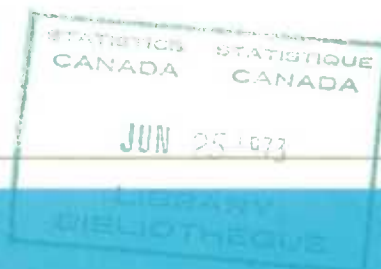


SYSTEM OF NATIONAL ACCOUNTS

Quarterly estimates of the Canadian balance of international payments

FIRST QUARTER 1973



STATISTICS CANADA
Balance of Payments Division

SYSTEM OF NATIONAL ACCOUNTS

QUARTERLY ESTIMATES OF THE CANADIAN
BALANCE OF INTERNATIONAL PAYMENTS

FIRST QUARTER

1973

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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

FIRST QUARTER 1973

The strong growth of the Canadian economy in the first quarter of 1973 as measured by the 4.4 per cent rise in the Gross National Product in current dollars was accompanied by a weakening of the current account of the balance of payments. The seasonally adjusted deficit increased to \$293 million from \$53 million in the fourth quarter of 1972. Most of this change represented a decline in the merchandise trade surplus to \$390 million as the growth in merchandise imports outpaced that for exports. Imports of consumer goods and machinery were particularly strong. Some impact was probably felt from the budget measures introduced in 1972 as well as from those announced in February 1973. These effects should become clearer in succeeding quarters. Export increases were recorded for a number of major commodities including automotive products, forest products (excluding lumber) and crude petroleum. The effective depreciation of the Canadian dollar against major overseas currencies in the quarter should, after price and volume effects have been realized, improve Canada's international competitive position. Among the service accounts the largest movement by far was the increase in the deficit on travel to \$130 million.

Summary Statement

	1971	1972	1972				1973
			IQ	IIQ	IIIQ	IVQ	IQ
			millions of dollars				
			Seasonally adjusted				
Merchandise trade balance			+ 238	+ 479	+ 244	+ 536	+ 390
Balance on non-merchandise transactions			- 542	- 493	- 452	- 589	- 683
Current account balance			- 304	- 14	- 208	- 53	- 293
			Not seasonally adjusted				
Current account balance	+ 401	- 579	- 453	- 88	- 65	+ 27	- 470
Capital movements in long-term forms ..	+ 394	+ 1,773	+ 336	+ 632	+ 267	+ 538	+ 199
Capital movements in short-term forms	- 18	- 978	+ 177	- 222	- 199	- 734	+ 189
Net capital movement(1)	+ 376	+ 795	+ 513	+ 410	+ 68	- 196	+ 388
Allocation of Special Drawing Rights ..	+ 119	+ 117	+ 117	-	-	-	-
Net official monetary movements	+ 896	+ 333	+ 177	+ 322	+ 3	- 169	- 82

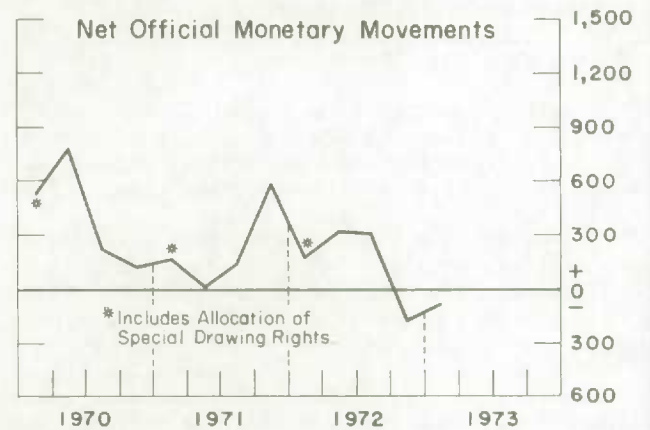
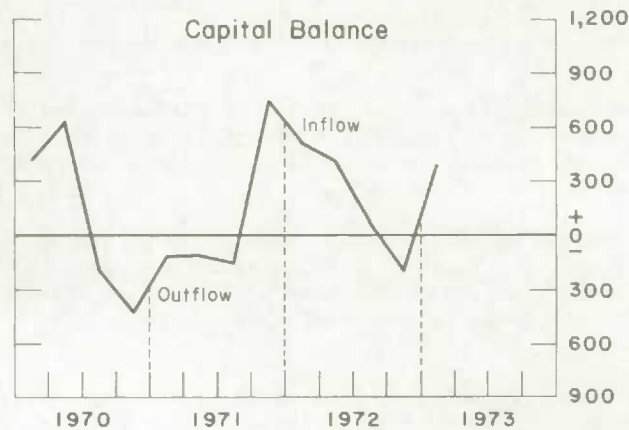
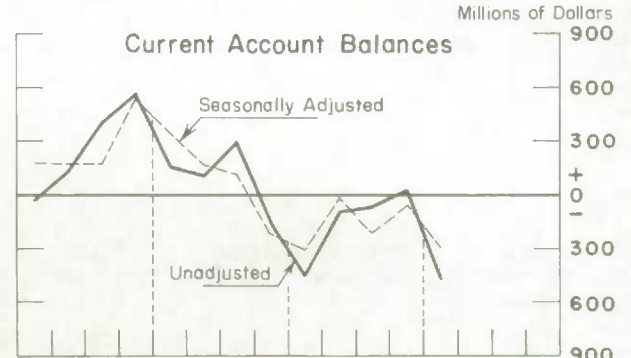
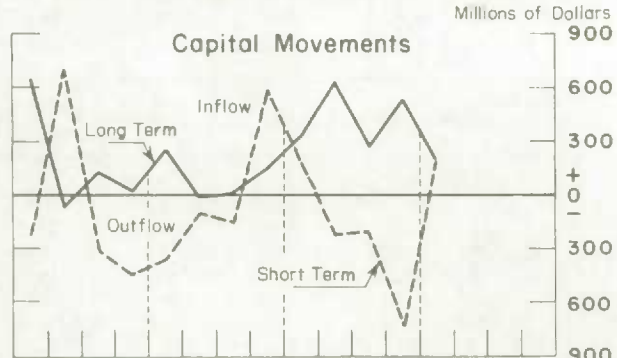
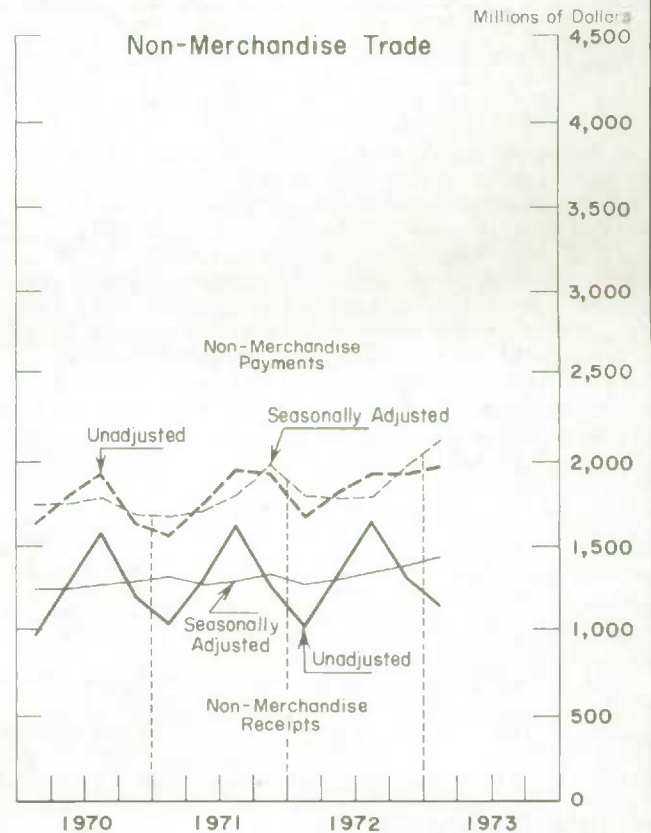
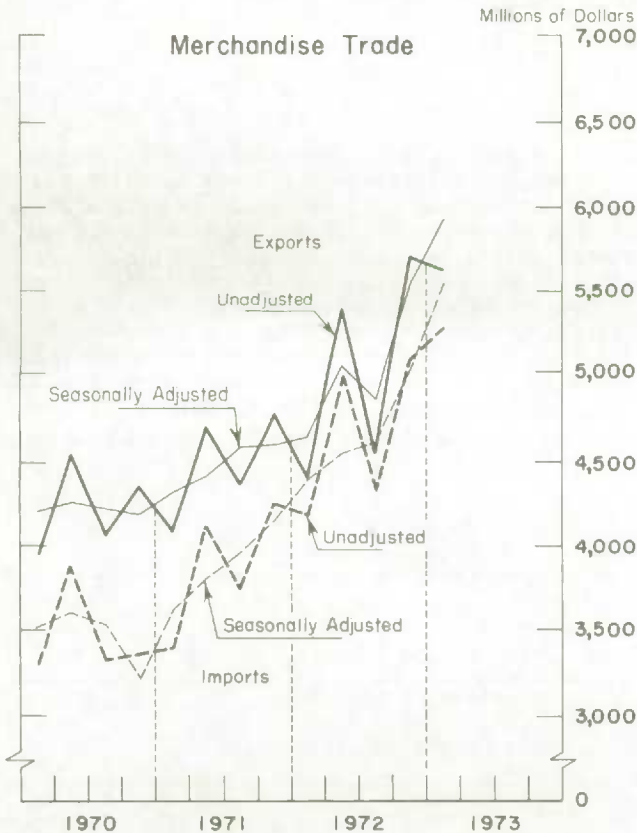
(1) Excluding items shown below.

Capital movements, unadjusted for seasonal variations, led to a net inflow of \$388 million, a swing of \$584 million from a net outflow of \$196 million in the fourth quarter of 1972. This increase, together with a current account deficit of \$470 million, unadjusted for seasonal variations, led to a decrease in Canada's official monetary assets of \$82 million.

Transactions in long-term forms recorded a net inflow of \$199 million compared with \$538 million in the previous quarter. The drop was principally due to a large fall in sales of new Canadian issues abroad and a swing in transactions in outstanding portfolio securities to a net outflow from a net inflow in the previous period when there were relatively large sales of outstanding provincial bonds to non-residents.

Capital movements in short-term forms resulted in a net inflow of \$189 million, a swing of \$923 million from a fourth quarter 1972 net outflow of \$734 million. Hedged interest rate differentials between Canada and the United States encouraged United States investment in Canadian money market instruments as well as the running down of Canadian bank claims on United States residents and an

Canadian Balance of International Payments



increase in liabilities to them. The increased demand for funds in Europe which could be switched into strong currencies bid up Eurodollar deposit rates inducing an increase in Canadian net positions in this market.

High Eurodollar rates are often associated with pressures on foreign exchange markets. In the quarter there was a flight from the United States dollar which reached crisis proportions by the end of the week of February 5. This was followed by the February 12 announcement of the United States Government of its intention to devalue the dollar by 10 per cent in terms of gold and SDRs. Speculative attack on the system of fixed exchange rates built up new momentum in the latter part of February, reaching a climax March 1, when an estimated US \$3.5 billion was bought by European central banks in an effort to defend the new structure of exchange rates. Most overseas foreign exchange markets remained officially closed March 2-16, reopening March 19 under a new set of ground rules. Under these rules six members of the European Economic Community (Belgium, Denmark, France, Germany, Luxembourg, and the Netherlands), joined later by Sweden and Norway, decided to maintain the maximum margin between their currencies at 2.25 per cent. Their central banks, however, no longer undertook to maintain rates for their currencies against the United States dollar within margins. The Deutsche mark was revalued by 3 per cent in terms of SDRs, and thus in terms of other European currencies. The Canadian dollar, pound sterling, Italian lira, Japanese yen and Swiss franc continued, under the agreements, to float independently.

With interest rates at Canadian banks relatively low there was a sustained demand for loans. The pattern of movements in the balance of payments was consistent with the relative attractiveness of Canadian financing on an unhedged basis as there was a decline in long-term direct investment inflows, an outflow from the reduction of net intercompany accounts payable, and an increase in dividend payments.

This issue contains changes in the treatment of gold in the balance of payments and in the area classification. These changes are described in detail in later sections of the report.

Current Account — Seasonally Adjusted

In the first quarter of 1973, the seasonally adjusted current account deficit increased by \$240 million to \$293 million to more than offset the decline in the deficit recorded in the fourth quarter of 1972. The merchandise trade surplus fell \$146 million to \$390 million from \$536 million as imports increased at a higher rate than exports. There were small increases in trade surpluses with the United States and Japan and a decrease in that with the United Kingdom. With the European Economic Community (EEC) there was a swing from a surplus to a deficit position while with Latin America there was an increase in the deficit. With all other countries there was a large swing to a deficit.

