distributions and service payments to non-residents while personal and institutional remittances from abroad remained unchanged at \$32 million. On the payments side a small reduction in emigrants' outflows and a small increase in remittances abroad produced a net increase of \$1 million. Official contributions remained unchanged at \$57 million.

Current Account - Unadjusted for Seasonal Variations

In the third quarter there was a current account deficit of \$48 million. Total current receipts were \$6,221 million while total current payments were \$6,269 million. Merchandise exports, accounting for about 73 per cent of total receipts, stood at \$4,522 million; merchandise imports amounted to \$4,330 million and represented 69 per cent of total current payments. There was a trade surplus of \$192 million which was, however, more than offset by the deficit on non-merchandise transactions. Exports to the United States, at \$3,080 million accounted for 68 per cent of total exports; other relatively important markets were the United Kingdom, Japan, U.S.S.R., West Germany, The People's Republic of China, and the Netherlands. Major export items in this quarter were motor vehicles, engines and parts, newsprint, lumber, crude petroleum, wheat, iron ore, aircraft engines and parts and aluminum. Main suppliers of Canadian imports were the United States with 67 per cent of the total, Japan, the United Kingdom, West Germany and Venezuela. The principal commodities purchased abroad were automotive products, industrial machinery, food, crude petroleum, communications equipment, fabricated iron and steel and wearing apparel and footwear.

Quarterly adjustments for balance of payments purposes to recorded Trade of Canada totals of exports and imports appear in Table 5. In this quarter there was a net addition of \$47 million to merchandise exports mainly for timing adjustments in respect of wheat shipments and progress payments on ships. There was a net deduction of \$11 million from imports reflecting largely net timing adjustments for progress payments on and deliveries of civilian aircraft. The net effect was to increase the recorded trade balance by \$58 million.

Prices of domestic exports expressed in Canadian dollars recorded an increase of nearly one point from the average for the second quarter rising to a quarterly average of 108.1 (1968=100). The third quarter 1972 level was thus over 2 points above the quarterly average for the corresponding period last year. It should be noted that the external value of the Canadian dollar in terms of the U.S. dollar rose by about 3 per cent in the 12 month period and that this rise would reduce the Canadian dollar return on exports quoted in U.S. dollars. The largest monthly increase in the third quarter, in absolute terms, was in September when the index went up by nearly a point above the previous month. Price increases occurred in the food, crude and fabricated materials groups with the main commodities affected being wheat, barley, pulpwood, iron ore, natural gas, and lumber. Average prices of the end products group remained practically unchanged.

Import prices remained unchanged at 108.9 (1968=100) from the previous quarter but were 1 1/2 points above the average of the corresponding 1971 period. There was a small drop in September to the lowest level in the third quarter. Within the commodity groups there were increases in prices of fabricated materials and reductions in prices of food and crude materials.

In the third quarter total exports to developing countries amounted to \$321 million. Such exports include grants in the form of food and other commodities. Other financing of exports is done partly by soft loans and export credits provided through the Canadian government and its agencies. In this quarter the total value of the various commodity-oriented aid programmes of the Government of Canada was over 38 per cent of Canadian exports to these countries. Food and other commodity grants represented 30 per cent of such aid while soft loans and export credits represented 29 and 41 per cent respectively.

There was a deficit of \$240 million on non-merchandise transactions as a surplus of \$28 million in transfers partly offset a deficit of \$268 million on services.

A deficit of \$146 million was recorded on interest and dividends. This deficit would have exceeded the \$200 million mark were it not for the large irregular dividend received by a Canadian company in this quarter. The bulk of interest payments represented the servicing cost of the funded debt of provincial governments and corporations held in the United States. Earnings by the Exchange Fund Account continued to make up the largest part of interest receipts.

The freight and shipping account showed a deficit of \$25 million. The remaining service balance which recorded a deficit in the quarter was that on "other services". Net business service payments accounted for the bulk of the \$207 million deficit; net miscellaneous income payments were also significant.

There was a sizeable surplus of \$133 million on travel expenditures which came principally from expenditures of United States travellers in Canada and accounted for 87 per cent of total travel receipts. At \$255 million the surplus on the United States account was equivalent to over twice the deficit on the overseas account. The larger geographical components of net overseas travel payments were the OECD (Europe) group of countries and the United Kingdom; together these two areas were responsible for practically all the overseas deficit. Changes in methods of recording international travellers at frontier points introduced this year have given rise to some discontinuity in year-to-year comparisons. Gold production available for export totalled \$29 million based on average quarterly market price of gold which in this quarter was about US \$67 per fine ounce.

Transfer receipts, including taxes withheld and paid to the Canadian government on income distributions and service payments amounted to \$214 million. The largest part of these receipts came from immigrants' funds. With payments at \$186 million, there was a surplus of \$28 million on transfers. Together the tax withheld and the \$74 million net inflow of migrants' funds more than offset the net personal and institutional remittances and official contributions. At \$74 million official contributions, representing development assistance in the form of commodities, food, services and cash grants, was the highest since the third quarter of 1970. Disbursements under the international food aid programme comprised 45 per cent of international assistance, with Bangladesh and Pakistan being the major recipients. Among the grants to international institutions about \$12 million went to the United Nations Development Programme.

Current Account - First Nine Months 1972

The current account balance during the first nine months of 1972 swung to a deficit of \$600 million from a surplus of \$554 million in the same period of 1971. An increase of 14 per cent in total current payments which went up to \$18,913 million was equal to double the advance on receipts which rose to \$18,313 million. The deterioration on current account resulted mainly from a 60 per cent contraction of the trade surplus to \$748 million. While commodity imports soared by 20 per cent to \$13,483 million from \$11,267 million exports increased more moderately by 9 per cent to \$14,231 million. The increase in the end products group of commodities represented 70 per cent of the total import rise. The more notable increases were recorded for motor vehicles, engines and parts, telecommunication equipment, crude petroleum, office machinery, wearing apparel and footwear, agricultural machinery, industrial machinery, and woven fabrics. There were increased sales of motor vehicle parts and engines, lumber, crude petroleum, newsprint, aircraft parts, and natural gas. A decline in exports was recorded for iron ore, nickel, fabricated aluminum, industrial machinery, rapeseed and telecommunication equipment.

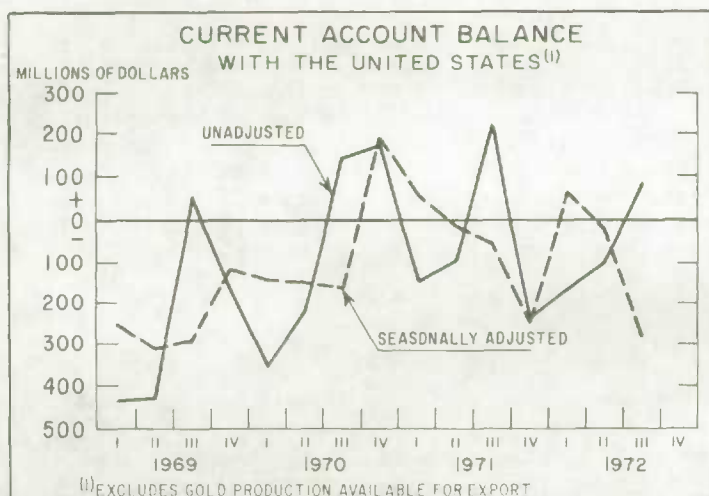
Compared with the first nine months of 1971 there were moderate increases of 2 and 3 per cent respectively in non-merchandise receipts and payments. This resulted in a \$92 million expansion to \$1,348 million in the deficit on invisibles. Among service payments, the items "other services" (mainly business services) and freight and shipping together increased by almost \$200 million. Partially offsetting this increase were declines on travel and interest and dividend payments. Official contributions at \$165 million were larger by \$29 million. On the receipts side, credits for interest and dividends and freight and shipping transactions provided an increase of over \$90 million; this was partially offset by decreases on travel and "other services".

Current Account - Transactions by Area

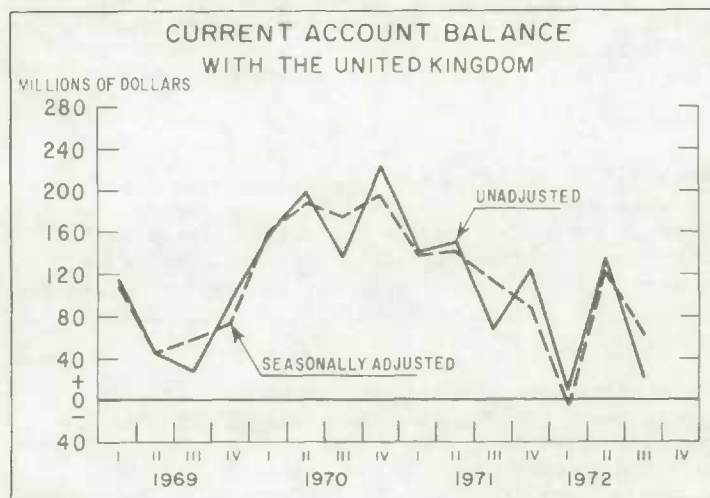
During the January-September period of 1972 Canada's balance on current transactions declined with each of the five main areas when compared to the corresponding period of 1971. The merchandise trade balance worsened with all of the regions as only the United States and the "other countries" group recorded increased purchases of Canadian commodities while imports rose sharply from all five regions, especially from overseas countries. A deterioration also appeared on non-merchandise transactions for all regions except the "other countries" group. (It should be noted that gold production available for export and tax withheld have not been allocated bilaterally.)

With the United States the deficit on current transactions widened by \$159 million to \$184 million in the first nine months of 1972. Of the five regions this represented the smallest deterioration on current account as there was only a moderate decrease of \$18 million in the merchandise trade surplus to \$801 million. An advance of 14 per cent on commodity exports to the United States to \$10,031 million was outstripped by an increase of 16 per cent on imports to \$9,230 million. The largest increases in exports occurred for motor vehicles, engines and parts, lumber, crude petroleum, aircraft, newsprint, natural gas and nickel while the main decrease was for iron ore. The deficit on invisibles widened to \$985 million as receipts fell by 3 per cent and payments rose by almost the same amount.

The changes occurred largely on "other service transactions" as payments, mainly business services, rose by \$96 million while receipts dropped by \$39 million chiefly due to lower miscellaneous income transfers. There was a decrease in travel expenditures with the drop on receipts being nearly double that on payments. Following the movements on merchandise trade, freight and shipping receipts and payments also recorded substantial increases.



by 26 per cent to \$545 million while exports declined by 14 per cent to \$448 million. Imports from Australia, Hong Kong and the Trucial States were higher. On exports reductions of more than \$20 million each were recorded to India, South Africa and Australia. Most of the drop in exports occurred among the fabricated materials and end products groups. There was only a slight decrease of \$4 million in the surplus on invisibles to \$32 million as an increase of 8 per cent in receipts to \$282 million was more than offset by a rise of 11 per cent in payments to \$250 million, due mainly to the expansion in official contributions.



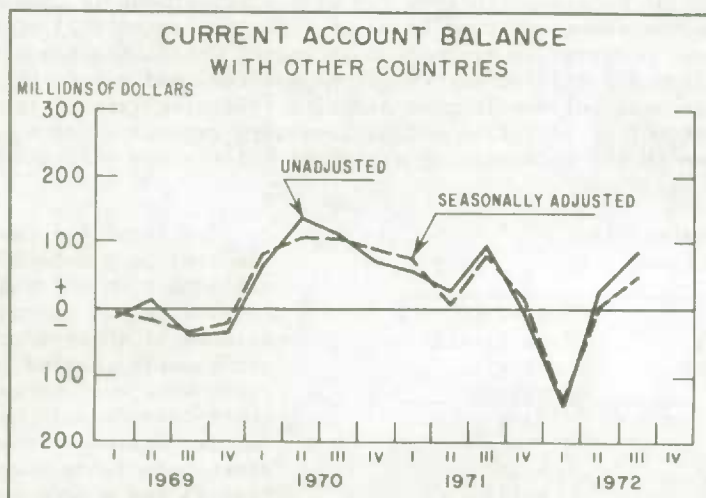
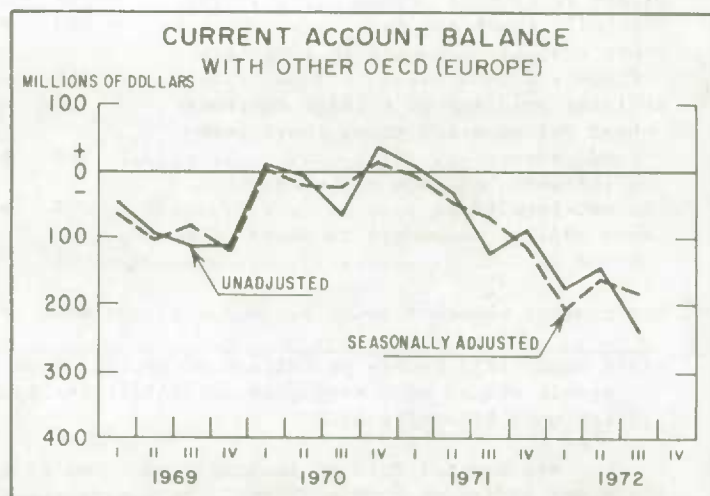
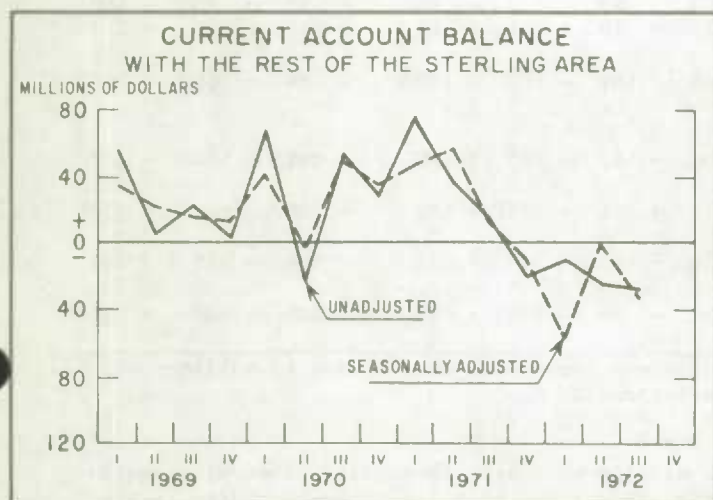
The current account surplus with the United Kingdom fell by 55 per cent to \$164 million from the January-September period of the previous year due largely to changes on merchandise trade. The merchandise surplus narrowed by 40 per cent to \$256 million as imports rose by 15 per cent to \$692 million while exports dropped by 8 per cent to \$948 million. Sales of nickel, aluminum, iron ore and lumber were lower while exports of newsprint increased. More than 80 per cent of the increase on imports occurred in the end products group of commodities. As non-merchandise payments increased only fractionally the widening of the deficit on non-merchandise transactions to \$92 million reflected a drop of 4 per cent on receipts due to "other services", mainly miscellaneous income.

With the Rest of the Sterling Area the balance on current account swung to a deficit of \$65 million from a surplus of \$126 million. This reflected a reversal of \$187 million in the commodity balance to a deficit of \$97 million from a surplus of \$90 million during the January-September period of 1971. Merchandise imports advanced

With the Other OECD (Europe) group of countries the current account deficit increased sharply by over \$400 million to \$563 million during the first nine months of 1972. This was caused almost entirely by merchandise transactions as there was only a marginal rise in the non-merchandise deficit to \$359 million. The balance on merchandise trade swung to a deficit of \$204 million from a surplus of almost equal magnitude in the same period of 1971. Once again this was produced by contrasting movements on merchandise trade flows as imports grew by 29 per cent to \$1,232 million while exports fell by 11 per cent to \$1,028 million. Almost all the countries in this group supplied more imports with the most significant increases coming from West Germany, Italy, France, Belgium, and Norway. On exports, decreases were recorded for Norway, West Germany and Italy while the Netherlands and Greece increased their purchases from Canada. There were moderate gains of 5 and 4 per cent on non-merchandise receipts and payments respectively. Travel receipts were higher. The decline

in travel expenditures abroad partially offset the increase in payments on "other services" and on freight and shipping.

With the "other countries" group the current account balance swung to a deficit of \$30 million from a sizeable surplus of \$177 million in the January-September period of 1971. This mirrored somewhat the movement in the commodity balance to a small deficit of \$8 million from a surplus of \$269 million. Exports increased by 14 per cent to \$1,776 million during the first nine months of 1972. The U.S.S.R., mainly due to wheat purchases, and Japan accounted for over 90 per cent of the gain on exports. The more significant decreases were those recorded to the People's Republic of China and Iraq. Imports were buoyant increasing by 38 per cent to \$1,784 million. Japan accounted for more than one half of the increase of \$498 million in imports from this group of countries as it continued to grow in importance as a supplier. Increased imports were also registered for Taiwan, Iran, Libya, Saudi Arabia, Angola and Venezuela with crude petroleum providing the impetus for the growth in imports from the last five countries. With non-merchandise receipts increasing by 27 per cent to \$436 million and payments by only 6 per cent to \$458 million the deficit on invisibles contracted by \$70 million to \$22 million. Receipts on interest and dividends and "other services" rose by almost \$100 million; on payments, freight and shipping and official contributions were higher by \$25 million.



Capital Movements

Capital movements between Canada and other countries in the third quarter of 1972 resulted in a net capital inflow of \$51 million, down \$357 million from a net inflow of \$408 million in the second quarter. This movement together with the current account deficit of \$48 million led to an increase in Canadian official monetary assets of \$3 million.

Capital Movements(1)

	1970	1971	1971			1972		
			IIQ	IIIQ	IVQ	IQ	IIQ	IIIQ
			millions of dollars					
Direct investment in Canada	+ 835	+ 885	+ 149	+ 135	+ 284	+ 235	+ 200	+ 125
Direct investment abroad	- 295	- 305	- 68	- 5	- 66	- 85	- 90	- 130
Portfolio transactions	+ 565	+ 311	+ 19	+ 63	+ 63	+ 245	+ 611	+ 313
Other capital movements in long-term forms	- 363	- 498	- 109	- 192	- 130	- 84	- 84	- 61
Resident holdings of foreign currency bank balances and other short-term funds abroad	- 376	+ 869	- 47	+ 173	+ 170	+ 561	+ 584	- 557
Non-resident holdings of Canadian short-term paper	+ 221	+ 77	+ 1	+ 39	+ 182	+ 260	- 248	- 133
Other capital movements in short-term forms(2)	- 93	- 910	- 41	- 364	+ 283	- 606	- 565	+ 494
Net capital movement	+ 494	+ 429	- 96	- 151	+ 786	+ 526	+ 408	+ 51

(1) A minus sign equals an outflow of capital from Canada and represents an increase in holdings of assets abroad or a reduction in liabilities to non-residents.

(2) Includes balancing item.

Net capital inflows in long-term forms at \$247 million were less than half the previous quarter's net inflow of \$584 million. There were substantial reductions of sales of new Canadian issues abroad. Following exceptionally large second quarter inflows of \$662 million, sales of new Canadian securities abroad fell to \$236 million. Inflows for direct investment in Canada during the quarter were down \$75 million from the second quarter level of \$200 million to \$125 million. Partially offsetting increases in inflows occurred in trade in outstanding Canadian bonds with net sales of \$138 million, up \$103 million from \$35 million in the second quarter, and a reduction in advances by the Canadian government to international development agencies following large extraordinary advances in the second quarter. The effect of adjusting actual long-term capital inflows to reflect the timing of security offerings is given in the accompanying statement which shows that offerings exceeded deliveries by \$36 million.

Capital Movements in Long-term Forms

Period	Actual movement	Adjusted to reflect timing of security offerings
	millions of dollars	
1970	+ 742	+ 387
1971	+ 393	+ 112
1971 I Q	+ 250	+ 127
II Q	- 9	- 46
III Q	+ 1	+ 6
IV Q	+ 151	+ 25
1972 I Q	+ 311	+ 314
II Q	+ 637	+ 633
III Q	+ 247	+ 283

Capital movements in short-term forms resulted in a net capital outflow of \$196 million, down \$33 million from a \$229 million outflow in the second quarter. Although the balance of short-term capital movements was not greatly changed from the second quarter there were very large shifts in holdings of short-term funds. Resident holdings of foreign currency bank balances and other short-term funds abroad increased \$557 million in the second quarter. The effect of this outflow was partially offset by a \$115 million reduction in outflows from transactions in Canadian money market instruments during the second quarter to \$133 million and by a \$951 million swing in the category "other short-term capital transactions" from an outflow of \$517 million to a \$434 million inflow.

Transactions through the Canadian chartered banks play an important part in the capital account movements. Canadian chartered banks' net spot holdings of foreign currency claims (excluding gold) on non-residents fell on a transactions basis by \$141 million in the quarter (while those with Canadians rose by \$127 million to produce an overall decrease of \$14 million). The 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 behaviour 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 inflow for the quarter of \$14 million representing the decrease in the banks' net spot foreign currency claims on both residents and non-residents and an inflow of \$127 million reflecting the net increase in the banks' position with residents, composed of an increase in claims of \$35 million and a fall in liabilities of \$92 million. The resulting net inflow of \$141 million is the same as would have been yielded by the alternative treatment of measuring directly the chartered banks' transactions with non-residents. The transactions show that claims on residents of the United States dropped by \$142 million while those on other countries rose by \$338 million. Liabilities to residents of the United States and of other countries increased by \$293 million and \$44 million, respectively. Residents' holdings of swapped deposits declined by \$67 million during the quarter to reach \$197 million at the end of the period.

Direct Investment

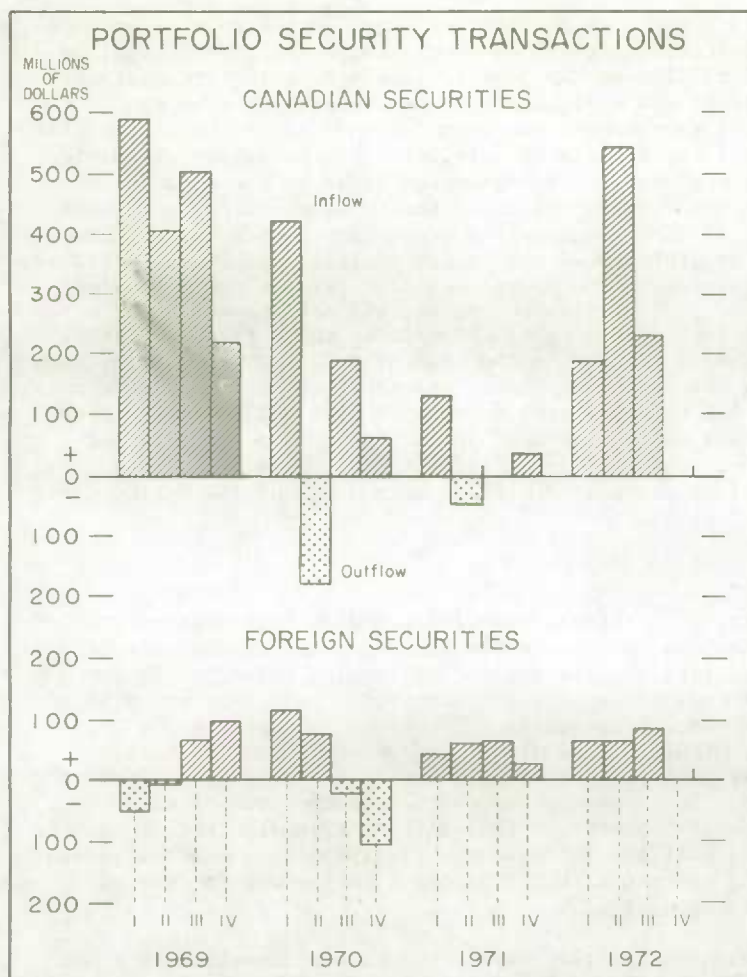
The net capital inflow for direct investment in foreign-controlled Canadian enterprises totalled \$125 million in the third quarter. In the preceding quarter and in the corresponding quarter of the previous year the net inflows were \$200 million and \$135 million respectively. The reduction in net inflows appears to be related to the completion of several capital projects and a reduction of inflows in the petroleum and natural gas industries and in the mining sector. Investors resident in the United States contributed about 70 per cent of the total, mainly to the mining and manufacturing sectors. Continental Europe was the source for almost 20 per cent of the net inflow with the balance divided between the United Kingdom and all other countries. European investors directed the bulk of their flows to the manufacturing sector. The pulp and paper industry continued to receive significant amounts of direct investment capital. As capital movements relating to takeovers, refinancing and other special transactions were small in the quarter, the bulk of the net direct investment inflow was for the purchase of property, plant and equipment and for working capital.

Transactions with Canadian-controlled foreign enterprises during the quarter resulted in a net outflow of \$130 million, an increase of \$40 million over the earlier period. Particularly significant in the quarter was the near balance in transactions with the United States and the United Kingdom. Net outflows to sterling area countries represented over 35 per cent of the total while continental Europe was the destination of almost 10 per cent. Just over 50 per cent was directed to all other countries. A large part of this outflow represented non-recurring movements which were offset by flows in the opposite direction in the current account and were not related to new capital formation or normal working capital requirements. The bulk of the net outflow originated with investors in the manufacturing and transportation sectors.

Security Transactions

International transactions in all long-term portfolio securities resulted in a net inflow to Canada of \$313 million in the third quarter of 1972, down sharply from the previous quarter when the net inflow of \$611 million reflected the placement abroad of a record \$491 million of new issues of provincial governments and their enterprises. Geographically, there were net inflows of \$8 million from the United States, \$17 million from the United Kingdom, \$200 million from continental Europe and \$88 million from all other countries.

Trading in outstanding Canadian securities during the quarter led to a net sales balance or capital inflow of \$95 million representing the difference between net repurchases of \$43 million of equities and net sales of \$138 million of debt issues. In the previous quarter Canada had a net sales balance of \$20 million consisting of \$35 million from net sales of debt issues and \$15 million from net repurchases of equities. Particularly unusual in the current period were the large net sales of Government of Canada and provincial direct and guaranteed issues to overseas investors which amounted to \$23 million to the United Kingdom, \$54 million to continental Europe and \$38 million to all others. In all trading, Canada had a net purchase balance of \$62 million with the United States but had a sales balance of \$14 million with the United Kingdom, \$89 million with continental Europe and \$54 million with the rest of the world.



Canada issues, \$62 million for provincial direct and guaranteed issues, \$11 million for municipal issues and \$26 million for corporate issues. The United States received \$90 million of this debt retirement while \$4 million went to the United Kingdom and \$13 million to all other countries mainly in continental Europe.

New Issues of Canadian Bonds Sold to United States Residents

Period	Offerings	Deliveries	Undelivered(1)
millions of dollars			
1970	623	978	420
1971	567	848	139
1971 I Q	85	208	297
II Q	275	312	260
III Q	158	153	265
IV Q	49	175	139
1972 I Q	246	243	142
II Q	423	427	138
III Q	107	71	174

(1) At end of period.