Total merchandise exports rose to \$5,933 million. In relative terms the largest export increases occurred to Japan followed by the United States. On the other hand despite the brisk tempo of economic activity in Europe, exports to the United Kingdom remained unchanged and to the other members of the EEC dropped. Exports to Latin America also went down. On a commodity basis, the largest increases took place in exports of automotive products, newsprint, crude petroleum, communication and other equipment, chemicals, woodpulp, fabricated aluminum, zinc, iron and steel, meat and dairy produce. The sales increase for crude petroleum would have been even larger but for the reduction made by the National Energy Board to export applications for March. Reductions were recorded in wheat shipments and in sales of nickel ores, iron ore, lumber, and agricultural machinery. There were no significant changes in exports of natural gas, copper and coal.

Merchandise imports reflecting the sustained momentum of the Canadian economy expanded to \$5,543 million. Increases in imports were evident from all major areas with the largest relative growth recorded for the EEC (excluding the United Kingdom) and Japan, followed by Latin America, the United States and the United Kingdom. Main increases in imports were recorded for automotive products, machinery, chemicals, meat and fish, fruits and vegetables, miscellaneous equipment and tools and personal and household goods. These increases were consistent with the high level of economic activity in Canada and in particular the notable acceleration in consumer spending. The temporary tariff reductions introduced in the February budget probably contributed somewhat to the increase in imports in the latter part of the quarter.

On non-merchandise transactions total receipts amounted to \$1,433 million while payments totalled \$2,116 million resulting in a net deficit of \$683 million, a rise of \$94 million from the previous quarter. A deficit of \$736 million on the services items was partly offset by a surplus of \$53 million on unilateral transfers. Receipts from non-resident travellers to Canada rose by over 5 per cent to \$340 million, the highest quarterly level recorded since the third quarter of Expo year 1967. Expenditures of Canadians abroad however rose by over 17 per cent to an alltime high of \$470 million. The

deficit on this account soared to a record \$130 million from \$76 million in the fourth quarter of 1972.

The largest deficit on services was on interest and dividends which at \$286 million, remained unchanged from that in the previous quarter. Total receipts of interest and dividends consisted of \$71 million in interest and \$87 million in dividends. Payments of \$444 million included \$221 million in interest and \$223 million in dividends. In this quarter a number of companies made irregular payments of dividends raising total payments of interest and dividends to practically the highest level recorded.

The surplus on transfers (including withholding tax) dropped by \$21 million to \$53 million as a net increase of \$19 million in total receipts was more than offset by the rise in payments. Increases recorded in inflows of immigrants' funds and personal and institutional remittances were outweighed by increased outflows through emigrants' funds and official contributions.

Current Account - Unadjusted for Seasonal Variations

The first quarter of 1973 produced a deficit of \$470 million on the current account of the Canadian balance of international payments. This was the highest first quarter deficit on record. There was a surplus of \$364 million on merchandise trade which was more than offset by a net deficit of \$834 million on non-merchandise transactions.

Merchandise exports at \$5,629 million represented 83 per cent of total current receipts of \$6,763 million. The principal markets for Canadian goods were the United States, United Kingdom, Japan, West Germany, Belgium and Luxembourg, the People's Republic of China, Australia, India, Italy and Norway. Together these countries accounted for about 90 per cent of total exports in the first quarter. Principal commodities exported were automotive products, lumber, crude petroleum, newsprint, woodpulp, wheat, nickel, copper, aluminum and aircraft, engines and parts.

Imports at \$5,265 million represented about 73 per cent of total current payments of \$7,233 million. The largest purchases were from the United States, United Kingdom, Japan, West Germany, Venezuela, France, Italy, Australia, Sweden, Iran and Taiwan. In terms of commodities, the highest values recorded were for automotive products, crude petroleum, telecommunications equipment, fabricated iron and steel, aircraft and aircraft engines and parts, office machines including computers, wearing apparel, tractors and parts and fabrics.

Quarterly adjustments for balance of payments purposes to recorded Trade of Canada totals of exports and imports appear in Table 5. Commencing with the data contained in this publication the adjustments include an item representing gold sales to and purchases from non-residents (a technical note covering the new treatment appears on page 15). In this quarter there was a net addition of \$76 million to merchandise exports mainly in respect of gold sales and timing adjustments for wheat shipments and progress payments on ships. There was a net addition of \$28 million to imports mainly reflecting net timing adjustments for progress payments and deliveries of civilian aircraft. The net effect was to increase the recorded trade balance by \$48 million.

In the first quarter of 1973 the average quarterly export price index (1968=100) rose to 114.7 up five percentage points from the previous quarter and nearly 9 points from the corresponding quarter last year. From November 1972 onwards the index climbed month-by-month from 110.3 to 116.7 in March. Significant increases in unit export prices between December 1972 and March 1973 occurred for electricity, beef, lumber, steel, wheat, barley, pulpwood and crude petroleum. Average quarterly import prices moved up over four points from the fourth quarter of 1972 and over five points from the first quarter of 1972. Prices started to creep up in November 1972 and accelerated in January 1973 reaching a level of 115.9 in March. The depreciation of the Canadian dollar vis-à-vis overseas currencies which occurred in February may have contributed slightly to March increases in import prices. Average import prices of coal, wool, cotton fibres, live animals, meat, cocoa, Indian corn, coffee, sugar and machinery showed relatively important increases during the first quarter of 1973.

In the first quarter total exports to developing countries amounted to \$371 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 amounted to 32 per cent of Canadian exports to these countries. Food and other commodity grants represented 26 per cent of such aid while soft loans and export credits represented 32 and 42 per cent respectively.

With total non-merchandise receipts amounting to \$1,134 million and non-merchandise payments to \$1,968 million, there was a deficit of \$834 million on non-merchandise transactions. A small surplus of \$36 million on transfers partially offset the \$870 million deficit on services. The two largest

deficits within the services section arose on travel and on interest and dividends.

Travel receipts at \$122 million amounted to 29 per cent of travel expenditures abroad by Canadians of \$419 million. The deficit of \$297 million on this item was over 38 per cent above that produced in the first quarter of 1972. Travel between Canada and the United States continued, of course, to dominate the account providing 79 per cent of total receipts and 66 per cent of total payments. With the United States, travel by automobile represented 63 per cent and 53 per cent of total receipts and payments respectively. This proportion increases in the summer. One possible implication of this pattern is that if a gasoline shortage materializes in the United States, there could be a strong tendency for travel in the peak automobile travel months to be substantially directed to Canada, increasing receipts and reducing payments.

Interest and dividends yielded a deficit of \$290 million. Total receipts at \$150 million consisted of \$61 million in interest and \$89 million in dividends. Interest receipts arose mainly from the earnings of the Exchange Fund Account. Dividend receipts came from the United States and overseas countries other than the United Kingdom, the former more or less equally from direct and portfolio investment and the latter all from direct investment. Interest and dividend payments were equally divided between interest and dividends. Interest payments were made to a large extent to the United States on provincial and corporate bonds. Substantial interest was also paid on provincial debt which had been placed in the EEC. Dividends on United States controlled direct investment in Canada continued to represent the bulk of dividend payments. In this quarter there were some irregular dividend payments by a number of companies amounting in total to about \$35 million.

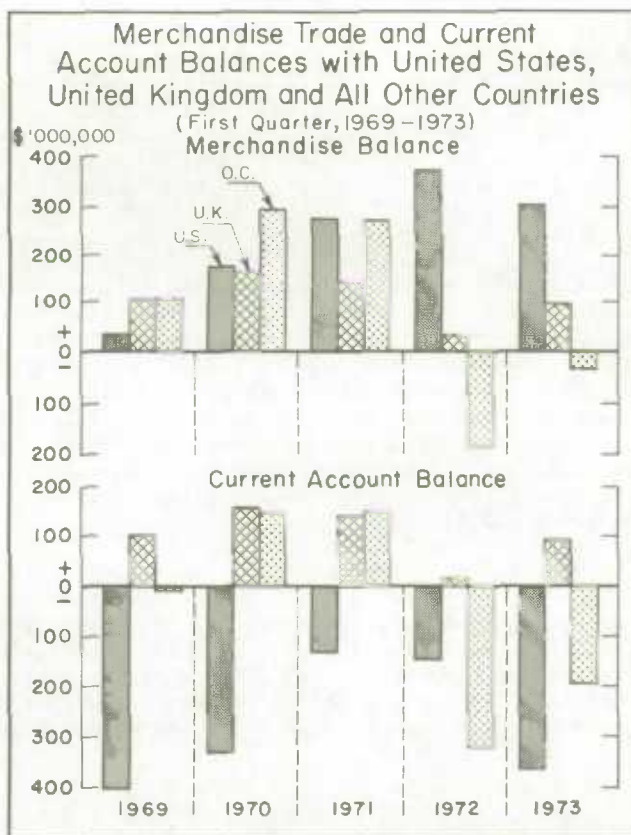
The third largest deficit in the service account was that on "other service transactions" at \$212 million. Payments on this item exceeded receipts by over sixty per cent, the bulk of which arose from business service payments and charges. Total transfer receipts at \$208 million exceeded payments by \$36 million. Besides the tax withheld of \$69 million, there was a surplus of \$42 million on migrants' flows; these amounts were partly offset by a small deficit on remittances and by official contributions which at \$63 million were unusually large for a first quarter. Almost two thirds of this assistance to developing countries was disbursed under the International Assistance Account which represents technical, and economic assistance on a bilateral basis.

Transactions by Area

Canada's balance on current transactions in the first quarter of 1973 compared with the corresponding quarter of 1972, deteriorated with the United States while improving with the United Kingdom. For the "other countries" there was a strengthening of the current account balance. Commencing with the data contained in this publication the new treatment of gold transactions permits a better bilateral allocation of these transactions than was possible in the past. Accordingly this section of the report incorporates these transactions with data for the appropriate area (see note on page 15). Taxes withheld have, as in the past, not been allocated bilaterally.

With the United States the current account deficit reached \$365 million, up \$218 million from the first quarter of 1972. This marked the highest quarterly deficit since the second quarter of 1969. The decline in the current account balance arose from both merchandise and non-merchandise transactions. With the rise in commodity exports being outpaced by that for imports the surplus on merchandise trade fell to \$303 million. There were increased exports of automotive products, lumber, crude petroleum and natural gas, newsprint and iron and steel. Shipments were influenced by the substantial strength which continued to be exhibited by the United States economy. Moreover, increases in prices of lumber and an expansion in the sales of energy materials which jumped 32 per cent over the first quarter of last year were additional factors which affected the growth of exports to the United States in the first quarter of 1973. Commodity imports registering the largest gains were automotive products, industrial machinery, food products, aircraft and parts, communication equipment and tractors. Strong domestic demand contributed to the increase in commodity imports.

On non-merchandise transactions the deficit with the United States rose by \$150 million to \$668 million. This increase was primarily the result of larger payments for services. The growth in payments resulted mainly from travel and interest and dividends. Increased payments in excess of \$50 million were recorded for each of these two service accounts. The surplus on transfers dropped by \$13 million to \$3 million. On transfer receipts there were increased personal and institutional remittances but these were more than offset by a decrease in the inheritances and immigrants' funds as the result of the smaller number of American immigrants crossing into Canada.



With the United Kingdom the current account surplus increased by \$77 million from the first quarter of 1972 to \$92 million in the period under review. The larger surplus was primarily the result of an improved balance on merchandise trade which expanded by \$66 million to \$98 million. At \$350 million commodity exports to the United Kingdom represented a 34 per cent increase over the corresponding quarter last year. The largest increases in exports were in the crude materials group. In terms of commodities, nickel, tobacco and copper showed significant increases over last year. Exports to this market tended to grow as a result of the booming state of the economy. Moreover, the entry of the United Kingdom into the European Common Market may have prompted an expansion of inventory levels in anticipation of greater output and sales to members of the community. Commodity imports rose by 10 per cent to \$252 million. These were concentrated in the end products group which accounted for almost 80 per cent of the total increase in imports. The deficit on non-merchandise transactions declined by \$11 million to \$6 million. This was largely the result of an increase in freight and shipping receipts which accompanied the rise in exports to the United Kingdom.

With all other countries the current account deficit declined from \$321 million in the first quarter of 1972 to \$197 million in the first quarter of 1973. This improved balance was the result of a more rapid growth in exports than imports. Exports surged by 38 per cent to \$1,231 million while imports advanced by 18 per cent to \$1,268 million.

Within this group of countries the expanding

Japanese economy accounted for the largest increase in exports which rose by over 75 per cent to \$309 million. Higher demand and prices resulted in sizeable increases in sales of copper, coal, rapeseed, barley, wheat and lumber. To Western Europe, the growth rate in Canadian exports was greatest to Belgium-Luxembourg and West Germany. Shipments to Belgium-Luxembourg increased by \$37 million to \$62 million with notable advances being made in the export of zinc, nickel, molybdenum and iron and steel. Exports to West Germany rose by over 50 per cent to \$76 million with over one half of the increase concentrated in shipments of wood pulp, copper, wheat and asbestos. Exports to the People's Republic of China more than doubled to \$59 million with almost half of the increase due to exports of wheat. Similarly there was a substantial increase in wheat shipments to India, as India experienced the worst drought in a decade. Export increases were also recorded to Iran and Nigeria, while exports decreased to Argentina, Algeria and Tanzania.

On the import side, the increase was concentrated mainly in end products which rose by 18 per cent to about \$580 million or almost one half of imports from this group of countries. The largest increase in imports came from West Germany where purchases rose by over 25 per cent. Import increases were also recorded from Venezuela, France, Italy, Sweden, Mexico and Iran, while there was a small decline in imports of crude petroleum from Saudi Arabia.

On non-merchandise transactions, the deficit with all other countries increased by \$21 million to \$160 million. Non-merchandise receipts increased by \$59 million to \$344 million while payments advanced by \$80 million to \$504 million. Among the payments, travel and official contributions accounted for the bulk of the increase as travel expenditures jumped by \$40 million to \$115 million and official contributions rose by \$25 million to \$63 million. Most of this aid was given under the International Assistance Account, mainly as contributions to the Colombo Plan countries, and under the International Food Aid Program largely as food aid to India in the form of rapeseed and milk powder.

Capital Movements

Capital movements between Canada and other countries in the first quarter of 1973 resulted in a net capital inflow of \$388 million, a change of \$584 million from a net outflow of \$196 million in the fourth quarter of 1972. This movement, together with a current account deficit of \$470 million led to a decrease in Canada's official monetary assets of \$82 million.

Capital Movements(1)

	1971	1972	1972				1973
			IQ	IIQ	IIIQ	IVQ	IQ
	millions of dollars						
Direct investment in Canada	+ 885	+ 680	+ 235	+ 195	+ 130	+ 120	+ 90
Direct investment abroad	- 305	- 385	- 95	- 90	- 130	- 70	- 60
Portfolio transactions	+ 311	+ 1,758	+ 245	+ 611	+ 314	+ 588	+ 165
Other capital movements in long-term forms	- 497	- 280	- 49	- 84	- 47	- 100	+ 4
Resident holdings of foreign currency bank balances and other short-term funds abroad	+ 874	+ 565	+ 573	+ 580	- 583	- 5	+ 39
Non-resident holdings of Canadian short-term paper	+ 77	- 196	+ 254	- 242	- 109	- 99	+ 313
Other capital movements in short-term forms(2)	- 969	- 1,347	- 650	- 560	+ 493	- 630	- 163
Net capital movement	+ 376	+ 795	+ 513	+ 410	+ 68	- 196	+ 388

(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 of \$199 million were down substantially from net inflows of \$538 million in the fourth quarter of 1972. The reduction occurred almost entirely in portfolio security transactions which declined from a net inflow of \$588 million in the previous quarter to \$165 million, the result principally of substantially reduced sales of new Canadian securities abroad and a reversal of a net inflow from trade in outstanding securities to a net outflow in the current 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 deliveries exceeded offerings by \$50 million.

Capital Movements in Long-term Forms

Period	Actual movement	Adjusted to reflect timing of security offerings
millions of dollars		
1971	+ 394	+ 113
1972	+ 1,773	+ 1,852
1972 I Q	+ 336	+ 339
II Q	+ 632	+ 628
III Q	+ 267	+ 303
IV Q	+ 538	+ 582
1973 I Q	+ 199	+ 149

Capital movements, in short-term forms, which led to a net inflow of \$189 million, a switch of \$923 million from a fourth quarter 1972 net outflow, were affected by the exchange crises during the quarter and the resulting disequilibrium in short-term interest and covered interest rate differentials. The net effect of these forces was largely to shift net foreign asset positions of both the bank and non-bank sectors to Europe from the United States and to increase inflows from net sales of money market paper to the United States. Resident holdings of foreign currency bank balances and other short-term funds abroad decreased \$39 million in the quarter, non-resident holdings of

Canadian short-term paper increased \$313 million following a decrease of \$99 million in the previous quarter, and other short-term capital movements led to net outflows of \$163 million.

Transactions through the Canadian chartered banks play an important part in the capital account movements. The banks' net spot holdings of foreign currency claims (excluding gold claims and bullion) on non-residents fell on a transactions basis \$321 million in the quarter (while those with Canadians rose by \$49 million) to produce an overall decrease of \$272 million. The inflow arising from the Canadian chartered banks' transactions from non-residents cannot be separately identified in the tabular presentation of the balance of payments. In order to treat similarly foreign currency claims of Canadian residents whether banked directly with the 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 \$272 million representing the decrease in the banks' net spot foreign currency claims on both residents and non-residents and an inflow of \$49 million reflecting the net increase in the banks' position with residents, composed of an increase in claims of \$91 million (mainly swapped deposits which rose \$83 million to \$339 million) and an increase in liabilities of \$42 million. The resulting net inflow of \$272 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 fell by \$145 million while those on other countries rose by \$49 million. Liabilities to residents of the United States increased by \$427 million and liabilities to other countries declined \$202 million.

Direct Investment

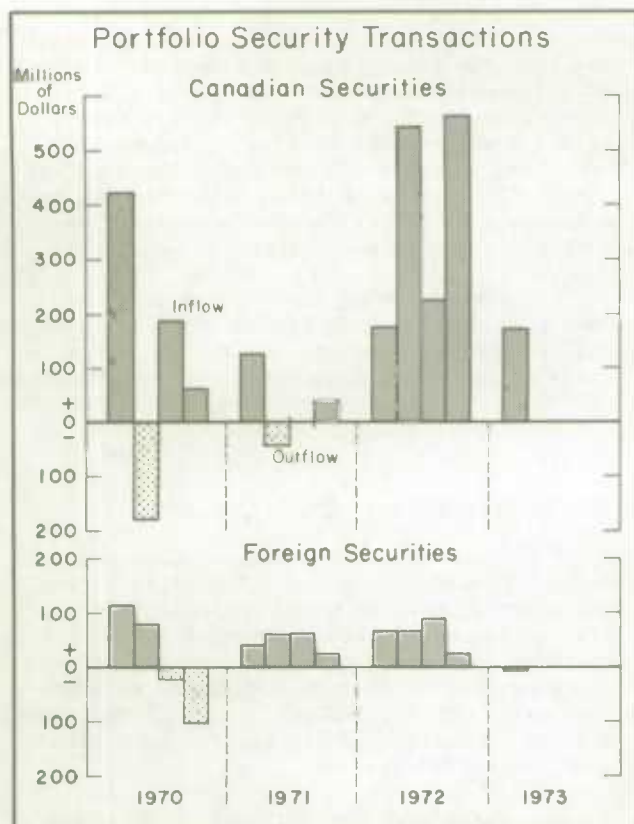
The net capital inflow to Canada during the first quarter for long-term investment in new and existing foreign controlled enterprises was \$90 million. In the previous year the net capital inflows ranged from a high of \$235 million in the first quarter to a low of \$120 million in the fourth. In the quarter under review, transactions with the United States which included a number of non-recurring capital movements including takeovers, reverse takeovers, reinvestment of dividends and special refinancing operations resulted in a net capital inflow of \$12 million. Petroleum and natural gas and mining both recorded inflows of capital but these were all but offset by outflows from the other industrial groups. Direct investors resident in the United Kingdom and continental Europe contributed about 75 per cent of the total net inflow and directed it to the manufacturing and financial sectors. If all non-recurring special transactions were excluded from the recorded net capital inflow from all countries, the total would have been of the order of \$105 million.

Canada increased its investment in Canadian controlled foreign enterprises in the first quarter by investing, on balance, long-term capital amounting to \$60 million, in the previous quarter the outflow was \$70 million. Net outflows to the United States represented about 45 per cent of the total, the United Kingdom and continental Europe received about 20 per cent each and the balance was directed to all other countries. Canadian companies engaged in manufacturing were the principal contributors of long-term capital with net outflows amounting to about 50 per cent of the total. Petroleum and natural gas and mining companies invested the balance in about equal proportions.

Security Transactions

International transactions in all long-term portfolio securities led to a net inflow of \$165 million in the first quarter of 1973, a decrease of \$423 million from the \$588 million net inflow of the previous quarter which reflected mainly the sale abroad of \$608 million of new issues of Canadian securities. In the quarter sales to non-residents of new domestic issues amounted to \$321 million. Total transactions with non-residents comprised net outflows of \$22 million to the United Kingdom and net inflows of \$13 million from the United States, \$133 million from continental Europe and \$41 million from all other countries.

Trading in outstanding Canadian securities during the quarter resulted in a purchase balance or net capital outflow of \$32 million made up of net sales of \$16 million of debt issues and net repurchases of \$48 million of equities. In the previous quarter, Canadians had a net sales balance of \$121 million which consisted of net sales to non-residents of \$113 million in debt issues and \$8 million of equities. The most prominent features of the first quarter trading in debt issues were the net sales of provincial direct and guaranteed issues to investors resident in continental Europe amounting to \$13 million and net sales of \$18 million of Government of Canada direct issues to residents of countries other than the United States and Europe. The \$48 million net outflow from trade in outstanding Canadian equities was primarily due to net repurchases of \$68 million from the United States, a continuation of net outflows since the second quarter of 1969. This repurchase pattern was likely reinforced by falling stock markets in both Canada and the United States and continuing repurchases by Canadians of stocks of large resource based Canadian companies from residents of the United States. Geographically, in all trading in Canadian outstanding securities Canada had repurchase balances of \$76 million with the United States and \$5 million with the United Kingdom and sales balances of \$27 million with continental Europe and \$22 million with all other countries.



New Issues of Canadian Bonds Sold to
United States Residents

Period	Offer- ings	De- liveries	Unde- livered(1)
millions of dollars			
1971	567	848	139
1972	1,163	1,084	218
1972 I Q	246	243	142
II Q	423	427	138
III Q	107	71	174
IV Q	387	343	218
1973 I Q	136	186	168

(1) At end of period.

New issues of foreign securities sold to investors in Canada during the quarter amounted to \$7 million, not greatly changed from the previous quarter when purchases amounted to \$9 million. The current acquisitions consisted of \$6 million of foreign debt issues and \$1 million of foreign equities. The inflow from the reduction of Canadian holdings through maturities was at the normal estimated level of \$2 million.

Other Capital Flows in Long-term Forms

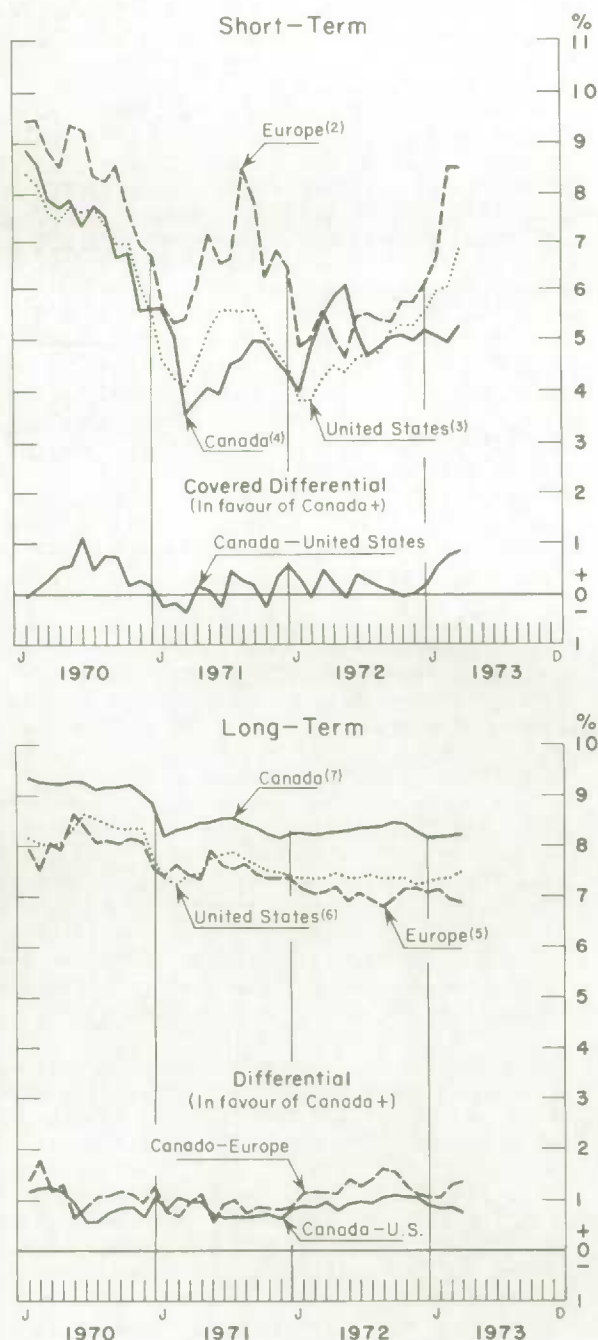
Disbursements of loans and advances by the Canadian government under development assistance programmes totalled \$37 million, down slightly from \$41 million during the fourth quarter of 1972. Disbursements to Asian and African countries accounted for about 35 per cent and 30 per cent respectively,

Sales of new issues of Canadian securities to non-residents produced an inflow to Canada of \$321 million during the quarter down sharply from the very large inflow of \$608 million of the previous quarter. Gross new issues placed in both the domestic and foreign markets amounted to \$1.8 billion, a sharp drop from the high level of the earlier quarter. Sales abroad by all classes of debtors decreased. Of the amounts sold abroad almost 84 per cent were denominated in foreign currencies made up of about 60 per cent payable in United States dollars and the balance in European currencies. Provincial government agencies were by far the largest borrowers from outside Canada in the first quarter with \$124 million sold in the United States and \$65 million in continental Europe. Sales of new equity issues included about \$7 million for the acquisition of a position in Brinco Limited by Japanese investors. Geographically, inflows of \$192 million originated in the United States, \$112 million in continental Europe and \$17 million from the rest of the world.