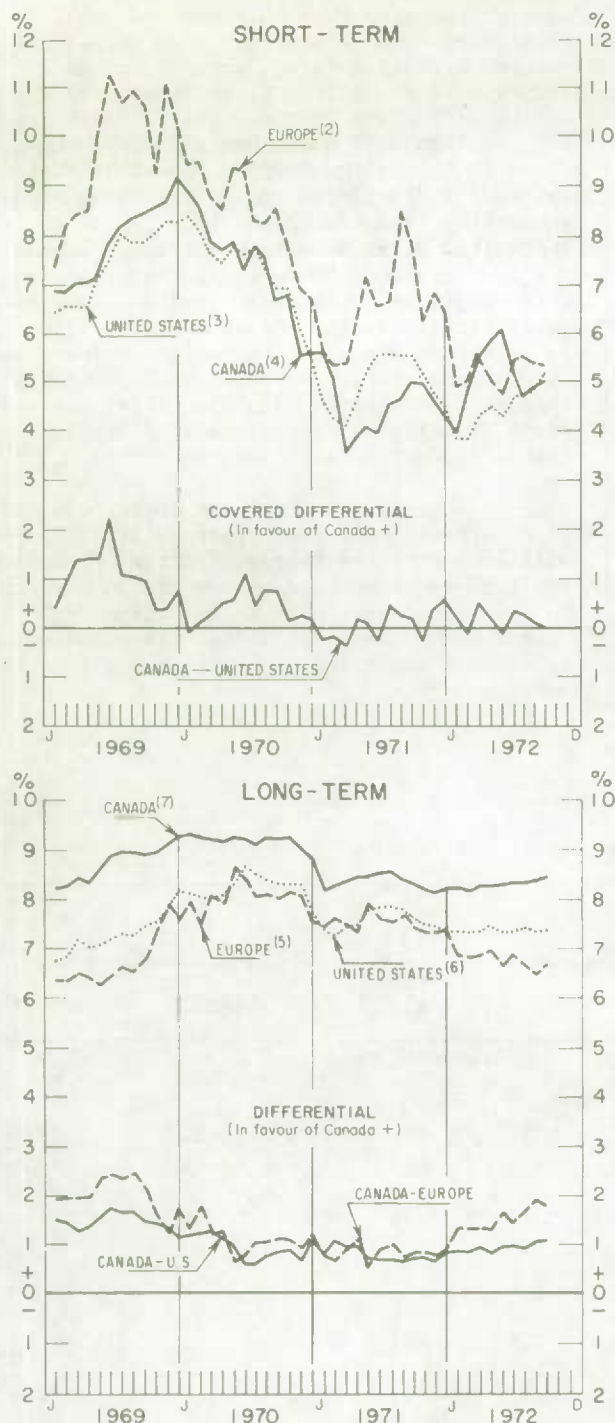
The proceeds of sales to non-residents of new issues of Canadian securities amounted to \$236 million in the third quarter in sharp contrast to the \$662 million inflow of the previous period. Gross new issues (on domestic and foreign capital markets) remained at the same high level as in the second quarter as increased borrowings by the Government of Canada on the Canadian market tended to offset a reduction in borrowings by provincial governments and their enterprises and by corporations, the normal large non-resident borrowers. Over 75 per cent of the securities sold to non-residents were denominated in foreign currencies, mainly European. The first placement of a Canadian issue denominated in Japanese yen equivalent to \$32 million was made in this quarter. Sales abroad of provincial direct and guaranteed issues amounted to \$154 million, a reduction of \$337 million from the previous quarter. Sales to non-residents of corporation bonds at \$34 million were also well down from the previous quarter level of \$122 million as borrowings were reduced both in Canada and abroad. Sales of municipal issues increased by \$4 million to \$33 million. New Government of Canada issues sold to non-residents amounted to \$8 million. While one third of the new debt issues were placed in the United States, investors resident in continental Europe supplied almost 50 per cent of total inflow. Non-residents acquired \$7 million of new stock issues.

Canada retired \$107 million of foreign-held Canadian securities during the quarter, \$33 million lower than in the previous quarter. Maturities led to capital outflows of \$8 million for Government of

Trading in outstanding foreign securities resulted in a net inflow to Canada of \$94 million, a decrease of only \$4 million as compared to the earlier quarter. Canadians continued to reduce their holdings of United States equities by selling, on balance, \$88 million of these securities. Other transactions led to net purchases of \$1 million of foreign debt issues and net sales of \$7 million of other foreign equities. Geographically, trading in all outstanding foreign securities led to net inflows of \$86 million from the United States, \$2 million from the United Kingdom and \$6 million from all other countries.

New issues of foreign securities sold to residents of Canada amounted to \$7 million, a sharp drop from the previous quarter when purchases amounted to \$31 million. The current outflow covered the acquisition of

REPRESENTATIVE INTEREST RATES⁽¹⁾



- Notes: (1) All rates are shown as at end or near end of month.
Interest rates are based on:
(2) Eurodollar 90-day deposits in London.
(3) Finance company paper 90-day (adjusted to 365-day true yield basis from 360-day discount basis).
(4) Finance company paper, 90-day.
(5) International bond yields of German mark issues of United States companies.
(6) Corporate bonds industrial index (Moody's).
(7) Bond yield averages for 10 industrials (McLeod, Young, Weir and Company Limited).

Sources: World Financial Markets, Morgan Guaranty Trust Company of New York for long-term European rates.
Bank of Canada Review, Table 18, for all other rates.

\$5 million of debt issues and \$2 million of equities. Holdings of foreign securities by Canadians were reduced by \$2 million during the quarter by normal maturities.

Other Capital Flows in Long-term Forms

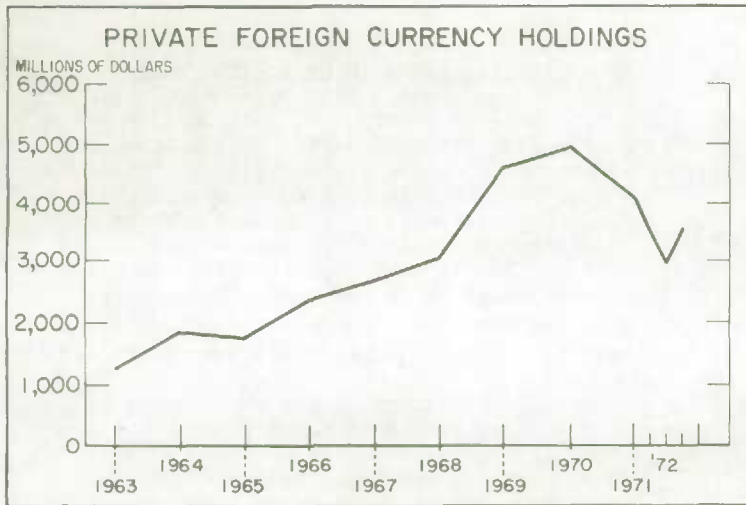
Disbursements of loans and advances by the Canadian government under development assistance programmes totalled \$36 million, virtually unchanged from the previous quarter. Disbursements to Asian and African countries accounted for approximately 60 per cent and 30 per cent respectively. Subscription payments to the Caribbean Development Bank and the Inter-American Development Bank together amounted to slightly over \$1 million.

Transactions during the quarter arising from the financing of medium and long-term export credits extended from Canada directly or indirectly at the risk of the government led to a net capital outflow of \$57 million, a reduction of \$26 million from the preceding quarter. Advances to the People's Republic of China for the purchase of wheat as well as to Latin American and Middle Eastern countries continued during the quarter at relatively high levels. However, disbursements of credits for the sale of non-wheat commodities financed directly at the risk of the government fell off sharply in the third quarter.

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 inflow of \$33 million compared to an inflow of \$76 million in the previous quarter.

Capital Movements in Short-term Forms

A rise in Canadian dollar deposits of non-residents led to an inflow of \$55 million in the quarter. Residents of the United States, the United Kingdom and other countries increased their holdings by \$47 million, \$6 million and \$2 million respectively. Government of Canada demand liabilities in the form of interest-free demand notes issued to international investment agencies remained unchanged during the quarter.



Increases in Canadian holdings of foreign currency bank balances and other short-term funds abroad led to a net capital outflow of \$557 million, compared to an inflow of \$584 million in the preceding quarter. Inflows from the United States of \$403 million were more than offset by outflows to the United Kingdom and other countries of \$671 million and \$289 million, respectively. Large outflows from Canada to the United Kingdom reflected strong demand for foreign funds by banks in that country. This was probably associated with unsettled conditions following the float of sterling in late June and a subsequent sharp increase in interest rates. Net inflows through the chartered banks only slightly offset net outflows to build up balances held directly abroad by Canadians in foreign banks.

Non-residents reduced their holdings of Government of Canada treasury bills by \$4 million during the third quarter after building them up through an inflow of \$31 million in the second quarter. Transactions with "other countries" (including international investment agencies) accounted for all of the outflow.

Transactions in Selected Money Market Instruments

		1972					
	1971	IQ	IIQ	IIIQ	July	August	September
		millions of dollars					
Canadian commercial paper:							
Sales	990	332	78	154	51	51	52
Purchases (including maturities)	953	337	168	143	37	51	55
Net	+ 37	- 5	- 90	+ 11	+ 14	-	- 3
Finance company paper:							
Sales	2,674	838	715	631	..	..	..
Purchases (including maturities)	2,706	737	746	752	..	..	..
Net	- 32	+ 101	- 31	- 121	..	..	..
Other Canadian short-term paper(1):							
Sales	393	572	280	547	181	165	201
Purchases (including maturities)	318	408	438	566	177	177	212
Net	+ 75	+ 164	- 158	- 19	+ 4	- 12	- 11

(1) Includes obligations of banks, mortgage loan companies and junior levels of government.

Transactions in commercial paper occurred almost exclusively with residents of the United States, who on balance, accounted for \$10 million of the total net inflow of \$11 million. By comparison, transactions in the second quarter resulted in a net outflow of \$90 million.

Finance company paper transactions produced a net outflow as maturities and repurchases exceeded sales to non-residents by \$121 million up from a \$31 million outflow in the second quarter. The decline was coincident with a change in the hedged yield on Canadian paper which became less attractive vis-à-vis investment in United States instruments. Net repurchases from the United States were \$122 million.

Transactions in other short-term paper (which includes mainly obligations of junior levels of government, banks, and mortgage loan companies) were responsible for net outflows of \$19 million as compared to an outflow of \$158 million in the preceding quarter. Net repurchases from the United States of \$32 million were slightly offset by net sales to the United Kingdom of \$13 million. Trading was, however, very brisk in obligations of Canadian chartered banks and junior levels of government.

Transactions in miscellaneous finance company obligations accounted for an inflow of \$5 million, compared to an outflow in the second quarter of \$37 million. Residents of the United States accounted for the total inflow.

Other Short-term Capital Transactions

Period	Chartered bank Canadian dollar claims on non-residents	Short-term foreign currency bank borrowing by Canadians	Other(1)	Total
millions of dollars				
1970	- 38	+ 387	- 357	- 8
1971	- 90	+ 97	- 1,030	- 1,023
1971 I Q	- 297	+ 36	- 573	- 834
II Q	+ 160	- 102	- 112	- 54
III Q	+ 69	+ 172	- 549	- 308
IV Q	- 22	- 9	+ 204	+ 173
1972 I Q	-	- 53	- 654	- 707
II Q	+ 11	- 102	- 426	- 517
III Q	+ 20	+ 20	+ 394	+ 434

(1) Includes intercompany and other accounts receivable and payable and balancing item.

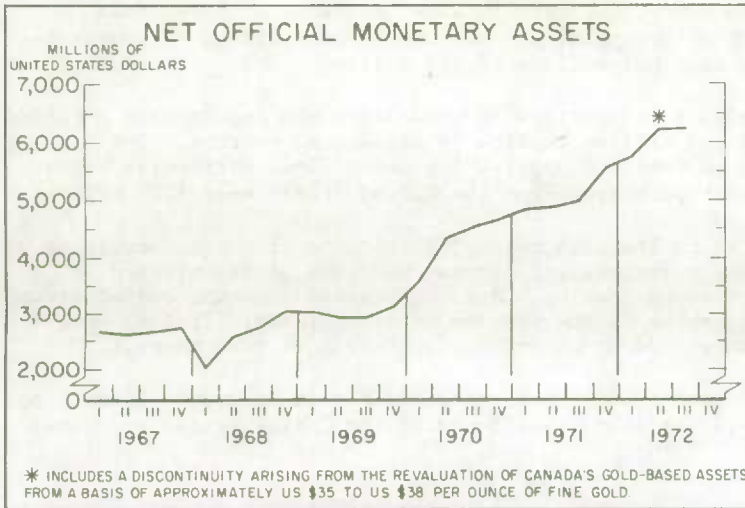
All other short-term capital transactions led to a net capital inflow of \$433 million. Chartered bank Canadian dollar claims on non-residents fell by \$20 million, down \$9 million from the preceding quarter. Short-term foreign currency bank borrowings by Canadians led to a net inflow of \$20 million compared to an outflow of \$102 million in the second quarter. All other components in this account led to a net inflow of \$394 million. Gross identified transactions, mainly for intercompany accounts receivable and payable, accounted for over one half of this total while the balancing item representing the difference between recorded measures of current, capital and reserve movements and which embodies all unidentified transactions implied an inflow of close to \$150 million following large movements in the opposite direction in the first half of the year. The balancing item is conventionally attributed to the United States account; with the rapid developments in the current and capital accounts in recent years this practice may not be as appropriate as it was in the past.

Official International Monetary Assets and Liabilities

Canada's net official monetary assets totalled US \$6,221 million on September 30, 1972, an increase of US \$3 million over the quarter.

Holdings of United States dollars dropped by US \$6 million while those of other currencies rose by US \$6 million. There was no change in holdings of monetary gold and Special Drawing Rights. Canada's reserve position with the International Monetary Fund (IMF) totalled US \$330 million at the end of September an increase of US \$3 million in the quarter.

The overall increase in Canada's net official monetary assets in the third quarter expressed in Canadian dollars was \$3 million.



The spot value of the Canadian dollar on foreign exchange markets traded in a very narrow range between 98.13 and 98.44 cents for US \$1.00. The spot value of the United States dollar closed the quarter at 98.38 Canadian cents. The pound sterling which was floated towards the end of June closed at 239.95 Canadian cents at the end of the quarter after losing a little ground in relation to the Canadian dollar.

The forward Canadian dollar for delivery in 90 days vis-à-vis the United States dollar traded within a very narrow band of less than 1/4 of one per cent per annum on either side of the spot rate.