The retirement of Canadian securities held by non-residents totalled \$118 million as Canadians repurchased for redemption \$2 million of Government of Canada issues, \$55 million of provincial direct and guaranteed issues, \$28 million of municipal issues and \$33 million of corporate issues. The debt retirement led to outflows of \$89 million to the United States, \$19 million to the United Kingdom, \$6 million to continental Europe and \$4 million to all other countries. It should be noted however that portions of some issues may be repurchased just prior to the maturity date and therefore included as trading in outstanding securities. The amount of these repurchases is not possible to estimate.

Transactions in outstanding foreign securities during the quarter swung to a net outflow of \$1 million from the \$32 million inflow recorded in the previous quarter. In trading with the United States, Canadians acquired \$3 million of United States debt issues and \$11 million of equities. Elsewhere there were net outflows of \$2 million to the United Kingdom and \$15 million to countries other than those in continental Europe where the transactions were virtually in balance.

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, for all other rates.

the balance going to the Caribbean and Latin America. There were no significant payments to the international agencies.

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 \$23 million, down from a net outflow of \$60 million during the fourth quarter of 1972, primarily due to a substantial reduction in the level of advances for the sale of wheat.

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 \$66 million, up from \$47 million during the fourth quarter of 1972.

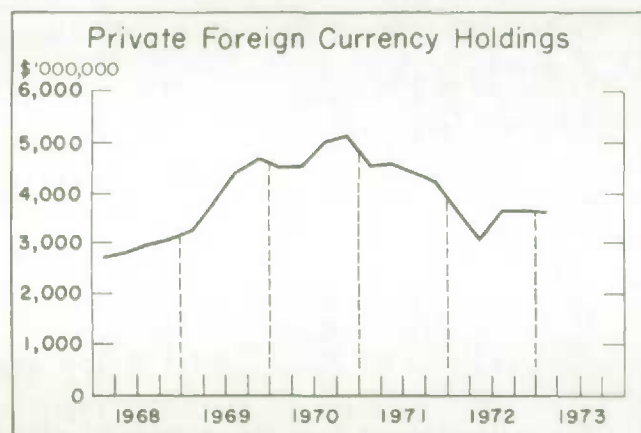
Capital Movements in Short-term Forms

Non-resident holdings of Canadian dollar deposits increased \$18 million during the quarter, down from net inflows of \$25 million during the fourth quarter of 1972. Transactions with the United Kingdom resulted in a net outflow of \$10 million, which was more than offset by net inflows of \$13 million from the United States and \$15 million from all other non-residents.

There were net outflows of less than one half million dollars representing a reduction of Government of Canada demand liabilities in the form of interest-free demand notes issued to international agencies.

Decreases in Canadian holdings of foreign currency bank balances and other short-term funds abroad led to a net capital inflow of \$39 million, a change of \$49 million from fourth quarter outflows of \$10 million. In contrast to the previous quarter, when relatively moderate net outflows to the United States were nearly offset by inflows from the United Kingdom and other countries, in the first quarter of 1973 net inflows from the United States amounted to \$531 million and were largely offset by net outflows to the United Kingdom of \$476 million and \$16 million to other countries. The decline in the net asset position in the United States and the build up in the United Kingdom was consistent with hedged interest rate differentials between Canada and the United States and the rapid rise in Eurodollar rates as demands for funds increased to be switched into strong European currencies. Canadian holdings of swap deposits increased during the quarter by \$83 million to \$339 million.

Non-residents reduced their holdings of Government of Canada treasury bills by \$16 million following a \$6 million reduction in



the previous quarter. This outflow represents principally an unwinding of positions in Canadian treasury bills taken during the second quarter of 1972 by countries (including international agencies) other than the United States and United Kingdom.

International transactions in other Canadian money market instruments were very active during the quarter and resulted in net inflows of \$329 million. This inflow reflected, primarily, the high covered interest rate differential between Canada and the United States particularly during February and March.

Transactions in Canadian commercial paper led to a net inflow of \$68 million, almost exclusively with United States residents, a change of \$104 million from an outflow of \$36 million in the previous quarter.

Finance company paper transactions resulted in net inflows of \$76 million compared to net outflows of \$49 million in the previous quarter again almost exclusively with the United States.

Transactions in Selected Money Market Instruments

	1972	1972 IVQ	1973			
			IQ	January	February	March
			millions of dollars			
Canadian commercial paper:						
Sales	814	244	470	146	123	201
Purchases (including maturities)	928	280	402	119	93	190
Net	- 114	- 36	+ 68	+ 27	+ 30	+ 11
Finance company paper:						
Sales	2,744	554	1,076	..	..	..
Purchases (including maturities)	2,844	603	1,000	..	..	..
Net	- 100	- 49	+ 76	..	..	..
Other Canadian short-term paper(1):						
Sales	2,046	637	1,568	422	452	694
Purchases (including maturities)	2,049	645	1,383	387	330	666
Net	- 3	- 8	+ 185	+ 35	+ 122	+ 28

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

Net inflows from transactions in other short-term paper (which includes mainly obligations of junior levels of government, banks, and mortgage loan companies) amounted to \$185 million, in sharp contrast to the fourth quarter 1972 net outflow of \$8 million. Apart from a \$1 million net inflow from the United Kingdom, all of the inflow resulted from transactions with the United States.

Transactions in miscellaneous finance company obligations accounted for a net inflow of \$3 million representing a net inflow of \$5 million from the United States and a net outflow of \$2 million to the United Kingdom.

Other Short-term Capital Transactions

Period	Char-tered bank Canadian dollar claims on non-residents	Short-term foreign currency bank borrowing by Canadians	Other(1)	Total
millions of dollars				
1971	- 90	+ 97	- 1,089	- 1,082
1972	- 21	- 95	- 1,373	- 1,489
1972 I Q ...	-	- 79	- 603	- 682
II Q ...	+ 11	- 124	- 398	- 511
III Q ...	+ 20	+ 14	+ 384	+ 418
IV Q ...	- 52	+ 94	- 756	- 714
1973 I Q ...	- 6	+ 120	- 298	- 184

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

All other short-term capital transactions led to net outflows of \$184 million. Chartered bank Canadian dollar claims on non-residents rose by \$6 million, a drop of \$46 million from a net outflow of \$52 million in the preceding quarter. Short-term foreign currency bank borrowings by Canadians led to a further inflow of \$120 million following an inflow of \$94 million during the fourth quarter 1972. All other components of this account led to a net outflow of \$298 million. Gross identified transactions, mainly inter-company accounts receivable and payable accounted for about one quarter of the 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 outflow in excess of \$200 million. The balancing item is conventionally attributed to the United States account.

Official International Monetary Assets and Liabilities

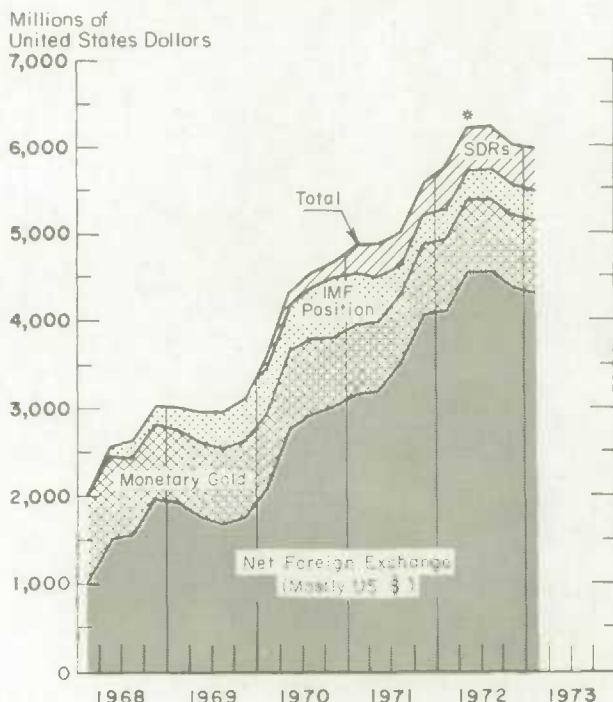
Canada's net official monetary assets totalled US \$5,968 million on March 31, 1973, a decrease of US \$82 million over the quarter. Holdings of United States dollars fell by US \$61 million and those of other currencies by US \$2 million. There were no changes in holdings of monetary gold and Special Drawing Rights. Canada's reserve position with the International Monetary Fund (IMF) declined US \$19 million to \$324 million at the end of the quarter.

There was no allocation to Canada of SDRs by the IMF in this quarter. In the first quarters of 1970, 1971 and 1972 Canada received these allocations. On its establishment the scheme only provided for the disbursements so far made. Further allocations will have to be authorized by the IMF.

The overall increase in Canada's net official monetary assets in the first quarter expressed in Canadian dollars was \$82 million.

The spot value of the United States dollar in Canadian cents ranged between 100.19 and 98.75 on the interbank market in Canada, closing the quarter at 99.88, up from 99.50 at the end of 1972. Other major currencies also became more expensive in terms of the Canadian dollar with spot increases ranging from 6 per cent for the pound sterling to 17 per cent for the Swiss franc from the end of

Net Official Monetary Assets



* Includes a discontinuity arising from the revaluation of Canada's gold-based assets from a basis of approximately U.S. \$35 to U.S. \$38 per ounce of fine gold.

the fourth quarter 1972 to the end of the first quarter. Price increases vis-à-vis the Canadian dollar for the French franc, Deutsche mark and Japanese yen were 13 per cent, 14 per cent, and 14 per cent respectively following the floating of the yen on February 14 and a joint floating of some Common Market currencies on March 19.

The forward United States dollar for delivery in 90 days vis-à-vis the Canadian dollar traded at a substantial discount throughout the quarter, averaging - 0.39 cents from the spot rate or - 1.60 on an annual yield basis. The closing forward discount for the quarter was - 0.57 cents or 2.31 per cent on an annual basis. The implied forward premium on the Canadian dollar vis-à-vis the United States dollar has the effect of increasing the attractiveness of yields on covered purchases of short-term Canadian dollar instruments to residents of the United States.

Change in Conceptual Treatment of Gold

A change has been introduced in the treatment within the balance of payments accounts of transactions in non-monetary gold which affects both current and capital account entries. The change stems from March 1968 when a separate market for non-monetary gold was established. For most of the period prior to that time gold produced in Canada was usually monetized and taken into Canada's international reserves. The production of gold, as it created a foreign asset, was considered a current account credit. With the altered role of gold in monetary affairs and the changed marketing of Canada's production a new treatment of non-monetary gold transactions was required for which data have now been developed.

Starting with this report transactions in non-monetary gold between Canadians and non-residents will be included with other commodity transactions while resident holdings of gold in Canada will no longer be considered a foreign asset.

To effect this change in the current account the separate item "gold production available for export" has been eliminated. Instead, sales of non-monetary gold to non-residents have been added to merchandise exports, while purchases from non-residents have been added to merchandise imports.

In the capital account, components of the account "resident holdings of foreign currency bank balances and other short-term funds abroad" representing resident holdings of non-monetary gold bullion held in Canada have been eliminated. The components were gold held by the Canadian chartered banks, gold produced after March 1968 held by the Royal Mint (i.e. officially owned gold held outside the Exchange Fund Account) and any other private resident holdings of gold. These holdings are now considered domestic assets.

Gold transactions still recorded in the capital account are those representing changes in the chartered banks' gold claims directly on residents of other countries (i.e. in the form of deposits or loans), in chartered bank liabilities to non-residents in the form of gold certificates and in Canadian non-bank gold claims on non-residents (e.g. in the form of certificates).

Official holdings of monetary gold (i.e. gold held by the Exchange Fund Account) will continue to be regarded as a foreign asset. If transactions with residents were to be resumed at some stage in the future these transactions would be recorded in the merchandise trade account and in the official international reserves account.

The implementation of these changes means that gold will be treated, in the balance of payments accounts, in a manner reasonably similar to that for other commodities. In addition it will also be possible to allocate transactions on a better bilateral basis. Under the previous treatment gold production available for export was conventionally, when allocated bilaterally all attributed to the United States account. As this, however, probably overstated our credits with the United States, this item in some presentations was not allocated bilaterally but only included in global totals.

The change has been taken back to the start of the second quarter of 1968 when the two-tier system for monetary and non-monetary gold was introduced. Under the two-tier system, which succeeded the gold pool, operated by the United States, major European countries and the Bank for International Settlements, the stock of monetary gold was to be kept stable with the only influx occurring through IMF purchases of gold from South Africa for balance of payments purposes. There were to be no transfers of gold between monetary authorities and the non-monetary market. To preserve its dwindling gold stock the United States also discouraged creditor countries from converting their holdings of United States dollars into gold. The price of gold on the non-monetary market was normally a little above the monetary price of US \$35 per ounce.

In Canada most mines received a subsidy under the Emergency Gold Mining Assistance Act. To receive the subsidy the gold produced had to be sold to the Royal Canadian Mint for US \$35 per ounce.

The subsidy was paid on a sliding scale related to the cost of production up to a maximum of \$10.27 per ounce. As, under the 1968 agreement, the Exchange Fund Account could no longer acquire new gold production for Canada's international reserves, the gold bought by the Mint was sold on the non-monetary gold market.

This situation continued until the second half of 1971 when the United States announced on August 15, 1971 that, as part of a series of balance of payments measures, it was suspending convertibility of the United States dollar into gold. On December 18, 1971, as part of a general currency realignment, the price of monetary gold was raised from US \$35 to US \$38 per ounce. (This price change was formalized through notification to the IMF on May 8, 1972.)

Following this change in the official price of gold a greater divergence appeared between the monetary and non-monetary prices of gold. With the increase in the non-monetary gold price it became advantageous for Canadian mines to sell directly to the market and not to the Mint.

A further increase in the price of monetary gold to US \$42.22 per ounce occurred on February 12, 1973, as the United States dollar was devalued against most major overseas currencies.

Area Classification

Commencing with 1973 a minor discontinuity has been introduced in the major geographic groupings used in the balance of payments series. This arises from the adoption of new groupings to reflect the current main areas of interest from a balance of payments point of view.

The new classification introduced in Table 3 of the quarterly report is:

1. United States
2. United Kingdom
3. European Economic Community (excluding United Kingdom)(1)
4. Japan
5. Other OECD (Organization for Economic Co-operation and Development) countries(2)
6. Other(3)

The previous classification was:

1. United States
2. United Kingdom
3. Rest of the Sterling area
4. Other OECD (Europe)(4)
5. Other(3)

The change does not therefore affect the major areas of the United States and the United Kingdom. For other areas a break in continuity of the series occurs at the end of 1972. It has not been proved possible to reconstruct the series for earlier periods.

It is hoped that within the new classification it will be possible to produce annual data on a more detailed area breakdown.

- (1) Includes Belgium, Denmark, Federal Republic of Germany, France, Ireland, Italy, Luxembourg and the Netherlands.
- (2) Includes Australia, Austria, Finland, Greece, Iceland, Norway, Portugal, Spain, Sweden, Switzerland, and Turkey.
- (3) Includes all other areas not specified above together with international financial agencies.
- (4) Includes Austria, Belgium, Denmark, Federal Republic of Germany, Finland, France, Greece, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and Turkey.

STATISTICS OF THE CANADIAN
BALANCE OF INTERNATIONAL PAYMENTS

TABLES

TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS(1)

Current Account - Not Seasonally Adjusted

Line No.	Cansim D Numbers Quarterly	Acct. No.	Item	1971				1972	
				I	II	III	IV	I	II
				millions of dollars					
		A	<u>Current receipts</u>						
1	50501	1	Merchandise exports (adjusted)(2)	4,094	4,696	4,371	4,768	4,410	5,390
			Service receipts						
2	50506	4	Travel	119	302	673	189	107	298
3	50508	5	Interest and dividends	141	126	113	177	123	133
4	50512	6	Freight and shipping	265	308	297	314	266	326
5	50516	(part)11	Other service receipts	325	336	328	351	329	327
6	50502		Total service receipts	850	1,072	1,411	1,031	825	1,084
7	50503		Sub-totals, exports of goods and services(3)	4,944	5,768	5,782	5,799	5,235	6,474
			Transfer receipts						
8	50515	7	Inheritances and immigrants' funds	89	106	134	103	85	119
9	50518	(part)11	Personal and institutional remittances(4)	28	30	30	30	31	33
10	50716	..	Withholding tax(5)	59	81	47	91	65	85
11	50525	12	Total current receipts	5,120	5,985	5,993	6,023	5,416	6,711
		B	<u>Current payments</u>						
12	50526	1	Merchandise imports (adjusted)(2)	3,399	4,124	3,748	4,261	4,189	4,975
			Service payments						
13	50531	4	Travel	313	369	551	261	321	366
14	50533	5	Interest and dividends	366	353	363	546	378	348
15	50537	6	Freight and shipping	234	309	308	325	269	327
16	50545	(part)11	Other service payments	457	505	506	540	514	542
17	50715	..	Withholding tax(5)	59	81	47	91	65	85
18	50544		Total service payments	1,429	1,617	1,775	1,763	1,547	1,668
19	50541		Sub-totals, imports of goods and services(3)	4,828	5,741	5,523	6,024	5,736	6,643
			Transfer payments						
20	50540	7	Inheritances and emigrants' funds	39	46	56	44	39	46
21	50547	(part)11	Personal and institutional remittances(4)	54	55	54	55	56	57
22	50542	9	Official contributions	38	32	66	65	38	53
23	50550	12	Total current payments	4,959	5,874	5,699	6,188	5,869	6,799
		C	<u>Current account balance</u>						
24	50551	1	Merchandise trade	+ 695	+ 572	+ 623	+ 507	+ 221	+ 415
			Service transactions						
25	50718		Travel	- 194	- 67	+ 122	- 72	- 214	- 68
26	50719		Interest and dividends	- 225	- 227	- 250	- 369	- 255	- 215
27	50720		Freight and shipping	+ 31	- 1	- 11	- 11	- 3	- 1
28	50721		Other service transactions	- 132	- 169	- 178	- 189	- 185	- 215
29	50722		Withholding tax	- 59	- 81	- 47	- 91	- 65	- 85
30	50556		Balance on service transactions	- 579	- 545	- 364	- 732	- 722	- 584
31	50558		Balance on goods and services	+ 116	+ 27	+ 259	- 225	- 501	- 169
32	50557		Net transfers	+ 45	+ 84	+ 35	+ 60	+ 48	+ 81
33	50555	4	Total current account balance	+ 161	+ 111	+ 294	- 165	- 453	- 88

(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

1972		1973				1971	1972	Four quarters ended IQ 1973	Acct. No.	Cansim D Numbers Annual	Line No.
III	IV	I	II	III	IV						
millions of dollars											
4,555	5,713	5,629				17,929	20,068	21,287	A 1	50001	1
625	196	122				1,283	1,226	1,241	4	50006	2
189	171	150				557	616	643	5	50008	3
305	363	318				1,184	1,260	1,312	6	50012	4
326	345	336				1,340	1,327	1,334	(part) 11	50016	5
1,445	1,075	926				4,364	4,429	4,530		50002	6
6,000	6,788	6,555				22,293	24,497	25,817		50003	7
130	111	93				432	445	453	7	50015	8
32	32	46				118	128	143	(part) 11	50018	9
42	93	69				278	285	289	..	50215	10
6,204	7,024	6,763				23,121	25,355	26,702	12	50025	11
4,339	5,068	5,265				15,532	18,571	19,647	B 1	50026	12
303	266	419				1,494	1,456	1,554	4	50031	13
335	492	440				1,628	1,553	1,615	5	50033	14
330	371	320				1,176	1,297	1,348	6	50037	15
534	550	548				2,008	2,140	2,174	(part) 11	50045	16
42	93	69				278	285	289	..	50216	17
1,744	1,772	1,796				6,584	6,731	6,980		50044	18
6,083	6,840	7,061				22,116	25,302	26,627		50041	19
56	44	51				185	185	197	7	50040	20
56	56	58				218	225	227	(part) 11	50047	21
74	57	63				201	222	247	9	50042	22
6,269	6,997	7,233				22,720	25,934	27,298	12	50050	23
+ 216	+ 645	+ 364				+ 2,397	+ 1,497	+ 1,640	C 1	50051	24
+ 122	- 70	- 297				- 211	- 230	- 313			25
- 146	- 321	- 290				- 1,071	- 937	- 972			26
- 25	- 8	- 2				+ 8	- 37	- 36			27
- 208	- 205	- 212				- 668	- 813	- 840			28
- 42	- 93	- 69				- 278	- 285	- 289			29
- 299	- 697	- 870				- 2,220	- 2,302	- 2,450		50056	30
- 83	- 52	- 506				+ 177	- 805	- 810		50058	31
+ 18	+ 79	+ 36				+ 224	+ 226	+ 214		50057	32
- 65	+ 27	- 470				+ 401	- 579	- 596	4	50055	33

(4) Personal and institutional remittances include those for pensions.

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

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

Capital Account(6) - Not Seasonally Adjusted

Line No.	Cansim D Numbers Quarterly	Acct. No.	Item	1971				1972	
				I	II	III	IV	I	II
				millions of dollars					
		D							
34	50560	1	Direct investment(7)						
35	50564	2	In Canada	+ 317	+ 149	+ 135	+ 284	+ 235	+ 195
			Abroad	- 166	- 68	- 5	- 66	- 95	- 90
			Portfolio transactions						
			Canadian securities						
36	50677	3.1	Outstanding bonds	- 31	- 23	- 22	- 18	+ 7	+ 35
37	50576	3.2	Outstanding stocks	- 42	- 28	- 58	- 16	- 13	- 15
38	50586 + 50678	4	New issues	+ 304	+ 356	+ 221	+ 281	+ 310	+ 662
39	50587 + 50679	5	Retirements	- 107	- 348	- 141	- 208	- 128	- 140
			Foreign securities						
40	50600	6	Outstanding issues	+ 49	+ 70	+ 68	+ 57	+ 77	+ 98
41	50608	7	New issues	- 10	- 10	- 7	- 36	- 10	- 31
42	50616	8	Retirements	+ 3	+ 2	+ 2	+ 3	+ 2	+ 2
			Loans and subscriptions - Government of Canada						
43	50624 + 50626	9	Advances	- 24	- 37	- 46	- 85	- 32	- 84
44	50629 + 50700	10	Repayments	-	+ 7	-	+ 29	-	+ 7
45	50630	11	Columbia River Treaty	-	-	-	+ 24	-	-
46	50632	12	Export credits directly or indirectly at risk of the Government of Canada	- 25	- 79	- 75	- 51	- 50	- 83
47	50650	13	Other long-term capital transactions	- 17	-	- 71	- 47	+ 33	+ 76
48	50687	E 1	Balance of capital movements in long-term forms (lines 34-47)	+ 251	- 9	+ 1	+ 151	+ 336	+ 632
49	50658	D 17.1	Resident holdings of foreign currency bank balances and other short-term funds abroad	+ 569	- 41	+ 173	+ 173	+ 573	+ 580
			Non-resident holdings of Canadian:						
50	50652	14.1	Dollar deposits	+ 50	+ 22	- 51	+ 71	+ 64	- 8
51	50654	14.2	Government demand liabilities	-	-	-	+ 50	- 25	- 2
52	50656	14.3	Treasury bills	+ 1	- 4	+ 14	- 14	-	+ 31
53	50667	17.2a	Commercial paper	- 31	+ 19	+ 34	+ 15	- 5	- 90
54	50668	17.3	Finance company paper	- 72	- 9	- 18	+ 67	+ 95	- 25
55	50669	17.2b	Other short-term paper	- 43	- 5	+ 9	+ 114	+ 164	- 158
56	50676	17.4	Other finance company obligations	- 4	- 9	- 5	- 11	- 7	- 39
57	50686	17.5	Other short-term capital transactions(8)	- 834	- 68	- 309	+ 129	- 682	- 511
58	50688	E 2	Balance of capital movements in short-term forms (lines 49-57)	- 364	- 95	- 153	+ 594	+ 177	- 222
59	50689	E 3	Total net capital balance	- 113	- 104	- 152	+ 745	+ 513	+ 410
60	50710	..	Allocation of Special Drawing Rights	+ 119	-	-	-	+ 117	-
		H	Net official monetary movements(9):						
61	50713	4	Official international reserves	+ 167	+ 7	+ 142	+ 580	+ 177	+ 322
62	50714	5	Official monetary liabilities	-	-	-	-	-	-
63	50712	6	Net official monetary movements	+ 167	+ 7	+ 142	+ 580	+ 177	+ 322