STATISTICS OF THE CANADIAN
BALANCE OF INTERNATIONAL PAYMENTS

TABLES

TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS(1)

Current Account - Not Seasonally Adjusted

Line No.	Acct. No.	Item	1970				1971	
			I	II	III	IV	I	II
millions of dollars								
	A	<u>Current receipts</u>						
1	1	Merchandise exports (adjusted)(2)	3,911	4,490	4,034	4,316	4,065	4,665
		Service receipts						
2	3	Gold production available for export	25	26	22	23	25	21
3	4	Travel	109	297	639	189	119	302
4	5	Interest and dividends	108	123	125	172	141	126
5	6	Freight and shipping	254	297	282	293	265	308
6	(part)11	Other service receipts	333	351	342	350	325	336
7		Total service receipts	829	1,094	1,410	1,027	875	1,093
8		Sub-totals, exports of goods and services(3)	4,740	5,584	5,444	5,343	4,940	5,758
		Transfer receipts						
9	7	Inheritances and immigrants' funds	72	102	123	92	89	106
10	(part)11	Personal and institutional remittances(4)	25	28	26	28	28	30
11	..	Withholding tax(5)	68	74	51	76	59	81
12	12	Total current receipts	4,905	5,788	5,644	5,539	5,116	5,975
	B	<u>Current payments</u>						
13	1	Merchandise imports (adjusted)(2)	3,306	3,878	3,321	3,340	3,398	4,142
		Service payments						
14	4	Travel	313	384	543	220	313	369
15	5	Interest and dividends	396	361	364	429	366	353
16	6	Freight and shipping	232	306	284	284	234	309
17	(part)11	Other service payments	497	528	490	483	457	505
18	..	Withholding tax(5)	68	74	51	76	59	81
19		Total service payments	1,506	1,653	1,732	1,492	1,429	1,617
20		Sub-totals, imports of goods and services(3)	4,812	5,531	5,053	4,832	4,827	5,739
		Transfer payments						
21	7	Inheritances and emigrants' funds	40	47	61	51	39	46
22	(part)11	Personal and institutional remittances(4)	53	54	52	53	54	55
23	9	Official contributions	31	42	79	49	38	32
24	12	Total current payments	4,936	5,674	5,245	4,985	4,958	5,872
	C	<u>Current account balance</u>						
25	1	Merchandise trade	+ 605	+ 612	+ 713	+ 976	+ 667	+ 543
		Service transactions						
26		Gold production available for export	+ 25	+ 26	+ 22	+ 23	+ 25	+ 21
27		Travel	- 204	- 87	+ 96	- 31	- 194	- 67
28		Interest and dividends	- 288	- 238	- 239	- 257	- 225	- 227
29		Freight and shipping	+ 22	- 9	- 2	+ 9	+ 31	- 1
30		Other service transactions	- 164	- 177	- 148	- 133	- 132	- 169
31		Withholding tax	- 68	- 74	- 51	- 76	- 59	- 81
32		Balance on service transactions	- 677	- 559	- 322	- 465	- 554	- 524
33		Balance on goods and services	- 72	+ 53	+ 391	+ 511	+ 113	+ 19
34		Net transfers	+ 41	+ 61	+ 8	+ 43	+ 45	+ 84
35	4	Total current account balance	- 31	+ 114	+ 399	+ 554	+ 158	+ 103

(1) Data for 1970, 1971 and 1972 are preliminary.

(2) Trade of Canada figures with certain valuation and timing adjustments appropriate for balance of payments - see Table 5.

(3) As used in the National Income and Expenditure Accounts.

TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS(1)

Current Account - Not Seasonally Adjusted

1971		1972				1970	1971	Four quarters ended IIIQ 1972	Acct. No.	Line No.
III	IV	I	II	III	IV					
millions of dollars										
									A	
4,347	4,711	4,364	5,345	4,522		16,751	17,788	18,942	1	1
22	22	20	29	29		96	90	100	3	2
673	189	112	309	635		1,234	1,283	1,245	4	3
113	177	123	133	189		528	557	622	5	4
297	314	266	326	305		1,126	1,184	1,211	6	5
328	350	328	319	327		1,376	1,339	1,324	(part)11	6
1,433	1,052	849	1,116	1,485		4,360	4,453	4,502		7
5,780	5,763	5,213	6,461	6,007		21,111	22,241	23,444		8
134	103	85	119	130		389	432	437	7	9
30	30	31	33	32		107	118	126	(part)11	10
47	91	65	85	52		269	278	293	..	11
5,991	5,987	5,394	6,698	6,221		21,876	23,069	24,300	12	12
									B	
3,747	4,266	4,186	4,967	4,330		13,845	15,533	17,749	1	13
351	261	315	359	502		1,460	1,494	1,437	4	14
363	546	378	348	335		1,550	1,628	1,607	5	15
308	325	269	327	330		1,106	1,176	1,251	6	16
506	540	514	542	534		1,998	2,008	2,130	(part)11	17
47	91	65	85	52		269	278	293	..	18
1,775	1,763	1,541	1,661	1,753		6,383	6,584	6,718		19
5,522	6,029	5,727	6,628	6,083		20,228	22,117	24,467		20
56	44	39	46	56		199	185	185	7	21
54	55	56	57	56		212	218	224	(part)11	22
66	65	38	53	74		201	201	230	9	23
5,698	6,193	5,860	6,784	6,269		20,840	22,721	25,106	12	24
									C	
+ 600	+ 445	+ 178	+ 378	+ 192		+ 2,906	+ 2,255	+ 1,193	1	25
+ 22	+ 22	+ 20	+ 29	+ 29		+ 96	+ 90	+ 100		26
+ 122	- 72	- 203	- 50	+ 133		- 226	- 211	- 192		27
- 250	- 369	- 255	- 215	- 146		- 1,022	- 1,071	- 985		28
- 11	- 11	- 3	- 1	- 25		+ 20	+ 8	- 40		29
- 178	- 190	- 186	- 223	- 207		- 622	- 669	- 806		30
- 47	- 91	- 65	- 85	- 52		- 269	- 278	- 293		31
- 342	- 711	- 692	- 545	- 268		- 2,023	- 2,131	- 2,216		32
+ 258	- 266	- 514	- 167	- 76		+ 883	+ 124	- 1,023		33
+ 35	+ 60	+ 48	+ 81	+ 28		+ 153	+ 224	+ 217		34
+ 193	- 206	- 466	- 86	- 48		+ 1,036	+ 348	- 806	4	35

(1) Personal and institutional remittances include pension payments.

(2) Tax withheld on service payments and income distributions to non-residents.

TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS(1) - Continued

Capital Account(6) - Not Seasonally Adjusted

Line No.	Acct. No.	Item	1970				1971	
			I	II	III	IV	I	II
			millions of dollars					
	D	Direct investment(7)						
36	1	In Canada	+ 216	+ 169	+ 130	+ 320	+ 317	+ 149
37	2	Abroad	- 147	- 35	- 9	- 104	- 166	- 68
		Portfolio transactions						
		Canadian securities						
38	3.1	Outstanding bonds	+ 4	- 26	- 16	- 1	- 31	- 23
39	3.2	Outstanding stocks	- 1	- 81	- 34	- 29	- 42	- 28
40	4	New issues	+ 518	+ 200	+ 298	+ 211	+ 304	+ 356
41	5	Retirements	- 100	- 273	- 59	- 120	- 107	- 348
		Foreign securities						
42	6	Outstanding issues	+ 120	+ 87	- 13	- 96	+ 49	+ 70
43	7	New issues	- 6	- 9	- 11	- 8	- 10	- 10
44	8	Retirements	+ 2	+ 3	+ 2	+ 3	+ 3	+ 2
		Loans and subscriptions - Government of Canada						
45	9	Advances	- 26	- 59	- 35	- 24	- 24	- 37
46	10	Repayments	-	+ 7	-	+ 29	-	+ 7
47	11	Columbia River Treaty	-	-	-	+ 31	-	-
48	12	Export credits directly or indirectly at risk of the Government of Canada	+ 11	- 36	- 65	- 39	- 25	- 79
49	13	Other long-term capital transactions	+ 52	- 4	- 53	- 152	- 18	-
50	E 1	Balance of capital movements in long-term forms (lines 36-49)	+ 643	- 57	+ 135	+ 21	+ 250	- 9
51	D 17.1	Resident holdings of foreign currency bank balances and other short-term funds abroad	+ 206	- 5	- 470	- 107	+ 573	- 47
		Non-resident holdings of Canadian:						
52	14.1	Dollar deposits	+ 31	+ 39	+ 2	- 46	+ 50	+ 22
53	14.2	Government demand liabilities	- 2	+ 27	+ 1	- 34	-	-
54	14.3	Treasury bills	- 9	- 6	- 44	- 14	+ 1	- 4
55	17.2a	Commercial paper	+ 7	- 7	- 20	+ 72	- 31	+ 19
56	17.3	Finance company paper	- 75	+ 174	+ 75	+ 19	- 72	- 9
57	17.2b	Other short-term paper	- 1	- 29	+ 18	+ 61	- 43	- 5
58	17.4	Other finance company obligations	- 59	+ 67	- 39	- 72	- 4	- 9
59	17.5	Other short-term capital transactions(8)	- 316	+ 464	+ 169	- 325	- 834	- 54
60	E 2	Balance of capital movements in short-term forms (lines 51-59)	- 218	+ 724	- 308	- 446	- 360	- 87
61	E 3	Total net capital balance	+ 425	+ 667	- 173	- 425	- 110	- 96
62	..	Allocation of Special Drawing Rights	+ 133	-	-	-	+ 119	-
	H	Net official monetary movements(9):						
63	4	Official international reserves	+ 527	+ 781	+ 225	+ 129	+ 167	+ 7
64	5	Official monetary liabilities	-	-	+ 1	-	-	-
65	6	Net official monetary movements	+ 527	+ 781	+ 226	+ 129	+ 167	+ 7

(6) 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.

(7) Exclusive of undistributed profits.

TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS(1) - Concluded

Capital Account(6) - Not Seasonally Adjusted

1971		1972				1970	1971	Four quarters ended IIIQ 1972	Acct. No.	Line No.
III	IV	I	II	III	IV					
millions of dollars										
									D	
+ 135	+ 284	+ 235	+ 200	+ 125		+ 835	+ 885	+ 844	1	36
- 5	- 66	- 85	- 90	- 130		- 295	- 305	- 371	2	37
- 22	- 18	+ 7	+ 35	+ 138		- 39	- 94	+ 162	3.1	38
- 58	- 16	- 13	- 15	- 43		- 145	- 144	- 87	3.2	39
+ 221	+ 281	+ 310	+ 662	+ 236		+ 1,227	+ 1,162	+ 1,489	4	40
- 141	- 208	- 128	- 140	- 107		- 552	- 804	- 583	5	41
+ 68	+ 57	+ 77	+ 98	+ 94		+ 98	+ 244	+ 326	6	42
- 7	- 36	- 10	- 31	- 7		- 34	- 63	- 84	7	43
+ 2	+ 3	+ 2	+ 2	+ 2		+ 10	+ 10	+ 9	8	44
- 46	- 85	- 32	- 84	- 37		- 144	- 192	- 238	9	45
-	+ 29	-	+ 7	-		+ 36	+ 36	+ 36	10	46
-	+ 24	-	-	-		+ 31	+ 24	+ 24	11	47
- 75	- 51	- 50	- 83	- 57		- 129	- 230	- 241	12	48
- 71	- 47	- 2	+ 76	+ 33		- 157	- 136	+ 60	13	49
+ 1	+ 151	+ 311	+ 637	+ 247		+ 742	+ 393	+ 1,346	E 1	50
+ 173	+ 170	+ 561	+ 584	- 557		- 376	+ 869	+ 758	D 17.1	51
- 51	+ 71	+ 73	- 9	+ 55		+ 26	+ 92	+ 190	14.1	52
-	+ 50	- 25	- 2	-		- 8	+ 50	+ 23	14.2	53
+ 14	- 14	-	+ 31	- 4		- 73	- 3	+ 13	14.3	54
+ 34	+ 15	- 5	- 90	+ 11		+ 52	+ 37	- 69	17.2a	55
- 18	+ 67	+ 101	- 31	- 121		+ 193	- 32	+ 16	17.3	56
+ 9	+ 114	+ 164	- 158	- 19		+ 49	+ 75	+ 101	17.2b	57
- 5	- 11	+ 53	- 37	+ 5		- 103	- 29	+ 10	17.4	58
- 308	+ 173	- 707	- 517	+ 434		- 8	- 1,023	- 617	17.5	59
- 152	+ 635	+ 215	- 229	- 196		- 248	+ 36	+ 425	E 2	60
- 151	+ 786	+ 526	+ 408	+ 51		+ 494	+ 429	+ 1,771	E 3	61
-	-	+ 117	-	-		+ 133	+ 119	+ 117	..	62
+ 142	+ 580	+ 177	+ 322	+ 3		+ 1,662	+ 896	+ 1,082	H	63
-	-	-	-	-		+ 1	-	-	4	64
+ 142	+ 580	+ 177	+ 322	+ 3		+ 1,663	+ 896	+ 1,082	5	65
									6	

(8) Includes balancing item representing difference between recorded measures of current, capital and reserve movements and embodies all unidentified transactions.

(9) For detailed composition of official monetary assets see Table 12.

TABLE 2. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Current Account - Seasonally Adjusted

Line No.	Acct. No.	Item	1970			
			I	II	III	IV
			millions of dollars			
	A	<u>Current receipts</u>				
1	1	Merchandise exports (adjusted)(1)	4,174	4,224	4,197	4,156
		Service receipts				
2	3	Gold production available for export	23	26	22	25
3	4	Travel	304	309	298	323
4	5	Interest and dividends	117	127	147	137
5	6	Freight and shipping	280	282	280	284
6	(part)11	Other service receipts	333	345	349	349
7		Total service receipts	1,057	1,089	1,096	1,118
8		Sub-totals, exports of goods and services(2)	5,231	5,313	5,293	5,274
		Transfer receipts				
9	7	Inheritances and immigrants' funds	98	94	98	99
10	(part)11	Personal and institutional remittances(3)	26	27	26	28
11	..	Withholding tax(4)	76	63	67	63
12	12	Total current receipts	5,431	5,497	5,484	5,464
	B	<u>Current payments</u>				
13	1	Merchandise imports (adjusted)(1)	3,510	3,594	3,527	3,214
		Service payments				
14	4	Travel	359	373	376	352
15	5	Interest and dividends	408	383	402	357
16	6	Freight and shipping	273	284	275	274
17	(part)11	Other service payments	493	507	500	498
18	..	Withholding tax(4)	76	63	67	63
19		Total service payments	1,609	1,610	1,620	1,544
20		Sub-totals, imports of goods and services(2)	5,119	5,204	5,147	4,758
		Transfer payments				
21	7	Inheritances and emigrants' funds	49	50	51	49
22	(part)11	Personal and institutional remittances(3)	51	53	54	54
23	9	Official contributions	44	42	65	50
24	12	Total current payments	5,263	5,349	5,317	4,911
	C	<u>Current account balance</u>				
25	1	Merchandise trade	+ 664	+ 630	+ 670	+ 942
		Service transactions				
26		Gold production available for export	+ 23	+ 26	+ 22	+ 25
27		Travel	- 55	- 64	- 78	- 29
28		Interest and dividends	- 291	- 256	- 255	- 220
29		Freight and shipping	+ 7	- 2	+ 5	+ 10
30		Other service transactions	- 160	- 162	- 151	- 149
31		Withholding tax	- 76	- 63	- 67	- 63
32		Total service transactions	- 552	- 521	- 524	- 426
33		Balance on goods and services	+ 112	+ 109	+ 146	+ 516
34		Net transfers	+ 56	+ 39	+ 21	+ 37
35	4	Total current account balance	+ 168	+ 148	+ 167	+ 553

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

(2) As used in the National Income and Expenditure Accounts.