(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

1972		1973				1971	1972	Four quarters ended IQ 1973	Acct. No.	Cansim D Numbers Annual	Line No.
III	IV	I	II	III	IV						
millions of dollars											
									D		
+ 130	+ 120	+ 90				+ 885	+ 680	+ 535	1	50060	34
- 130	- 70	- 60				- 305	- 385	- 350	2	50064	35
+ 138	+ 113	+ 16				- 94	+ 293	+ 302	3.1	50068	36
- 43	+ 8	- 48				- 144	- 63	- 98	3.2	50076	37
+ 236	+ 608	+ 321				+ 1,162	+ 1,816	+ 1,827	4	50084	38
- 107	- 167	- 118				- 804	- 542	- 532	5	50092	39
+ 95	+ 32	- 1				+ 244	+ 302	+ 224	6	50100	40
- 7	- 9	- 7				- 63	- 57	- 54	7	50108	41
+ 2	+ 3	+ 2				+ 10	+ 9	+ 9	8	50116	42
- 37	- 108	- 39				- 192	- 261	- 268	9	50124 + 50126	43
-	+ 21	-				+ 36	+ 28	+ 28	10	50127 + 50129	44
-	-	-				+ 24	-	-	11	50130	45
- 27	- 60	- 23				- 230	- 250	- 223	12	50132	46
+ 47	+ 47	+ 66				- 135	+ 203	+ 236	13	50150	47
+ 267	+ 538	+ 199				+ 394	+ 1,773	+ 1,636	E 1	50187	48
- 583	- 5	+ 39				+ 874	+ 565	+ 29	D 17.1	50158	49
+ 55	+ 25	+ 18				+ 92	+ 136	+ 90	14.1	50152	50
-	+ 54	-				+ 50	+ 27	+ 52	14.2	50154	51
- 4	- 6	- 16				- 3	+ 21	+ 5	14.3	50156	52
+ 17	- 36	+ 68				+ 37	- 114	- 41	17.2a	50167	53
- 121	- 49	+ 76				- 32	- 100	- 119	17.3	50168	54
- 1	- 8	+ 185				+ 75	- 3	+ 18	17.2b	50169	55
+ 20	+ 5	+ 3				- 29	- 21	- 11	17.4	50176	56
+ 418	- 714	- 184				- 1,082	- 1,489	- 989	17.5	50186	57
- 199	- 734	+ 189				- 18	- 978	- 966	E 2	50188	58
+ 68	- 196	+ 388				+ 376	+ 795	+ 670	E 3	50189	59
-	-	-				+ 119	+ 117	-	..	50210	60
+ 3	- 169	- 82				+ 896	+ 333	+ 74	H 4	50213	61
-	-	-				-	-	-	5	50214	62
+ 3	- 169	- 82				+ 896	+ 333	+ 74	6	50212	63

(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

Cansim D Numbers Quarterly	Acct. No.	Item	1971			
			I	II	III	IV
			millions of dollars			
	A	<u>Current receipts</u>				
60501	1	Merchandise exports (adjusted)(1)	4,328	4,417	4,584	4,600
		Service receipts				
60506	4	Travel	331	311	321	320
60508	5	Interest and dividends	149	133	130	145
60512	6	Freight and shipping	291	293	298	302
60711	(part)11	Other service receipts	327	332	336	345
60710		Total service receipts	1,098	1,069	1,085	1,112
60722		Sub-totals, exports of goods and services(2)	5,426	5,486	5,669	5,712
		Transfer receipts				
60515	7	Inheritances and immigrants' funds	119	97	108	108
60713	(part)11	Personal and institutional remittances(3)	29	29	30	30
60726	..	Withholding tax(4)	67	69	64	78
60525	12	Total current receipts	5,641	5,681	5,871	5,928
	B	<u>Current payments</u>				
60526	1	Merchandise imports (adjusted)(1)	3,614	3,803	3,955	4,160
		Service payments				
60531	4	Travel	355	356	381	402
60533	5	Interest and dividends	374	375	394	485
60537	6	Freight and shipping	275	288	302	311
60715	(part)11	Other service payments	460	487	515	546
60725	..	Withholding tax(4)	67	69	64	78
60714		Total service payments	1,531	1,575	1,656	1,822
60723		Sub-totals, imports of goods and services(2)	5,145	5,378	5,611	5,982
		Transfer payments				
60540	7	Inheritances and emigrants' funds	48	48	46	43
60717	(part)11	Personal and institutional remittances(3)	54	54	55	55
60542	9	Official contributions	51	35	51	64
60550	12	Total current payments	5,298	5,515	5,763	6,144
	C	<u>Current account balance</u>				
60551	1	Merchandise trade	+ 714	+ 614	+ 629	+ 440
		Service transactions				
60554		Travel	- 24	- 45	- 60	- 82
60556		Interest and dividends	- 225	- 242	- 264	- 340
60557		Freight and shipping	+ 16	+ 5	- 4	- 9
60719		Other service transactions	- 133	- 155	- 179	- 201
60727		Withholding tax	- 67	- 69	- 64	- 78
60718		Total service transactions	- 433	- 506	- 571	- 710
60724		Balance on goods and services	+ 281	+ 108	+ 58	- 270
60720		Net transfers	+ 62	+ 58	+ 50	+ 54
60555	4	Total current account balance	+ 343	+ 166	+ 108	- 216

(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

1972				1973				Acct. No.	Cansim D Numbers Quarterly
I	II	III	IV	I	II	III	IV		
millions of dollars									
								A	
4,644	5,026	4,856	5,542	5,933				1	60501
297	305	299	325	340				4	60506
131	138	206	141	158				5	60508
292	311	308	349	348				6	60512
331	323	334	339	339				(part) 11	60711
1,051	1,077	1,147	1,154	1,185					60710
5,695	6,103	6,003	6,696	7,118					60722
113	110	106	116	124				7	60515
32	32	32	32	47				(part) 11	60713
73	74	57	81	77				..	60726
5,913	6,319	6,198	6,925	7,366				12	60525
								B	
4,406	4,547	4,612	5,006	5,543				1	60526
360	350	345	401	470				4	60531
386	374	366	427	444				5	60533
317	305	323	354	374				6	60537
522	522	542	554	556				(part) 11	60715
73	74	57	81	77				..	60725
1,656	1,625	1,633	1,817	1,921					60714
6,062	6,172	6,245	6,823	7,464					60723
48	48	46	43	62				7	60540
55	56	57	57	57				(part) 11	60717
52	57	58	55	76				9	60542
6,217	6,333	6,406	6,978	7,659				12	60550
								C	
+ 238	+ 479	+ 244	+ 536	+ 390				1	60551
- 63	- 45	- 46	- 76	- 130					60554
- 255	- 236	- 160	- 286	- 286					60556
- 23	+ 6	- 15	- 5	- 26					60557
- 191	- 199	- 208	- 215	- 217					60719
- 73	- 74	- 57	- 81	- 77					60727
- 605	- 548	- 486	- 663	- 736					60718
- 367	- 69	- 242	- 127	- 346					60724
+ 63	+ 55	+ 34	+ 74	+ 53					60720
- 304	- 14	- 208	- 53	- 293				4	60555

(3) Personal and institutional remittances include those for pensions.

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

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

By Area(1) - Not Seasonally Adjusted

No.	Item	1971				1972	
		I	II	III	IV	I	II
		millions of dollars					
	<u>United States</u>						
1	Merchandise exports (adjusted)	2,767	3,207	2,879	3,210	3,258	3,754
2	Non-merchandise receipts	570	754	1,093	694	548	750
3	Total current receipts	3,337	3,961	3,972	3,904	3,806	4,504
4	Merchandise imports (adjusted)	2,488	2,942	2,560	2,881	2,887	3,459
5	Non-merchandise payments	980	1,101	1,180	1,235	1,066	1,130
6	Total current payments	3,468	4,043	3,740	4,116	3,953	4,589
	Balance						
7	Merchandise trade	+ 279	+ 265	+ 319	+ 329	+ 371	+ 295
8	Non-merchandise trade	- 410	- 347	- 87	- 541	- 518	- 380
9	Current account balance	- 131	- 82	+ 232	- 212	- 147	- 85
	Capital movements(2)						
10	In long-term forms	+ 219	+ 176	+ 141	+ 192	+ 364	+ 526
11	In short-term forms	+ 141	- 56	- 105	+ 791	+ 6	- 1,126
12	Total net capital balance	+ 360	+ 120	+ 36	+ 983	+ 370	- 600
	<u>United Kingdom</u>						
13	Merchandise exports (adjusted)	317	381	340	362	261	425
14	Non-merchandise receipts	116	136	144	143	108	128
15	Total current receipts	433	517	484	505	369	553
16	Merchandise imports (adjusted)	172	214	215	231	229	266
17	Non-merchandise payments	119	150	200	136	125	149
18	Total current payments	291	364	415	367	354	415
	Balance						
19	Merchandise trade	+ 145	+ 167	+ 125	+ 131	+ 32	+ 159
20	Non-merchandise trade	- 3	- 14	- 56	+ 7	- 17	- 21
21	Current account balance	+ 142	+ 153	+ 69	+ 138	+ 15	+ 138
	Capital movements(2)						
22	In long-term forms	+ 25	- 22	- 51	+ 21	- 12	- 17
23	In short-term forms	- 333	+ 23	+ 15	+ 30	+ 78	+ 775
24	Total net capital balance	+ 308	+ 1	- 36	+ 51	+ 66	+ 758
	<u>E.E.C. (3)</u>						
25	Merchandise exports (adjusted)						
26	Non-merchandise receipts						
27	Total current receipts						
28	Merchandise imports (adjusted)						
29	Non-merchandise payments						
30	Total current payments						
		not available					
	Balance						
31	Merchandise trade						
32	Non-merchandise trade						
33	Current account balance						

See footnotes at the end of table.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

By Area(1) - Not Seasonally Adjusted

1972		1973				1971	1972	Four quarters ended IQ 1973	No.
III	IV	I	II	III	IV				
millions of dollars									
3,102	3,877	4,048				12,063	13,991	14,781	1
1,035	685	588				3,111	3,018	3,058	2
4,137	4,562	4,636				15,174	17,009	17,839	3
2,892	3,553	3,745				10,871	12,791	13,649	4
1,154	1,194	1,256				4,496	4,544	4,734	5
4,046	4,747	5,001				15,367	17,335	18,383	6
+ 210	+ 324	+ 303				+ 1,192	+ 1,200	+ 1,132	7
- 119	- 509	- 668				- 1,385	- 1,526	- 1,676	8
+ 91	- 185	- 365				- 193	- 326	- 544	9
+ 129	+ 296	+ 58				+ 728	+ 1,315	+ 1,009	10
+ 707	- 940	+ 762				+ 771	- 1,353	- 597	11
+ 838	- 644	+ 820				+ 1,499	- 38	+ 412	12
275	380	350				1,400	1,342	1,431	13
144	144	133				539	524	549	14
420	524	483				1,939	1,866	1,980	15
198	252	252				832	945	968	16
199	147	139				605	620	634	17
397	399	391				1,437	1,565	1,602	18
+ 78	+ 128	+ 98				+ 568	+ 397	+ 463	19
- 55	- 3	- 6				+ 66	- 96	- 85	20
+ 23	+ 125	+ 92				+ 502	+ 301	+ 378	21
+ 30	+ 2	+ 25				- 27	+ 3	+ 40	22
- 637	+ 102	- 552				- 265	+ 318	- 312	23
- 607	+ 104	- 527				- 292	+ 321	- 272	24
		259							25
		87							26
		346							27
		331							28
not available		160							29
		491				not available			30
		- 72							31
		- 73							32
		- 145							33