TABLE 2. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Current Account - Seasonally Adjusted

1971				1972				Acct. No.	Line No.
I	II	III	IV	I	II	III	IV		
millions of dollars									
								A	
4,295	4,388	4,558	4,547	4,596	4,993	4,716		1	1
24	21	22	23	19	28	29		3	2
328	313	315	327	312	322	298		4	3
150	132	133	142	133	138	211		5	4
291	292	297	304	292	308	305		6	5
325	330	337	347	329	314	334		(part)11	6
1,118	1,088	1,104	1,143	1,085	1,110	1,177			7
5,413	5,476	5,662	5,690	5,681	6,103	5,893			8
118	98	107	109	115	111	104		7	9
29	29	30	30	32	32	32		(part)11	10
67	69	64	78	72	73	69		..	11
5,627	5,672	5,863	5,907	5,900	6,319	6,098		12	12
								B	
3,515	3,802	3,953	4,165	4,428	4,575	4,641		1	13
335	356	374	411	358	348	340		4	14
375	375	402	476	386	372	371		5	15
275	287	300	314	315	302	321		6	16
455	482	515	556	513	516	549		(part)11	17
67	69	64	78	72	73	69		..	18
1,525	1,569	1,655	1,835	1,644	1,611	1,650			19
5,138	5,371	5,608	6,000	6,072	6,186	6,291			20
48	48	47	42	48	48	47		7	21
53	54	56	55	55	56	58		(part)11	22
51	35	50	65	51	57	57		9	23
5,290	5,508	5,761	6,162	6,226	6,347	6,453		12	24
								C	
+ 682	+ 586	+ 605	+ 382	+ 168	+ 418	+ 75		1	25
+ 24	+ 21	+ 22	+ 23	+ 19	+ 28	+ 29			26
- 25	- 43	- 59	- 84	- 46	- 26	- 42			27
- 225	- 243	- 269	- 334	- 253	- 234	- 160			28
+ 16	+ 5	- 3	- 10	- 23	+ 6	- 16			29
- 130	- 152	- 178	- 209	- 184	- 202	- 215			30
- 67	- 69	- 64	- 78	- 72	- 73	- 69			31
- 407	- 481	- 551	- 692	- 559	- 501	- 473			32
+ 275	+ 105	+ 54	- 310	- 391	- 83	- 398			33
+ 62	+ 59	+ 48	+ 55	+ 65	+ 55	+ 43			34
+ 337	+ 164	+ 102	- 255	- 326	- 28	- 355		4	35

(3) Personal and institutional remittances include pension payments.

(4) Tax withheld on service payments and income distributions to non-residents.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

By Area - Not Seasonally Adjusted

No.	Item	1970				1971	
		I	II	III	IV	I	II
		millions of dollars					
	<u>United States</u>						
1	Merchandise exports (adjusted)	2,617	2,951	2,512	2,779	2,752	3,190
2	Non-merchandise receipts(1,2)	525	747	1,058	675	570	754
3	Total current receipts	3,142	3,698	3,570	3,454	3,322	3,944
4	Merchandise imports (adjusted)	2,466	2,802	2,287	2,263	2,488	2,942
5	Non-merchandise payments(1)	1,033	1,116	1,141	1,021	980	1,101
6	Total current payments	3,499	3,918	3,428	3,284	3,468	4,043
	Balance						
7	Merchandise trade	+ 151	+ 149	+ 225	+ 516	+ 264	+ 248
8	Non-merchandise trade	- 508	- 369	- 83	- 346	- 410	- 347
9	Current account balance	- 357	- 220	+ 142	+ 170	- 146	- 99
	Capital movements(3)						
10	In long-term forms	+ 515	+ 84	+ 197	+ 18	+ 219	+ 176
11	In short-term forms	- 44	+ 551	- 337	- 133	+ 141	- 42
12	Total net capital balance	+ 471	+ 635	- 140	- 115	+ 360	+ 134
	<u>United Kingdom</u>						
13	Merchandise exports (adjusted)	332	411	365	383	315	378
14	Non-merchandise receipts(1)	123	142	144	151	116	136
15	Total current receipts	455	553	509	534	431	514
16	Merchandise imports (adjusted)	168	201	182	183	172	214
17	Non-merchandise payments(1)	129	153	192	127	119	150
18	Total current payments	297	354	374	310	291	364
	Balance						
19	Merchandise trade	+ 164	+ 210	+ 183	+ 200	+ 143	+ 164
20	Non-merchandise trade	- 6	- 11	- 48	+ 24	- 3	- 14
21	Current account balance	+ 158	+ 199	+ 135	+ 224	+ 140	+ 150
	Capital movements(3)						
22	In long-term forms	+ 60	+ 48	+ 31	+ 22	+ 25	- 22
23	In short-term forms	- 59	- 49	+ 281	- 340	- 333	+ 23
24	Total net capital balance	+ 1	- 1	+ 312	- 318	- 308	+ 1
	<u>Rest of the Sterling Area</u>						
25	Merchandise exports (adjusted)	181	186	214	204	171	178
26	Non-merchandise receipts(1)	65	75	91	78	76	92
27	Total current receipts	246	261	305	282	247	270
28	Merchandise imports (adjusted)	108	197	150	173	100	166
29	Non-merchandise payments(1)	71	89	101	81	71	67
30	Total current payments	179	286	251	254	171	233
	Balance						
31	Merchandise trade	+ 73	- 11	+ 64	+ 31	+ 71	+ 12
32	Non-merchandise trade	- 6	- 14	- 10	- 3	+ 5	+ 25
33	Current account balance	+ 67	- 25	+ 54	+ 28	+ 76	+ 37

See footnotes at the end of table.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

By Area — Not Seasonally Adjusted

1971		1972				1970	1971	Four quarters ended IIIQ 1972	No.
III	IV	I	II	III	IV				
millions of dollars									
2,867	3,193	3,227	3,724	3,080		10,859	12,002	13,224	1
1,093	693	552	754	1,046		3,005	3,110	3,045	2
3,960	3,886	3,779	4,478	4,126		13,864	15,112	16,269	3
2,560	2,886	2,885	3,456	2,889		9,818	10,876	12,116	4
1,180	1,235	1,061	1,123	1,153		4,311	4,496	4,572	5
3,740	4,121	3,946	4,579	4,042		14,129	15,372	16,688	6
+ 307	+ 307	+ 342	+ 268	+ 191		+ 1,041	+ 1,126	+ 1,108	7
- 87	- 542	- 509	- 369	- 107		- 1,306	- 1,386	- 1,527	8
+ 220	- 235	- 167	- 101	+ 84		- 265	- 260	- 419	9
+ 141	+ 142	+ 328	+ 532	+ 107		+ 814	+ 678	+ 1,109	10
- 180	+ 835	+ 21	- 1,158	+ 694		+ 37	+ 754	+ 392	11
- 39	+ 977	+ 349	- 626	+ 801		+ 851	+ 1,432	+ 1,501	12
339	347	255	419	274		1,491	1,379	1,295	13
145	143	108	129	144		560	539	524	14
483	490	363	548	418		2,051	1,918	1,819	15
216	231	229	265	198		734	833	923	16
200	136	125	149	199		601	605	609	17
416	367	354	414	397		1,335	1,438	1,532	18
+ 123	+ 116	+ 26	+ 154	+ 76		+ 757	+ 546	+ 372	19
- 56	+ 7	- 17	- 20	- 55		- 41	- 66	- 85	20
+ 67	+ 123	+ 9	+ 134	+ 21		+ 716	+ 480	+ 287	21
- 51	+ 21	- 12	- 15	+ 31		+ 161	- 27	+ 25	22
+ 91	+ 30	+ 100	+ 795	- 626		- 167	- 189	+ 299	23
+ 40	+ 51	+ 88	+ 780	- 595		- 6	- 216	+ 324	24
174	184	138	155	155		785	707	632	25
93	100	85	95	102		309	361	382	26
267	284	223	250	257		1,094	1,068	1,014	27
167	194	153	196	196		628	627	739	28
87	111	80	80	90		342	336	361	29
254	305	233	276	286		970	963	1,100	30
+ 7	- 10	- 15	- 41	- 41		+ 157	+ 80	- 107	31
+ 6	- 11	+ 5	+ 15	+ 12		- 33	+ 25	+ 21	32
+ 13	- 21	- 10	- 26	- 29		+ 124	+ 105	- 86	33

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - ~~Continued~~

By Area - Not Seasonally Adjusted

No.	Item	1970				1971	
		I	II	III	IV	I	II
		millions of dollars					
	<u>Other OECD (Europe)(4)</u>						
34	Merchandise exports (adjusted)	351	418	389	460	386	410
35	Non-merchandise receipts(1)	95	115	121	112	102	116
36	Total current receipts	446	533	510	572	488	526
37	Merchandise imports (adjusted)	238	317	312	329	275	346
38	Non-merchandise payments(1)	196	219	265	204	205	212
39	Total current payments	434	536	577	533	480	558
	Balance						
40	Merchandise trade	+ 113	+ 101	+ 77	+ 131	+ 111	+ 64
41	Non-merchandise trade	- 101	- 104	- 144	- 92	- 103	- 96
42	Current account balance	+ 12	- 3	- 67	+ 39	+ 8	- 32
	<u>Other</u>						
43	Merchandise exports (adjusted)	430	524	554	490	441	509
44	Non-merchandise receipts(1)	93	119	123	108	103	110
45	Total current receipts	523	643	677	598	544	619
46	Merchandise imports (adjusted)	326	361	390	392	363	454
47	Non-merchandise payments(1)	133	145	174	136	126	139
48	Total current payments	459	506	564	528	489	593
	Balance						
49	Merchandise trade	+ 104	+ 163	+ 164	+ 98	+ 78	+ 55
50	Non-merchandise trade	- 40	- 26	- 51	- 28	- 23	- 29
51	Current account balance	+ 64	+ 137	+ 113	+ 70	+ 55	+ 26
	<u>All Countries</u>						
52	Merchandise exports (adjusted)	3,911	4,490	4,034	4,316	4,065	4,665
53	Non-merchandise receipts(1, 5)	994	1,298	1,610	1,223	1,051	1,310
54	Total current receipts	4,905	5,788	5,644	5,539	5,116	5,975
55	Merchandise imports (adjusted)	3,306	3,878	3,321	3,340	3,398	4,122
56	Non-merchandise payments(1, 5)	1,630	1,796	1,924	1,645	1,560	1,750
57	Total current payments	4,936	5,674	5,245	4,985	4,958	5,872
	Balance						
58	Merchandise trade	+ 605	+ 612	+ 713	+ 976	+ 667	+ 543
59	Non-merchandise trade	- 636	- 498	- 314	- 422	- 509	- 440
60	Current account balance	- 31	+ 114	+ 399	+ 554	+ 158	+ 103
	Capital movements						
61	In long-term forms	+ 643	- 57	+ 135	+ 21	+ 250	- 9
62	In short-term forms	- 218	+ 724	- 308	- 446	- 360	- 87
63	Total net capital balance	+ 425	+ 667	- 173	- 425	- 110	- 96
64	Allocation of Special Drawing Rights	+ 133	-	-	-	+ 119	-
65	Net official monetary movements	+ 527	+ 781	+ 226	+ 129	+ 167	+ 7

(1) Including transfer receipts/payments.

(2) Gold production available for export has not been allocated on a bilateral basis but is included in the total for all countries.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

by Area - Not Seasonally Adjusted

1971		1972				1970	1971	Four quarters ended IIIQ 1972	No.
III	IV	I	II	III	IV				
millions of dollars									
362	396	293	387	348		1,618	1,554	1,424	34
116	106	100	128	123		443	440	457	35
478	502	393	515	471		2,061	1,994	1,881	36
335	388	361	434	437		1,196	1,344	1,620	37
268	204	208	228	274		884	889	914	38
603	592	569	662	711		2,080	2,233	2,534	39
+ 27	+ 8	- 68	- 47	- 89		+ 422	+ 210	- 196	40
- 152	- 98	- 108	- 100	- 151		- 441	- 449	- 457	41
- 125	- 90	- 176	- 147	- 240		- 19	- 239	- 653	42
605	591	451	660	665		1,998	2,146	2,367	43
129	121	100	133	203		443	463	557	44
734	712	551	793	868		2,441	2,609	2,924	45
469	567	558	616	610		1,469	1,853	2,351	46
169	150	135	152	171		588	584	608	47
638	717	693	768	781		2,057	2,437	2,959	48
+ 136	+ 24	- 107	+ 44	+ 55		+ 529	+ 293	+ 16	49
- 40	- 29	- 35	- 19	+ 32		- 145	- 121	- 51	50
+ 96	- 5	- 142	+ 25	+ 87		+ 384	+ 172	- 35	51
4,347	4,711	4,364	5,345	4,522		16,751	17,788	18,942	52
1,644	1,276	1,030	1,353	1,699		5,125	5,281	5,358	53
5,991	5,987	5,394	6,698	6,221		21,876	23,069	24,300	54
3,747	4,266	4,186	4,967	4,330		13,845	15,533	17,749	55
1,951	1,927	1,674	1,817	1,939		6,995	7,188	7,357	56
5,698	6,193	5,860	6,784	6,269		20,840	22,721	25,106	57
+ 600	+ 445	+ 178	+ 378	+ 192		+ 2,906	+ 2,255	+ 1,193	58
- 307	- 651	- 644	- 464	- 240		- 1,870	- 1,907	- 1,999	59
+ 293	- 206	- 466	- 86	- 48		+ 1,036	+ 348	- 806	60
+ 1	+ 151	+ 311	+ 637	+ 247		+ 742	+ 393	+ 1,346	61
- 152	+ 635	+ 215	- 229	- 196		- 248	+ 36	+ 425	62
- 151	+ 786	+ 526	+ 408	+ 51		+ 494	+ 429	+ 1,771	63
-	-	+ 117	-	-		+ 133	+ 119	+ 117	64
+ 142	+ 580	+ 177	+ 322	+ 3		+ 1,663	+ 896	+ 1,082	65

(3) Capital movements by area on a quarterly basis are available at this time only for Canada's transactions with the United States and the United Kingdom.

(*) Includes Austria, Belgium and Luxembourg, Denmark, Federal Republic of Germany, Finland, France, Greece, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and Turkey.

(5) Includes withholding tax which is not allocated on a bilateral basis.