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - CONTINUED

By Area(1) - Not Seasonally Adjusted

No.	Item	1971				1972	
		I	II	III	IV	I	II
	<u>Japan</u>						
34	Merchandise exports (adjusted)						
35	Non-merchandise receipts						
36	Total current receipts						
37	Merchandise imports (adjusted)						
38	Non-merchandise payments						
39	Total current payments						
	Balance						
40	Merchandise trade						
41	Non-merchandise trade						
42	Current account balance						
	<u>Other OECD(4)</u>						
43	Merchandise exports (adjusted).....						
44	Non-merchandise receipts						
45	Total current receipts						
46	Merchandise imports (adjusted)						
47	Non-merchandise payments						
48	Total current payments						
	Balance						
49	Merchandise trade						
50	Non-merchandise trade						
51	Current account balance						
	<u>Other</u>						
52	Merchandise exports (adjusted)						
53	Non-merchandise receipts						
54	Total current receipts						
55	Merchandise imports (adjusted)						
56	Non-merchandise payments						
57	Total current payments						
	Balance						
58	Merchandise trade						
59	Non-merchandise trade						
60	Current account balance						
	<u>Rest of the Sterling Area</u>						
61	Merchandise exports (adjusted)	172	178	174	186	137	155
62	Non-merchandise receipts	76	92	93	100	85	96
63	Total current receipts	248	270	267	286	222	251
64	Merchandise imports (adjusted)	100	167	167	193	153	196
65	Non-merchandise payments	71	67	87	111	81	80
66	Total current payments	171	234	254	304	234	276
	Balance						
67	Merchandise trade	+ 72	+ 11	+ 7	- 7	- 16	- 41
68	Non-merchandise trade	+ 5	+ 25	+ 6	- 11	+ 4	+ 14
69	Current account balance	+ 77	+ 36	+ 13	- 18	- 12	- 25

not available

See footnotes at end of table.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Continued

By Area(1) - Not Seasonally Adjusted

1972		1973				1971	1972	1973	No.
III	IV	I	II	III	IV				
millions of dollars									
		316							34
		36							35
		352							36
		251							37
		24							38
		275							39
		+ 65							40
		+ 12							41
		+ 77							42
		151							43
		50				not available			44
		201							45
		168							46
		85							47
		253							48
		- 17							49
		- 35							50
		- 52							51
		505							52
		171							53
		676							54
		518							55
		235							56
		753							57
		- 13							58
		- 64							59
		- 77							60
156	188					710	636		61
102	130					361	413		62
258	318			not available		1,071	1,049		63
196	228					627	773		64
90	95					336	346		65
286	323					963	1,119		66
- 40	- 40					+ 83	- 137		67
+ 12	+ 35					+ 25	+ 67		68
- 28	- 5					+ 108	- 70		69

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

By Area(1) - Not Seasonally Adjusted

No.	Item	1971				1972	
		I	II	III	IV	I	II
		millions of dollars					
	<u>Other OECD (Europe)(5)</u>						
70	Merchandise exports (adjusted)	386	410	363	401	295	390
71	Non-merchandise receipts	102	116	116	106	99	129
72	Total current receipts	488	526	479	507	394	519
73	Merchandise imports (adjusted)	275	346	336	388	361	435
74	Non-merchandise payments	205	212	268	204	208	228
75	Total current payments	480	558	604	592	569	663
	Balance						
76	Merchandise trade	+ 111	+ 64	+ 27	+ 13	- 66	- 45
77	Non-merchandise trade	- 103	- 96	- 152	- 98	- 109	- 99
78	Current account balance	+ 8	- 32	- 125	- 85	- 175	- 144
	<u>Other</u>						
79	Merchandise exports (adjusted)	452	520	615	609	459	666
80	Non-merchandise receipts	103	110	129	121	101	133
81	Total current receipts	555	630	744	730	560	799
82	Merchandise imports (adjusted)	364	455	470	568	559	619
83	Non-merchandise payments	126	139	169	150	135	152
84	Total current payments	490	594	639	718	694	771
	Balance						
85	Merchandise trade	+ 88	+ 65	+ 145	+ 41	- 100	+ 47
86	Non-merchandise trade	- 23	- 29	- 40	- 29	- 34	- 19
87	Current account balance	+ 65	+ 36	+ 105	+ 12	- 134	+ 28
	<u>All Countries</u>						
88	Merchandise exports (adjusted)	4,094	4,696	4,371	4,768	4,410	5,390
89	Non-merchandise receipts(6)	1,026	1,289	1,622	1,255	1,006	1,321
90	Total current receipts	5,120	5,985	5,993	6,023	5,416	6,711
91	Merchandise imports (adjusted)	3,399	4,124	3,748	4,261	4,189	4,975
92	Non-merchandise payments(6)	1,560	1,750	1,951	1,927	1,680	1,824
93	Total current payments	4,959	5,874	5,699	6,188	5,869	6,799
	Balance						
94	Merchandise trade	+ 695	+ 572	+ 623	+ 507	+ 221	+ 415
95	Non-merchandise trade	- 534	- 461	- 329	- 672	- 674	- 503
96	Current account balance	+ 161	+ 111	+ 294	- 165	- 453	- 88
	Capital movements						
97	In long-term forms	+ 251	- 9	+ 1	+ 151	+ 336	+ 632
98	In short-term forms	- 364	- 95	- 153	+ 594	+ 177	- 222
99	Total net capital balance	- 113	- 104	- 152	+ 745	+ 513	+ 410
100	Allocation of Special Drawing Rights	+ 119	-	-	-	+ 117	-
101	Net official monetary movements	+ 167	+ 7	+ 142	+ 580	+ 177	+ 322

- (1) Comparison of transactions by area between 1973 and earlier periods can only be made for the United States, United Kingdom and globally.
 (2) Capital movements by area are available at this time only for Canada's transactions with the United States, United Kingdom and globally.
 (3) Includes Belgium, Denmark, Federal Republic of Germany, France, Ireland, Italy, Luxembourg and the Netherlands.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

By Area(1) - Not Seasonally Adjusted

1972		1973				1971	1972	Four quarters ended IQ 1973	No.
III	IV	I	II	III	IV				
millions of dollars									
349	471					1,560	1,505		70
123	125					440	476		71
472	596					2,000	1,981		72
440	426					1,345	1,662		73
273	243					889	952		74
713	669					2,234	2,614		75
- 91	+ 45					+ 215	- 157		76
- 150	- 118					- 449	- 476		77
- 241	- 73					- 234	- 633		78
								not available	
672	797					2,196	2,594		79
203	134					463	571		80
875	931					2,659	3,165		81
613	609					1,857	2,400		82
172	157					584	616		83
785	766					2,441	3,016		84

(4) Includes Australia, Austria, Finland, Greece, Iceland, Norway, Portugal, Spain, Sweden, Switzerland, and Turkey.

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

(6) Includes stockholding and 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.	Cansim D Numbers Quarterly	Acct. No.	Item	1971			
				I	II	III	IV
				millions of dollars			
		A	<u>Current receipts</u>				
1	51501	1	Merchandise exports (adjusted)(1)	2,767	3,207	2,879	3,210
			Service receipts				
2	51506	4	Travel	104	258	605	162
3	51508	5	Interest and dividends	97	81	82	100
4	51512	6	Freight and shipping	143	174	165	178
5	51516	(part)11	Other service receipts	173	180	167	185
6	51502		Total service receipts	517	693	1,019	625
7	51503		Sub-totals, exports of goods and services	3,284	3,900	3,898	3,835
			Transfer receipts				
8	51515	7	Inheritances and immigrants' funds ...	36	42	54	49
9	51518	(part)11	Personal and institutional remittances(2)	17	19	20	20
10	51525	12	Total current receipts	3,337	3,961	3,972	3,904
		B	<u>Current payments</u>				
11	51526	1	Merchandise imports (adjusted)(1)	2,488	2,942	2,560	2,881
			Service payments				
12	51531	4	Travel	218	242	323	161
13	51533	5	Interest and dividends	298	299	298	494
14	51537	6	Freight and shipping	122	164	162	158
15	51545	(part)11	Other service payments	304	353	353	384
16	51544		Total service payments	942	1,058	1,136	1,197
17	51541		Sub-totals, imports of goods and services	3,430	4,000	3,696	4,078
			Transfer payments				
18	51540	7	Inheritances and emigrants' funds	24	28	29	24
19	51547	(part)11	Personal and institutional remittances(2)	14	15	15	14
20	51542	9	Official contributions	-	-	-	-
21	51550	12	Total current payments	3,468	4,043	3,740	4,116
		C	<u>Current account balance</u>				
22	51551	1	Merchandise trade	+ 279	+ 265	+ 319	+ 329
			Service transactions				
23			Travel	- 114	+ 16	+ 282	+ 1
24			Interest and dividends	- 201	- 218	- 216	- 394
25			Freight and shipping	+ 21	+ 10	+ 3	+ 20
26			Other service transactions	- 131	- 173	- 186	- 199
27	51556		Balance on service transactions	- 425	- 365	- 117	- 572
28	51558		Balance on goods and services	- 146	- 100	+ 202	- 243
29	51557		Net transfers	+ 15	+ 18	+ 30	+ 31
30	51555	4	Total current account balance ..	- 131	- 82	+ 232	- 212

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

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

Current Account - Not Seasonally Adjusted

1972				1973				Acct. No.	Cansim D Numbers Annual	Line No.
I	II	III	IV	I	II	III	IV			
3,258	3,754	3,102	3,877	4,048				A 1	51001	1
86	240	544	152	96				4	51006	2
88	91	85	97	98				5	51008	3
151	188	179	205	180				6	51012	4
167	168	153	173	159				(part)11	51016	5
492	687	961	627	533					51002	6
3,750	4,441	4,063	4,504	4,581					51003	7
36	41	53	37	26				7	51015	8
20	22	21	21	29				(part)11	51018	9
3,806	4,504	4,137	4,562	4,636				12	51025	10
								B		
2,887	3,459	2,892	3,553	3,745				1	51026	11
226	235	300	154	277				4	51031	12
309	296	266	427	360				5	51033	13
139	176	171	190	174				6	51037	14
352	380	373	384	393				(part)11	51045	15
1,026	1,087	1,110	1,155	1,204					51044	16
3,913	4,546	4,002	4,708	4,949					51041	17
24	27	29	23	35				7	51040	18
16	16	15	16	17				(part)11	51047	19
-	-	-	-	-				9	51042	20
3,953	4,589	4,046	4,747	5,001				12	51050	21
								C		
+ 371	+ 295	+ 210	+ 324	+ 303				1	51051	22
- 140	+ 5	+ 244	- 2	- 181						23
- 221	- 205	- 181	- 330	- 262						24
+ 12	+ 12	+ 8	+ 15	+ 6						25
- 185	- 212	- 220	- 211	- 234						26
- 334	- 400	- 149	- 528	- 671					51056	27
- 163	- 105	+ 61	- 204	- 368					51058	28
+ 16	+ 20	+ 30	+ 19	+ 3					51057	29
- 147	- 85	+ 91	- 185	- 365				4	51055	30

(2) Personal and institutional remittances include those for pensions.

TABLE 4. CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES, QUARTERLY - Concluded
Capital Account(3) - Not Seasonally Adjusted

No.	Cansim D Numbers Quarterly	Acct. No.	Item	1971			
				I	II	III	IV
				millions of dollars			
		D					
31	51560	1	Direct investment(4)				
32	51564	2	In Canada	+ 205	+ 98	+ 84	+ 218
			Abroad	- 74	- 49	- 27	- 33
			Portfolio transactions				
			Canadian securities				
33	51568	3.1	Outstanding bonds	- 15	- 22	- 16	- 18
34	51576	3.2	Outstanding stocks	- 17	- 9	- 9	- 6
35	51584	4	New issues	+ 211	+ 321	+ 153	+ 177
36	51592	5	Retirements	- 96	- 241	- 97	- 179
			Foreign securities				
37	51600	6	Outstanding issues	+ 50	+ 88	+ 70	+ 49
38	51608	7	New issues	- 6	- 7	- 5	- 3
39	51616	8	Retirements	+ 2	+ 1	+ 1	+ 1
			Loans and subscriptions - Government of Canada				
40	51624	9	Advances	-	-	-	-
41	51627	10	Repayments	-	-	-	-
42	51630	11	Columbia River Treaty	-	-	-	+ 24
43	51632	12	Export credits directly or indirectly at risk of the Government of Canada	-	- 1	-	-
44	51650	13	Other long-term capital transactions	- 41	- 3	- 13	- 38
45	51687	E 1	Balance of capital movements in long-term forms	+ 219	+ 176	+ 141	+ 192
46	51658	D 17.1	Resident holdings of foreign currency bank balances and other short-term funds abroad	+ 820	+ 112	+ 301	+ 453
			Non-resident holdings of Canadian				
47	51652	14.1	Dollar deposits	+ 35	- 15	- 25	+ 27
48	51654	14.2	Government demand liabilities	-	-	-	-
49	51656	14.3	Treasury bills	-	-	+ 2	- 2
50	51667	17.2a	Commercial paper	- 30	+ 20	+ 34	+ 15
51	51668	17.3	Finance company paper	- 37	+ 22	- 16	+ 69
52	51669	17.2b	Other short-term paper	- 45	- 4	+ 11	+ 113
53	51676	17.4	Other finance company obligations	- 4	- 6	- 5	- 10
54	51686	17.5	Other short-term capital transactions(5)	- 598	- 185	- 407	+ 126
55	51688	E 2	Balance of capital movements in short- term forms	+ 141	- 56	- 105	+ 791
56	51689	E 3	Total net capital balance	+ 360	+ 120	+ 36	+ 983
57	51690		Total current and capital account balance	+ 229	+ 38	+ 268	+ 771

(3) 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.