TABLE 4. CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES, QUARTERLY

Current Account - Not Seasonally Adjusted

Line No.	Acct. No.	Item	1970			
			I	II	III	IV
			millions of dollars			
	A	<u>Current receipts</u>				
1	1	Merchandise exports (adjusted)(1)	2,617	2,951	2,512	2,779
		Service receipts(2)				
2	4	Travel	92	252	574	164
3	5	Interest and dividends	73	80	81	102
4	6	Freight and shipping	130	162	146	152
5	(part)11	Other service receipts	186	196	189	195
6		Total service receipts	481	690	990	613
7		Sub-totals, exports of goods and services	3,098	3,641	3,502	3,392
		Transfer receipts				
8	7	Inheritances and immigrants' funds	29	40	52	44
9	(part)11	Personal and institutional remittances(3)	15	17	16	18
10	12	Total current receipts	3,142	3,698	3,570	3,454
	B	<u>Current payments</u>				
11	1	Merchandise imports (adjusted)(1)	2,466	2,802	2,287	2,263
		Service payments				
12	4	Travel	217	252	323	144
13	5	Interest and dividends	332	305	300	369
14	6	Freight and shipping	124	167	151	145
15	(part)11	Other service payments	320	350	323	320
16		Total service payments	993	1,074	1,097	978
17		Sub-totals, imports of goods and services	3,459	3,876	3,384	3,241
		Transfer payments				
18	7	Inheritances and emigrants' funds	26	29	30	29
19	(part)11	Personal and institutional remittances(3)	14	13	14	14
20	9	Official contributions	-	-	-	-
21	12	Total current payments	3,499	3,918	3,428	3,284
	C	<u>Current account balance</u>				
22	1	Merchandise trade	+ 151	+ 149	+ 225	+ 516
		Service transactions(2)				
23		Travel	- 125	-	+ 251	+ 20
24		Interest and dividends	- 259	- 225	- 219	- 267
25		Freight and shipping	+ 6	- 5	- 5	+ 7
26		Other service transactions	- 134	- 154	- 134	- 125
27		Balance on service transactions	- 512	- 384	- 107	- 365
28		Balance on goods and services	- 361	- 235	+ 118	+ 151
29		Net transfers	+ 4	+ 15	+ 24	+ 19
30	4	Total current account balance	- 357	- 220	+ 142	+ 170

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

(2) Excludes gold production available for export.

TABLE 4. CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES, QUARTERLY

Current Account - Not Seasonally Adjusted

1971				1972				Acct. No.	Line No.
I	II	III	IV	I	II	III	IV		
millions of dollars									
2,752	3,190	2,867	3,193	3,227	3,724	3,080		A 1	1
104	258	605	162	91	251	554		4	2
97	81	82	100	88	91	85		5	3
143	174	165	178	151	188	179		6	4
173	180	167	184	166	161	154		(part) 11	5
517	693	1,019	624	496	691	972			6
3,269	3,883	3,886	3,817	3,723	4,415	4,052			7
36	42	54	49	36	41	53		7	8
17	19	20	20	20	22	21		(part) 11	9
3,322	3,944	3,960	3,886	3,779	4,478	4,126		12	10
								B	
2,488	2,942	2,560	2,886	2,885	3,456	2,889		1	11
218	242	323	161	220	228	299		4	12
298	299	298	494	309	296	266		5	13
122	164	162	158	139	176	171		6	14
304	353	353	384	353	380	373		(part) 11	15
942	1,058	1,136	1,197	1,021	1,080	1,109			16
3,430	4,000	3,696	4,083	3,906	4,536	3,998			17
24	28	29	24	24	27	29		7	18
14	15	15	14	16	16	15		(part) 11	19
-	-	-	-	-	-	-		9	20
3,468	4,043	3,740	4,121	3,946	4,579	4,042		12	21
								C	
+ 264	+ 248	+ 307	+ 307	+ 342	+ 268	+ 191		1	22
- 114	+ 16	+ 282	+ 1	- 129	+ 23	+ 255			23
- 201	- 218	- 216	- 394	- 221	- 205	- 181			24
+ 21	+ 10	+ 3	+ 20	+ 12	+ 12	+ 8			25
- 131	- 173	- 186	- 200	- 187	- 219	- 219			26
- 425	- 365	- 117	- 573	- 525	- 389	- 137			27
- 161	- 117	+ 190	- 266	- 183	- 121	+ 54			28
+ 15	+ 18	+ 30	+ 31	+ 16	+ 20	+ 30			29
- 146	- 99	+ 220	- 235	- 167	- 101	+ 84		4	30

(5) Personal and institutional remittances include pension payments.

TABLE 4. CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES, QUARTERLY -- Concluded

Capital Account(4) - Not Seasonally Adjusted

Line No.	Acct. No.	Item	1970			
			I	II	III	IV
			millions of dollars			
	D					
		Direct investment(5)				
31	1	In Canada	+ 141	+ 148	+ 72	+ 214
32	2	Abroad	- 123	- 32	- 25	- 58
		Portfolio transactions				
		Canadian securities				
33	3.1	Outstanding bonds	- 10	- 29	- 24	- 6
34	3.2	Outstanding stocks	- 4	- 36	- 21	- 18
35	4	New issues	+ 428	+ 133	+ 286	+ 179
36	5	Retirements	- 96	- 155	- 44	- 100
		Foreign securities				
37	6	Outstanding issues	+ 112	+ 84	- 20	- 95
38	7	New issues	- 3	- 6	- 9	- 2
39	8	Retirements	+ 1	+ 2	+ 1	+ 1
		Loans and subscriptions - Government of Canada				
40	9	Advances	-	-	-	-
41	10	Repayments	-	-	-	-
42	11	Columbia River Treaty	-	-	-	+ 31
43	12	Export credits directly or indirectly at risk of the Government of Canada	+ 1	-	-	-
44	13	Other long-term capital transactions	+ 68	- 25	- 19	- 128
45	E 1	Balance of capital movements in long-term forms ...	+ 515	+ 84	+ 197	+ 18
46	D 17.1	Resident holdings of foreign currency bank balances and other short-term funds abroad	+ 334	- 112	- 415	+ 71
		Non-resident holdings of Canadian				
47	14.1	Dollar deposits	+ 1	+ 26	+ 32	- 15
48	14.2	Government demand liabilities	-	-	-	-
49	14.3	Treasury bills	- 3	-	+ 3	- 4
50	17.2a	Commercial paper	+ 7	- 7	- 21	+ 71
51	17.3	Finance company paper	- 81	+ 168	+ 22	+ 7
52	17.2b	Other short-term paper	- 1	- 28	+ 17	+ 60
53	17.4	Other finance company obligations	- 53	+ 58	- 42	- 68
54	17.5	Other short-term capital transactions(6)	- 248	+ 446	+ 67	- 255
55	E 2	Balance of capital movements in short-term forms ..	- 44	+ 551	- 337	- 133
56	E 3	Total net capital balance	+ 471	+ 635	- 140	- 110
57		Total current and capital account balance	+ 114	+ 415	+ 2	+ 55

(4) A minus sign in Accounts D and E indicates 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.

TABLE 4. CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES, QUARTERLY - Concluded

Capital Account(4) - Not Seasonally Adjusted

1971				1972				Acct. No.	Line No.
I	II	III	IV	I	II	III	IV		
millions of dollars									
								D	
+ 205	+ 98	+ 84	+ 218	+ 213	+ 162	+ 82		1	31
- 74	- 49	- 27	- 33	- 51	- 57	+ 1		2	32
- 15	- 22	- 16	- 18	- 13	- 6	+ 19		3.1	33
- 17	- 9	- 9	- 6	- 24	- 6	- 81		3.2	34
+ 211	+ 321	+ 153	+ 177	+ 262	+ 430	+ 76		4	35
- 96	- 241	- 97	- 179	- 84	- 93	- 90		5	36
+ 50	+ 88	+ 70	+ 49	+ 76	+ 87	+ 86		6	37
- 6	- 7	- 5	- 3	- 2	- 5	- 3		7	38
+ 2	+ 1	+ 1	+ 1	+ 1	+ 1	+ 1		8	39
-	-	-	-	-	-	-		9	40
-	-	-	-	-	-	-		10	41
-	-	-	+ 24	-	-	-		11	42
-	- 1	-	-	-	- 2	-		12	43
- 41	- 3	- 13	- 88	- 50	+ 21	+ 16		13	44
+ 219	+ 176	+ 141	+ 142	+ 328	+ 532	+ 107		E 1	45
+ 820	+ 112	+ 301	+ 453	+ 336	- 251	+ 403		D 17.1	46
+ 35	- 15	- 25	+ 27	+ 29	- 38	+ 47		14.1	47
-	-	-	-	-	-	-		14.2	48
-	-	+ 2	- 2	-	-	- 1		14.3	49
- 30	+ 20	+ 34	+ 15	- 5	- 89	+ 10		17.2a	50
- 37	+ 22	- 16	+ 69	+ 102	- 31	- 122		17.3	51
- 45	- 4	+ 11	+ 113	+ 163	- 157	- 32		17.2b	52
- 4	- 6	- 5	- 10	+ 48	- 38	+ 5		17.4	53
- 598	- 171	- 482	+ 170	- 652	- 554	+ 384		17.5	54
+ 141	- 42	- 180	+ 835	+ 21	- 1,158	+ 694		E 2	55
+ 360	+ 134	- 39	+ 977	+ 349	- 626	+ 801		E 3	56
+ 214	+ 35	+ 181	+ 742	+ 182	- 727	+ 885			57

(6) Includes balancing item representing difference between recorded measures of current, capital and reserve movements and embodies all unidentified transactions.

TABLE 5. BALANCE OF PAYMENTS ADJUSTMENTS TO TRADE OF CANADA FIGURES

Item	1970				1971				1972				1970	1971	1972
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
millions of dollars															
Trade of Canada EXPORTS (including re-exports)	3,928	4,486	4,048	4,358	4,072	4,624	4,345	4,705	4,390	5,316	4,475		16,820	17,746	
Adjustments:															
Wheat	- 6	+ 25	- 1	- 13	- 18	+ 37	- 4	- 15	+ 5	+ 12	+ 41		+ 5	-	
Aircraft and other adjustments	- 11	- 21	- 13	- 29	+ 11	+ 4	+ 6	+ 21	- 31	+ 17	+ 6		- 74	+ 42	
Equals merchandise exports adjusted to balance of payments basis	3,911	4,490	4,034	4,316	4,065	4,665	4,347	4,711	4,364	5,345	4,522		16,751	17,788	
Trade of Canada IMPORTS	3,337	3,895	3,349	3,371	3,429	4,103	3,766	4,309	4,218	5,002	4,341		13,952	15,607	
Adjustments:															
Automotive products ..	- 22	- 4	- 34	- 35	- 25	- 2	- 3	- 39	- 30	- 27	-		- 95	- 69	
Aircraft and other equipment	- 1	- 5	+ 14	+ 12	+ 2	+ 29	- 7	+ 5	+ 7	+ 3	- 2		+ 20	+ 29	
Other adjustments	- 8	- 8	- 8	- 8	- 8	- 8	- 9	- 9	- 9	- 11	- 9		- 32	- 34	
Equals merchandise imports adjusted to balance of payments basis	3,306	3,878	3,321	3,340	3,398	4,122	3,747	4,266	4,186	4,967	4,330		13,845	15,533	
Trade balance on balance of payments basis	+ 605	+ 612	+ 713	+ 976	+ 667	+ 543	+ 600	+ 445	+ 178	+ 378	+ 192		+2,906	+2,255	

TABLE 6. INTEREST AND DIVIDENDS

	1970				1971				1972				1970	1971	1972
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
	millions of dollars														
<u>Receipts</u>															
Interest	40	58	59	84	57	57	57	79	55	56	60		241	250	
Dividends	68	65	66	88	84	69	56	98	68	77	129		287	307	
Totals	108	123	125	172	141	126	113	177	123	133	189		528	557	
<u>Payments</u>															
Interest	177	197	179	191	195	201	196	191	204	206	202		744	783	
Dividends	219	164	185	238	171	152	167	355	174	142	133		806	845	
Totals	396	361	364	429	366	353	363	546	378	348	335		1,550	1,628	

Note: The item interest and dividends covers; (a) interest receipts including interest on intergovernmental loans, earnings of the Exchange Fund Account, and interest on private holdings of foreign bonds; (b) dividend receipts including dividends and interest received by corporations from Canadian direct and portfolio investment abroad and profits from unincorporated branches abroad of Canadian companies; (c) interest payments on Canadian bonds and debentures held abroad; and (d) dividend payments including dividends paid to all non-resident shareholders, and net profits of unincorporated branches in Canada of foreign companies excluding insurance companies.

TABLE 7. OTHER SERVICE TRANSACTIONS

	1970				1971				1972				1970	1971	1972
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
	millions of dollars														
<u>Receipts</u>															
Government transactions	45	56	54	55	55	55	50	67	48	49	44		210	227	
Miscellaneous income(1)	123	120	122	118	98	99	103	98	95	78	91		483	398	
Business services and other transactions	165	175	166	177	172	182	175	185	185	192	192		683	714	
Totals	333	351	342	350	325	336	328	350	328	319	327		1,376	1,339	
<u>Payments</u>															
Government transactions(2)	67	57	50	45	60	43	46	45	62	45	45		219	194	
Miscellaneous income(1)	141	149	142	146	124	131	127	135	134	142	130		578	517	
Business services and other transactions	289	322	298	292	273	331	333	360	318	355	359		1,201	1,297	
Totals	497	528	490	483	457	505	506	540	514	542	534		1,998	2,008	

- (1) 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 between 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.
- (2) Excluding official contributions.

TABLE 8. DISBURSEMENTS OF GOVERNMENT OF CANADA BILATERAL SOFT LOANS, AND SUBSCRIPTIONS AND ADVANCES TO INTERNATIONAL INVESTMENT AGENCIES

	1970				1971				1972				1970	1971	1972
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
millions of dollars															
<u>Sterling area</u>															
Western Hemisphere	1	2	2	—	1	2	2	—	1	1	1		5	5	
Africa	1	1	2	3	1	3	10	6	11	6	7		7	20	
Asia	20	28	28	16	18	25	28	18	14	19	20		92	89	
<u>Non-sterling area</u>															
Western Hemisphere	1	1	2	3	2	1	3	2	2	1	2		7	8	
Other	—	—	—	1	1	4	3	9	3	8	6		1	17	
<u>International investment agencies</u>															
Global	—	27	—	—	—	—	—	50	—	33	1		27	50	
Western Hemisphere	1	—	—	—	1	2	—	—	1	16	—		1	3	
Asia	2	—	1	1	—	—	—	—	—	—	—		4	—	
Totals	26	59	35	24	24	37	46	85	32	84	37		144	192	

TABLE 9. EXPORT CREDITS(1) EXTENDED DIRECTLY OR INDIRECTLY AT RISK OF THE GOVERNMENT OF CANADA

Period	Total	By area				By commodity		By source of financing	
		Developed countries	Less developed countries		Centrally planned countries	Wheat	Other commodities	Government	Private
			Sterling	Non-sterling					
millions of dollars									
Credits extended									
1970	321	1	30	164	126	193	128	172	149
1971	420	23	21	204	172	255	165	297	123
1972									
1971 I	62	6	8	23	25	33	29	51	11
II	117	8	2	45	62	85	32	90	27
III	143	6	9	74	54	81	62	98	45
IV	98	3	2	62	31	56	42	58	40
1972 I	96	4	3	66	23	29	67	83	13
II	120	10	2	47	61	70	50	112	8
III	124	9	6	57	52	86	38	93	31
IV									
Credits repaid									
1970	192	4	9	44	135	138	54	149	43
1971	190	2	7	64	117	137	53	129	61
1972									
1971 I	37	1	2	12	22	22	15	24	13
II	38	-	2	13	23	25	13	25	13
III	68	1	2	20	45	55	13	48	20
IV	47	-	1	19	27	35	12	32	15
1972 I	46	-	4	18	24	30	16	31	15
II	37	-	2	17	18	20	17	19	18
III	67	-	5	31	31	48	19	42	25
IV									
Net credits extended									
1970	+ 129	- 3	+ 21	+ 120	- 9	+ 55	+ 74	+ 23	+ 106
1971	+ 230	+ 21	+ 14	+ 140	+ 55	+ 118	+ 112	+ 168	+ 62
1972									
1971 I	+ 25	+ 5	+ 6	+ 11	+ 3	+ 11	+ 14	+ 27	- 2
II	+ 79	+ 8	-	+ 32	+ 39	+ 60	+ 19	+ 65	+ 14
III	+ 75	+ 5	+ 7	+ 54	+ 9	+ 26	+ 49	+ 50	+ 25
IV	+ 51	+ 3	+ 1	+ 43	+ 4	+ 21	+ 30	+ 26	+ 25
1972 I	+ 50	+ 4	- 1	+ 48	- 1	- 1	+ 51	+ 52	- 2
II	+ 83	+ 10	-	+ 30	+ 43	+ 50	+ 33	+ 93	- 10
III	+ 57	+ 9	+ 1	+ 26	+ 21	+ 38	+ 19	+ 51	+ 6
IV									
Credits outstanding									
September 30, 1972	1,047	49	188	523	287	442	605	795	252

(1) Medium and long-term.

Note: Credits extended represent a capital outflow.

TABLE 10. CANADA'S GENERAL ACCOUNT WITH THE INTERNATIONAL MONETARY FUND(1)

	Canadian assets			Canadian liabilities (equals IMF holdings of Canadian dollars)								Canada's net balance with IMF (2)	
	Transactions		Total assets	Transactions							Total liabil- ities		
	Subscrip- tion to IMF (Quota)	Loans under GAB		Subscrip- tions and loans	Foreign currencies		Canadian dollars		Sales by Canada of Canadian dollars for gold or SDRs	Other			
					Draw- ings by Canada	Re- payments (-)	Drawings by other count- ries(-)	Re- payments					
millions of SDRs													expressed in millions of United States dollars
1947-1968	740.0		740.0	555.0	726.0	- 310.5	- 1,117.9	622.5	61.5	- 2.8(3)	533.8	206.2	206.2
1969		95.5(4)	835.5	65.5			- 293.5	43.2	8.6	- 0.2(3)	357.4	478.1	478.1
1970	360.0	24.5	1,220.0	294.5			- 186.0	40.3	45.2		550.4	669.6	669.6
1971		- 120.0	1,100.0	- 120.0			- 85.6	351.3	71.3		767.4	132.6	132.6
1972													
1970 I		24.5	860.0	24.5			- 63.8	18.1	8.8		345.0	515.0	515.0
II			860.0				- 29.7	22.2			337.5	522.5	522.5
III			860.0				- 87.5		36.4		286.4	573.6	573.6
IV	360.0		1,220.0	270.0			- 5.0			- 1.0(3)	550.4	669.6	669.6
1971 I			1,220.0					83.3			633.7	586.3	586.3
II		- 67.0	1,153.0	- 67.0				28.2	48.4	5.0(5)	648.3	504.7	504.7
III		- 53.0	1,100.0	- 53.0			- 25.0	209.7	17.9		797.9	302.1	302.1
IV			1,100.0				- 60.6	30.1			767.4	332.6	332.6
1972 I			1,100.0				- 40.4	27.1		0.7(5)	754.8	345.2	345.2
II			1,100.0				- 10.0	53.9			798.7	301.3	327.2
III			1,100.0				- 8.3	4.0		2.0(5)	796.4	303.6	329.6
IV													

expressed in
millions of
United States
dollars

(1) Excludes Special Drawing account.

(2) This is a cumulative measure of the net resources provided by Canada to the IMF including loans under the General Arrangements to Borrow (GAB). Canada's net balance with the IMF, when positive, represents its reserve position in the IMF. This may be drawn by Canada virtually automatically on statement of balance of payments need, but Canada would then be under an obligation to restore its net balance to 25 per cent of its quota which is currently SDR 1,100 million, i.e. to SDR 275 million. The Canadian dollar equivalent of changes in positive balances appears as a component of item H4 in Table 1. Changes in negative balances, i.e. use of IMF credit, are shown as a component of item H5.

(3) Dividend payment to Canada.

(4) Includes the acquisition of GAB notes equivalent to SDR 30.0 million issued previously to another IMF member.

(5) Sales by other countries of Canadian dollars for SDRs.

Note: The main body of the statement is expressed in terms of SDRs in accordance with IMF practice. Since members are obligated to maintain the gold value of the IMF's holdings of their currencies, from time to time there have been adjustment payments between the IMF and Canada in Canadian dollars arising from changes in the gold content of the Canadian dollar. These transactions are not reflected above because the series are expressed in SDRs, 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 11. FOREIGN EXCHANGE RATES

	United States dollar in Canada(1)					Other currencies in Canada(2)					
	Spot rates				Premium (+) or dis- count (-) on forward U.S. dollar(3)	Pound sterling	French franc	Deutsche- mark	Swiss franc	Japanese yen	
	High	Low	Close	Noon average							
	Canadian cents										
1970	107.47	100.31	101.13	104.40	- .47	250.16	18.89	28.63	24.22	.2916	
1971	102.53	99.31	100.22	100.98	- .56	246.87	18.33	29.00	24.56	.2912	
1972											
1971 I	101.59	100.25	100.75	100.84	+ .64	243.46	18.28	27.76	23.45	.2820	
II	102.53	100.59	102.31	101.27	- 1.12	244.94	18.33	28.25	24.29	.2833	
III	102.34	100.59	100.91	101.57	- 1.28	248.74	18.42	29.75	25.20	.2917	
IV	100.91	99.31	100.22	100.24	- .42	251.04	18.29	30.31	25.37	.3075	
1972 I	100.94	99.50	99.75	100.28	+ .42	260.60	19.67	31.40	25.94	.3273	
II	99.81	97.41	98.47	98.76	+ 1.12	256.84	19.67	31.10	25.72	.3196	
III	98.56	98.13	98.38	98.30	- 0.12	240.39	19.65	30.91	26.02	.3266	
IV											
July	98.56	98.22	98.38	98.39	- .12	240.54	19.67	31.13	26.14	.3270	
August	98.34	98.13	98.31	98.22	+ .04	240.69	19.63	30.83	25.98	.3263	
September	98.44	98.13	98.38	98.29	- .04	239.95	19.64	30.78	25.95	.3265	

(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.

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

TABLE 12. CANADA'S OFFICIAL INTERNATIONAL MONETARY ASSETS AND LIABILITIES

No.	Item	1970				1971	
		I	II	III	IV	I	II
		millions of United States dollars at end of period					
	<u>Assets</u>						
	Official holdings of foreign exchange						
1	United States dollars	2,057	2,770	2,905	3,022	3,153	3,186
2	Other convertible currencies	14	17	13	14	15	17
3	Monetary gold	879	880	880	791	791	791
4	Special Drawing Rights	133	143	181	182	300	353
5	Reserve position in IMF	515	523	574	670	586	505
6	Total official international reserves(2)	3,598	4,333	4,553	4,679	4,845	4,852
	<u>Liabilities</u>						
7	Use of IMF credit(3)	-	-	-	-	-	-
8	Foreign exchange deposit liabilities ...	1	1	-	-	-	-
9	Reported use of central bank reciprocal credit facilities	-	-	-	-	-	-
10	Total official monetary liabilities	1	1	-	-	-	-
11	Net official monetary assets	3,597	4,332	4,553	4,679	4,845	4,852
		millions of Canadian dollars					
	<u>Net Official Monetary Movements(4)</u>						
12	Total official international reserves(5)	+ 527	+ 781	+ 225	+ 129	+ 167	+ 7
13	Total official monetary liabilities(5)	-	-	+ 1	-	-	-

(1) In May 1972 Canada's gold-based assets were revalued from approximately US \$35 to US \$38 per ounce of fine gold.

(2) As published by the Minister of Finance.

(3) Transactions with the IMF when that institution holds Canadian dollars in excess of 100 per cent of the Canadian quota.

TABLE 12. CANADA'S OFFICIAL INTERNATIONAL MONETARY ASSETS AND LIABILITIES

1971		1972							No.
III	IV	I	II	III	IV	July	August	September	
millions of United States dollars at end of period									
3,516 11	4,061 13	4,111 11	4,542 10	4,536 16		4,515 11	4,524 12	4,536 16	1 2
792	792	792	834(1)	834		834	834	834	3
371	372	489	505(1)	505		505	505	505	4
302	332	345	327(1)	330		326	324	330	5
4,992	5,570	5,748	6,218	6,221		6,191	6,199	6,221	6
-	-	-	-	-		-	-	-	7
-	-	-	-	-		-	-	-	8
-	-	-	-	-		-	-	-	9
-	-	-	-	-		-	-	-	10
4,992	5,570	5,748	6,218	6,221		6,191	6,199	6,221	11
Change in millions of Canadian dollars									
+ 142	+ 580	+ 177	+ 322	+ 3		- 26	+ 8	+ 21	12
-	-	-	-	-		-	-	-	13

(3) These totals appear as items H4 and H5 in Table 1.

TABLE 13. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS,
ANNUAL HISTORICAL SERIES (1)

Current Account

Line No.	Acct. No.	Item	Between Canada and All Countries					
			1962	1963	1964	1965	1966	1967
			millions of dollars					
	A	<u>Current receipts</u>						
1	1	Merchandise exports (adjusted)(3)	6,387	7,082	8,238	8,745	10,326	11,338
		Service receipts						
2	3	Gold production available for export	155	154	145	138	127	112
3	4	Travel	562	609	662	747	840	1,318
4	5	Interest and dividends	202	230	332	322	318	295
5	6	Freight and shipping	509	563	644	668	758	830
6	(part)11	Other service receipts	419	430	482	562	676	770
7		Total service receipts	1,847	1,986	2,265	2,437	2,719	3,325
8		Sub-totals, exports of goods and services(4) ..	8,234	9,068	10,503	11,182	13,045	14,663
		Transfer receipts						
9	7	Inheritances and immigrants' funds	124	151	169	216	268	329
10	(part)11	Personal and institutional remittances(5)	65	70	75	83	83	93
11	..	Withholding tax(6)	125	127	140	167	204	218
12	12	Total current receipts	8,546	9,416	10,887	11,648	13,600	15,303
	B	<u>Current payments</u>						
13	1	Merchandise imports (adjusted)(3)	6,203	6,579	7,537	8,627	10,102	10,771
		Service payments						
14	4	Travel	605	585	712	796	900	895
15	5	Interest and dividends	783	860	1,010	1,086	1,140	1,211
16	6	Freight and shipping	595	648	679	761	823	861
17	(part)11	Other service payments	734	762	835	904	1,090	1,277
18	..	Withholding tax	125	127	140	167	204	218
19		Total service payments	2,842	2,982	3,376	3,714	4,157	4,462
20		Sub-totals, imports of goods and services(4) ..	9,045	9,561	10,913	12,341	14,259	15,234
		Transfer payments						
21	7	Inheritances and emigrants' funds	175	185	201	211	198	213
22	(part)11	Personal and institutional remittances(5)	122	126	128	133	139	173
23	9	Official contributions	36	65	69	93	166	182
24	12	Total current payments	9,378	9,937	11,311	12,778	14,762	15,802
	C	<u>Current account balance</u>						
25	1	Merchandise trade	+ 184	+ 503	+ 701	+ 118	+ 224	+ 566
		Service transactions						
26		Gold production available for export	+ 155	+ 154	+ 145	+ 138	+ 127	+ 112
27		Travel	- 43	+ 24	- 50	- 49	- 60	+ 423
28		Interest and dividends	- 581	- 630	- 678	- 764	- 822	- 916
29		Freight and shipping	- 86	- 85	- 35	- 93	- 65	- 31
30		Other service transactions	- 315	- 332	- 353	- 342	- 414	- 507
31		Withholding tax	- 125	- 127	- 140	- 167	- 204	- 218
32		Balance on service transactions	- 995	- 996	- 1,111	- 1,277	- 1,438	- 1,137
33		Balance on goods and services	- 811	- 493	- 410	- 1,159	- 1,214	- 571
34		Net transfers	- 19	- 28	- 14	+ 29	+ 52	+ 13
35	4	Total current account balance	- 830	- 521	- 424	- 1,130	- 1,162	- 489

(1) Data for 1970 and 1971 are preliminary.

(2) Including gold production available for export.

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

TABLE 13. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS,
ANNUAL HISTORICAL SERIES(1)

Current Account

Between Canada and All Countries				Between Canada and the United States(2)										Acct. No.	Line No.
1968	1969	1970	1971	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971		
millions of dollars															
														A	
13,537	14,832	16,751	17,788	3,767	3,970	4,396	4,993	6,249	7,277	9,116	10,463	10,859	12,002	1	1
120	108	96	90	155	154	145	138	127	112	120	108	96	90	3	2
978	1,074	1,234	1,283	512	549	590	660	730	1,164	891	961	1,082	1,129	4	3
353	451	528	557	120	155	190	204	194	176	231	260	336	360	5	4
891	935	1,126	1,184	259	279	301	337	411	425	467	523	590	660	6	5
840	1,262	1,376	1,339	301	295	308	353	429	491	573	743	766	704	(part)11	6
3,182	3,830	4,360	4,453	1,347	1,432	1,534	1,692	1,891	2,368	2,282	2,595	2,870	2,943		7
16,719	18,662	21,111	22,241	5,114	5,402	5,930	6,685	8,140	9,645	11,398	13,058	13,729	14,945		8
370	366	389	432	61	65	77	91	106	105	137	155	165	181	7	9
95	95	107	118	44	47	51	56	55	57	54	54	66	76	(part)11	10
209	234	269	278	..	..	..	..	..	..	..	..	..	..	..	11
17,393	19,357	21,876	23,069	5,219	5,514	6,058	6,832	8,301	9,807	11,589	13,267	13,960	15,202	12	
														B	
12,162	14,007	13,845	15,533	4,205	4,458	5,204	6,034	7,242	7,846	8,867	10,127	9,818	10,876	1	13
1,008	1,292	1,460	1,494	419	388	481	548	628	627	710	893	936	944	4	14
1,259	1,366	1,550	1,628	656	727	850	906	985	1,058	1,074	1,143	1,306	1,389	5	15
931	996	1,106	1,176	353	378	399	465	530	522	561	562	587	606	6	16
1,441	1,862	1,998	2,008	500	521	561	615	756	893	984	1,242	1,313	1,394	(part)11	17
209	234	269	278	..	..	..	..	..	..	..	..	..	..	..	18
4,848	5,750	6,383	6,584	1,928	2,014	2,291	2,534	2,899	3,100	3,329	3,840	4,142	4,333	..	19
17,010	19,757	20,228	22,117	6,133	6,472	7,495	8,568	10,141	10,946	12,196	13,967	13,960	15,209		20
209	204	199	185	139	152	157	160	145	156	145	127	114	105	7	21
148	204	212	218	39	38	41	41	45	47	49	50	55	58	(part)11	22
133	144	201	201	-	-	-	-	-	-	-	-	-	-	9	23
17,500	20,309	20,840	22,721	6,311	6,662	7,693	8,769	10,331	11,149	12,390	14,144	14,129	15,372	12	24
														C	
+ 1,375	+ 825	+ 2,906	+ 2,255	- 438	- 488	- 808	- 1,041	- 993	- 569	+ 249	+ 336	+ 1,041	+ 1,126	1	25
+ 120	+ 108	+ 96	+ 90	+ 155	+ 154	+ 145	+ 138	+ 127	+ 112	+ 120	+ 108	+ 96	+ 90		26
- 30	- 218	- 226	- 211	+ 93	+ 161	+ 109	+ 112	+ 102	+ 537	+ 181	+ 68	+ 146	+ 185		27
- 906	- 915	- 1,022	- 1,071	- 536	- 572	- 660	- 702	- 791	- 882	- 843	- 883	- 970	- 1,029		28
- 40	- 61	+ 20	+ 8	- 94	- 99	- 98	- 128	- 119	- 97	- 94	- 39	+ 3	+ 54		29
- 601	- 600	- 622	- 669	- 199	- 226	- 253	- 262	- 327	- 402	- 411	- 499	- 547	- 690		30
- 209	- 234	- 269	- 278	..	..	..	..	..	..	..	..	..	..	..	31
- 1,666	- 1,920	- 2,023	- 2,131	- 581	- 582	- 757	- 842	- 1,008	- 732	- 1,047	- 1,245	- 1,272	- 1,390		32
- 291	- 1,095	+ 883	+ 124	- 1,019	- 1,070	- 1,565	- 1,883	- 2,001	- 1,301	- 798	- 909	- 231	- 264		33
- 184	+ 143	+ 153	+ 224	- 73	- 78	- 70	- 54	- 29	- 41	- 3	+ 32	+ 62	+ 94		34
- 107	- 952	+ 1,036	+ 348	- 1,092	- 1,148	- 1,635	- 1,937	- 2,030	- 1,342	- 801	- 877	- 169	- 170	4	35

(4) As used in the National Income and Expenditure Accounts.

(5) Personal and institutional remittances include pension payments.

(6) Tax withheld on service payments and income distributions to non-residents.

TABLE 13. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS.
ANNUAL HISTORICAL SERIES(1) - Concluded

Capital Account(7)

Line No.	Acct. No.	Item	Between Canada and All Countries					
			1962	1963	1964	1965	1966	1967
			millions of dollars					
	D							
		Direct investment(8)						
36	1	In Canada	+ 505	+ 280	+ 270	+ 535	+ 790	+ 691
37	2	Abroad	- 105	- 135	- 95	- 125	- 5	- 125
		Portfolio transactions						
		Canadian securities						
38	3.1	Outstanding bonds	+ 64	+ 39	+ 77	+ 55	- 104	- 5
39	3.2	Outstanding stocks	- 115	- 170	- 98	- 274	- 136	+ 12
40	4	New issues	+ 729	+ 984	+ 1,100	+ 1,240	+ 1,465	+ 1,307
41	5	Retirements	- 319	- 404	- 382	- 390	- 499	- 357
		Foreign securities						
42	6	Outstanding issues	- 68	+ 40	- 31	- 53	- 361	- 382
43	7	New issues	- 17	- 39	- 31	- 57	- 57	- 65
44	8	Retirements	+ 20	+ 21	+ 10	+ 25	+ 17	+ 15
		Loans and subscriptions - Government of Canada						
45	9	Advances	- 22	- 18	- 10	- 14	- 35	- 38
46	10	Repayments	+ 129	+ 25	+ 10	+ 10	+ 24	+ 34
47	11	Columbia River Treaty	-	-	+ 54	+ 32	+ 32	+ 44
48	12	Export credits directly or indirectly at risk of the Government of Canada	- 63	- 72	- 164	- 187	- 41	+ 107
49	13	Other long-term capital transactions	- 50	+ 86	+ 110	+ 67	+ 77	+ 159
50	E 1	Balance of capital movements in long-term forms (lines 36-49)	+ 688	+ 637	+ 820	+ 864	+ 1,167	+ 1,355
51	D 17.1	Resident holdings of foreign currency bank balances and other short-term funds abroad	+ 92	- 259	- 527	+ 139	- 603	- 259
		Non-resident holdings of Canadian:						
52	14.1	Dollar deposits	- 10	+ 43	+ 28	+ 31	+ 11	+ 24
53	14.2	Government demand liabilities	- 4	+ 1	-	+ 2	+ 5	- 4
54	14.3	Treasury bills	+ 4	- 27	- 16	+ 12	- 15	+ 4
55	17.2a	Commercial paper	(9)	- 23	- 11	- 15	+ 16	- 11
56	17.3	Finance company paper	(9)	+ 93	+ 196	- 162	- 1	- 64
57	17.2b	Other short-term paper	(9)	(10)	-	+ 25	- 12	+ 24
58	17.4	Other finance company obligations	+ 119	+ 35	+ 52	+ 209	+ 154	+ 35
59	17.5	Other short-term capital transactions(11)	+ 95	+ 166	+ 246	+ 183	+ 81	- 585
60	E 2	Balance of capital movements in short-term forms (lines 51-59)	+ 296	+ 29	- 32	+ 424	- 364	- 836
61	E 3	Total net capital balance	+ 984	+ 666	+ 788	+ 1,288	+ 803	+ 519
62	G	Balance settled by exchange transfers	-	-	-	-	-	-
63	..	Allocation of Special Drawing Rights .....	...	...	...	...	...	...
	H	Net official monetary movements(12):						
64	4	Official international reserves	+ 307	+ 56	+ 297	+ 158	- 360	+ 17
65	5	Official monetary liabilities	- 153	+ 89	+ 67	-	+ 1	+ 3
66	6	Net official monetary movements	+ 154	+ 145	+ 364	+ 158	- 359	+ 20

(7) 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.

(8) Exclusive of undistributed profits.

(9) Included with other finance company obligations.

TABLE 13. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS,
ANNUAL HISTORICAL SERIES(1) - Concluded

Capital Account(7)

Between Canada and All Countries				Between Canada and the United States										Acct. No.	Line No.
1968	1969	1970	1971	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971		
millions of dollars															
D															
+ 590	+ 720	+ 835	+ 885	+ 328	+ 220	+ 188	+ 421	+ 718	+ 575	+ 354	+ 554	+ 575	+ 605	1	36
- 225	- 370	- 295	- 305	+ 6	- 36	- 35	- 24	+ 87	- 72	- 108	- 287	- 238	- 183	2	37
- 70	+ 2	- 39	- 94	+ 84	+ 35	+ 38	+ 21	- 72	- 63	- 67	- 27	- 69	- 71	3.1	38
+ 114	+ 53	- 145	- 144	- 11	- 99	- 52	- 195	- 95	+ 77	+ 104	+ 2	- 79	- 41	3.2	39
+ 1,917	+ 2,089	+ 1,227	+ 1,162	+ 690	+ 930	+ 1,040	+ 1,200	+ 1,409	+ 1,239	+ 1,391	+ 1,502	+ 1,026	+ 862	4	40
- 431	- 440	- 552	- 804	- 247	- 315	- 300	- 330	- 456	- 301	- 376	- 382	- 395	- 613	5	41
- 420	+ 112	+ 98	+ 244	- 59	+ 42	- 26	- 49	- 344	- 355	- 402	+ 112	+ 81	+ 257	6	42
- 77	- 47	- 34	- 63	- 13	- 34	- 20	- 28	- 33	- 38	- 46	- 30	- 20	- 21	7	43
+ 30	+ 37	+ 10	+ 10	+ 17	+ 17	+ 5	+ 5	+ 6	+ 8	+ 16	+ 7	+ 5	+ 5	8	44
- 78	- 89	- 144	- 192	-	-	-	-	-	-	-	-	-	-	9	45
+ 5	+ 22	+ 36	+ 36	-	-	-	-	-	-	-	-	-	-	10	46
+ 88	+ 32	+ 31	+ 24	-	-	+ 54	+ 32	+ 32	+ 44	+ 88	+ 32	+ 31	+ 24	11	47
+ 12	- 129	- 230	- 33	+ 7	+ 9	-	+ 25	+ 7	+ 8	+ 3	+ 1	- 1	- 1	12	48
+ 130	+ 224	- 157	- 136	- 82	+ 76	+ 112	+ 52	+ 55	+ 137	+ 172	+ 169	- 104	- 145	13	49
+ 1,652	+ 2,333	+ 742	+ 393	+ 680	+ 843	+ 1,013	+ 1,105	+ 1,332	+ 1,258	+ 1,134	+ 1,665	+ 814	+ 678	E 1	50
- 497	- 1,587	- 376	+ 869	+ 140	- 247	+ 103	- 817	- 582	- 164	- 433	- 834	- 122	+ 1,686	D 17.1	51
+ 72	+ 52	+ 26	+ 92	+ 18	+ 31	+ 34	+ 5	+ 17	+ 3	+ 24	+ 31	+ 44	+ 22	14.1	52
+ 21	- 34	- 8	- 50	- 9	- 1	- 2	- 2	- 1	-	-	-	-	-	14.2	53
+ 48	+ 28	- 73	- 3	+ 18	- 23	- 16	+ 7	- 1	- 4	- 3	+ 3	- 4	-	14.3	54
+ 2	+ 39	+ 52	+ 37	(9)	- 23	- 11	- 15	- 3	- 4	+ 1	+ 42	+ 50	+ 39	17.2a	55
- 132	+ 177	+ 193	- 32	(9)	+ 93	+ 196	- 208	- 33	- 67	- 62	+ 190	+ 116	+ 38	17.3	56
- 2	- 3	+ 49	+ 75	(9)	(10)	-	+ 13	- 1	+ 7	+ 10	-	+ 48	+ 75	17.2b	57
+ 24	+ 116	- 103	- 29	+ 121	+ 35	+ 52	+ 205	+ 152	+ 32	+ 22	+ 113	- 105	- 25	17.4	58
- 732	- 104	- 8	- 1,023	+ 103	+ 118	+ 267	+ 144	+ 34	- 510	- 866	- 9	+ 10	- 1,081	17.5	59
- 1,196	- 1,316	- 248	+ 36	+ 391	- 17	+ 623	- 668	- 412	- 707	- 1,307	- 464	+ 37	+ 754	E 2	60
+ 456	+ 1,017	+ 494	+ 429	+ 1,071	+ 826	+ 1,636	+ 437	+ 920	+ 551	- 173	+ 1,201	+ 851	+ 1,432	E 3	61
-	-	-	-	+ 554	+ 378	+ 27	+ 1,543	+ 626	+ 771	+ 1,455	- 536	+ 770	- 203	G	62
...	...	+ 133	+ 119	-	-	-	-	-	-	-	-	-	-		63
+ 350	+ 65	+ 1,662	+ 896	+ 536	+ 56	+ 28	+ 43	- 484	- 20	+ 483	- 212	+ 1,452	..	H 4	64
- 1	-	+ 1	-	- 3	-	-	-	-	-	- 2	-	-	..	5	65
+ 349	+ 65	+ 1,663	+ 896	+ 533	+ 56	+ 28	+ 43	- 484	- 20	+ 481	- 212	+ 1,452	..	6	66

(10) Included with commercial paper.

(11) Includes balancing item representing difference between recorded measures of current, capital and reserve movements and embodies all unidentified transactions.

(12) For detailed composition of official monetary assets see Table 12.



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REFERENCE PUBLICATIONS

Catalogue
number

Title

- 67-505 "The Canadian Balance of International Payments – A Compendium of Statistics from 1946 to 1965", for 1946 to 1964.
- 67-201 "The Canadian Balance of International Payments 1963, 1964 and 1965 and International Investment Position".
- 67-202 "Canada's International Investment Position, 1926 to 1967".
- 67-002 "Sales and Purchases of Securities between Canada and other Countries".
- 67-001 "Quarterly Estimates of the Canadian Balance of International Payments, Fourth Quarter 1967", for revised bilateral data for 1965.
- 67-001 "Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1969", for revised bilateral data for 1966.
- 67-001 "Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1970", for revised bilateral data for 1967.
- 67-001 "Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1971", for revised bilateral data for 1968.
- 67-001 "Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1972", for revised bilateral data for 1969 and 1970.
- 67-001F "Estimations trimestrielles de la balance canadienne des paiements internationaux".

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, K1A0T6.