(4) Exclusive of undistributed profits.

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

Capital Account(3) - Not Seasonally Adjusted

1972				1973				Acct. No.	Cansim D Numbers Annual	No.
I	II	III	IV	I	II	III	IV			
								D		
+ 214	+ 156	+ 89	+ 103	+ 12				1	51060	31
- 51	- 57	+ 1	- 23	- 27				2	51064	32
- 13	- 6	+ 19	- 4	- 8				3.1	51068	33
- 24	- 6	- 81	- 36	- 68				3.2	51076	34
+ 262	+ 430	+ 76	+ 348	+ 192				4	51084	35
- 84	- 93	- 90	- 139	- 89				5	51092	36
+ 76	+ 87	+ 87	+ 21	- 14				6	51100	37
- 2	- 5	- 3	- 2	- 1				7	51108	38
+ 1	+ 1	+ 1	+ 1	+ 1				8	51116	39
-	-	-	-	-				9	51124	40
-	-	-	-	-				10	51127	41
-	-	-	-	-				11	51130	42
-	- 2	-	- 4	- 3				12	51132	43
- 15	+ 21	+ 30	+ 31	+ 63				13	51150	44
+ 364	+ 526	+ 129	+ 296	+ 58				E 1	51187	45
+ 336	- 251	+ 403	- 168	+ 531				D 17.1	51158	46
+ 29	- 38	+ 47	- 31	+ 13				14.1	51152	47
-	-	-	-	-				14.2	51154	48
-	-	- 1	-	+ 6				14.3	51156	49
- 5	- 89	+ 16	- 36	+ 68				17.2a	51167	50
+ 96	- 25	- 122	- 50	+ 77				17.3	51168	51
+ 163	- 157	- 27	+ 18	+ 184				17.2b	51169	52
- 12	- 41	+ 20	+ 5	+ 5				17.4	51176	53
- 601	- 525	+ 371	- 678	- 122				17.5	51186	54
+ 6	- 1,126	+ 707	- 940	+ 762				E 2	51188	55
+ 370	- 600	+ 836	- 644	+ 820				E 3	51189	56
+ 223	- 685	+ 927	- 829	+ 455					51190	57

(5) 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	1971				1972				1973				1971	1972	1973
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
millions of dollars															
Trade of Canada EXPORTS (including re-exports)	4,075	4,629	4,349	4,751	4,415	5,344	4,489	5,729	5,553					17,804	19,977
Adjustments:															
Gold	+ 26	+ 26	+ 20	+ 27	+ 37	+ 35	+ 29	+ 30	+ 43					+ 99	+ 131
Wheat	- 18	+ 37	- 4	- 16	+ 5	+ 12	+ 41	- 44	+ 20					- 1	+ 14
Aircraft and other adjustments	+ 11	+ 4	+ 6	+ 6	- 47	- 1	- 4	- 2	+ 13					+ 27	- 54
Equals merchandise exports adjusted to balance of payments basis	4,094	4,696	4,371	4,768	4,410	5,390	4,555	5,713	5,629					17,929	20,068
Trade of Canada IMPORTS	3,429	4,103	3,766	4,313	4,226	5,018	4,354	5,057	5,237					15,611	18,655
Adjustments:															
Automotive products ..	- 25	- 1	- 3	- 50	- 40	- 38	- 7	-	- 9					- 79	- 85
Aircraft and other equipment	+ 2	+ 29	- 7	+ 5	+ 7	+ 3	- 2	+ 12	+ 43					+ 29	+ 20
Gold	+ 1	+ 1	+ 1	+ 2	+ 5	+ 3	+ 3	+ 9	+ 5					+ 5	+ 20
Other adjustments	- 8	- 8	- 9	- 9	- 9	- 11	- 9	- 10	- 11					- 34	- 39
Equals merchandise imports adjusted to balance of payments basis	3,399	4,124	3,748	4,261	4,189	4,975	4,339	5,068	5,265					15,532	18,571
Trade balance on balance of payments basis	+ 695	+ 572	+ 623	+ 507	+ 221	+ 415	+ 216	+ 645	+ 364					+2,397	+1,497

TABLE 6. INTEREST AND DIVIDENDS

	1971				1972				1973				1971	1972	1973
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
	millions of dollars														
<u>Receipts</u>															
Interest	57	57	57	79	55	56	60	83	61					250	254
Dividends	84	69	56	98	68	77	129	88	89					307	362
Totals	141	126	113	177	123	133	189	171	150					557	616
<u>Payments</u>															
Interest	195	201	196	191	204	206	202	226	220					783	838
Dividends	171	152	167	355	174	142	133	266	220					845	715
Totals	366	353	363	546	378	348	335	492	440					1,628	1,553

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

	1971				1972				1973				1971	1972	1973
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
millions of dollars															
<u>Receipts</u>															
Government transactions	55	55	50	67	48	55	47	61	42					227	211
Miscellaneous income(1)	98	99	103	98	95	78	91	87	92					398	351
Business services and other transactions	172	182	175	186	186	194	188	197	202					715	765
Totals	325	336	328	351	329	327	326	345	336					1,340	1,327
<u>Payments</u>															
Government transactions	60	43	46	45	62	45	45	50	66					194	202
Miscellaneous income(1)	124	131	127	135	134	142	130	142	142					517	548
Business services and other transactions	273	331	333	360	318	355	359	358	340					1,297	1,390
Totals	457	505	506	540	514	542	534	550	548					2,008	2,140

(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.

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

	1971				1972				1973				1971	1972	1973
	I	II	III	IV	I	II	III	IV	I	II	III	IV			
	millions of dollars														
Asia	18	26	29	20	15	20	22	18	15					93	75
Africa	2	6	13	13	13	13	11	17	12					34	54
Western Hemisphere	3	3	4	2	3	2	3	6	5					12	14
Other	-	-	-	-	-	-	-	-	5					-	-
<u>International investment agencies</u>															
Global	-	-	-	50	-	16	-	54	1					50	70
Western Hemisphere	1	2	-	-	1	33	1	13	1					3	48
Asia	-	-	-	-	-	-	-	-	-					-	-
Totals	24	37	46	85	32	84	37	108	39					192	261

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
			Western Hemisphere	Asia	Africa	Other					
millions of dollars											
Credits extended											
1971	420	23	109	74	11	31	172	255	165	297	123
1972	495	55	114	71	16	25	214	271	224	407	88
1973											
1972 I	96	4	37	15	5	12	23	29	67	83	13
II	120	10	23	19	3	4	61	70	50	112	8
III	124	9	30	22	5	6	52	86	38	93	31
IV	155	32	24	15	3	3	78	86	69	119	36
1973 I	102	5	24	15	2	8	48	43	59	78	24
II											
III											
IV											
Credits repaid											
1971	190	2	41	26	2	2	117	137	53	129	81
1972	245	—	47	49	5	5	139	177	68	166	79
1973											
1972 I	46	—	12	9	1	—	24	30	16	31	15
II	37	—	9	8	1	1	18	20	17	19	18
III	67	—	15	18	1	2	31	48	19	42	25
IV	95	—	11	14	2	2	66	79	16	74	21
1973 I	79	1	18	9	1	1	49	57	22	60	19
II											
III											
IV											
Credits extended											
1971	+ 230	+ 21	+ 68	+ 48	+ 9	+ 29	+ 55	+ 118	+ 112	+ 168	+ 62
1972	+ 250	+ 55	+ 67	+ 22	+ 11	+ 20	+ 75	+ 94	+ 156	+ 241	+ 9
1973											
1972 I	+ 50	+ 4	+ 25	+ 6	+ 4	+ 12	— 1	— 1	+ 51	+ 52	— 2
II	+ 83	+ 10	+ 14	+ 11	+ 2	+ 3	+ 43	+ 50	+ 33	+ 93	— 10
III	+ 57	+ 9	+ 15	+ 4	+ 4	+ 4	+ 21	+ 38	+ 19	+ 51	+ 6
IV	+ 60	+ 32	+ 13	+ 1	+ 1	+ 1	+ 12	+ 7	+ 53	+ 45	+ 15
1973 I	+ 23	+ 4	+ 6	+ 6	+ 1	+ 7	— 1	— 14	+ 37	+ 18	+ 5
II											
III											
IV											
Credits outstanding											
March 31, 1973	1,130	90	329	473	19	160	59	430	700	856	274

(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													
1947-1969	740.0	95.5(4)	835.5	620.5	726.0	- 310.5	- 1,411.4	665.7	70.1	- 3.0(3)	357.4	478.1	expressed in millions of United States dollars
1970	360.0	24.5	1,220.0	294.5			- 186.0	40.3	45.2	- 1.0(3)	550.4	669.6	478.1
1971		- 120.0	1,100.0	- 120.0			- 85.6	351.3	66.3	5.0(5)	767.4	332.6	669.6
1972			1,100.0				- 79.9	93.9		2.7(5)	784.1	315.9	332.6
1973													342.9
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			1,100.0				- 21.2	8.9			784.1	315.9	342.9
1973 I			1,100.0				- 6.6	24.3			801.8	298.2	323.8
II													
III													
IV													

(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									
1971	102.53	99.31	100.22	100.98	- .56	246.87	18.33	29.00	24.56	.2912
1972	100.94	97.41	99.50	99.05	- .33	247.97	19.65	31.08	25.94	.3270
1973										
1972 I	100.94	99.50	99.75	100.28	+ 0.42	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	100.19	98.16	99.50	98.86	- 0.22	233.72	19.58	30.87	26.11	.3286
1973 I	100.19	98.75	99.88	99.71	- 1.60	241.22	20.89	33.28	29.02	.3574
II										
III										
IV										
January	100.16	99.56	100.03	99.91	- 0.85	235.44	19.66	31.26	26.79	.3312
February	100.19	98.75	99.41	99.55	- 1.67	241.70	20.91	33.13	29.27	.3596
March	99.90	99.16	99.88	99.66	- 2.28	246.51	22.09	35.45	31.00	.3814

(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	1971				1972	
		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	3,153	3,186	3,516	4,061	4,111	4,542
2	Other convertible currencies	15	17	11	13	11	10
3	Monetary gold	791	791	792	792	792	834(1)
4	Special Drawing Rights	300	353	371	372	489	505(1)
5	Reserve position in IMF	586	505	302	332	345	327(1)
6	Total official international reserves(2)	4,845	4,852	4,992	5,570	5,748	6,218
	<u>Liabilities</u>						
7	Use of IMF credit(3)	-	-	-	-	-	-
8	Foreign exchange deposit liabilities ...	-	-	-	-	-	-
9	Reported use of central bank reciprocal credit facilities	-	-	-	-	-	-
10	Total official monetary liabilities	-	-	-	-	-	-
11	Net official monetary assets	4,845	4,852	4,992	5,570	5,748	6,218
		millions of Canadian dollars					
	<u>Net Official Monetary Movements(4)</u>						
12	Total official international reserves(5)	+ 167	+ 7	+ 142	+ 580	+ 177	+ 322
13	Total official monetary liabilities(5)	-	-	-	-	-	-

(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 Canada quota.

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

1972		1973							No.
III	IV	I	II	III	IV	January	February	March	
millions of United States dollars at end of period									
4,536 16	4,355 13	4,294 11				4,282 10	4,369 11	4,294 11	1 2
834	834	834				834	834	834	3
505	505	505				505	505	505	4
330	343	324				333	333	324	5
6,221	6,050	5,968				5,964	6,052	5,968	6
-	-	-				-	-	-	7
-	-	-				-	-	-	8
-	-	-				-	-	-	9
-	-	-				-	-	-	10
6,221	6,050	5,968				5,964	6,052	5,968	11
millions of Canadian dollars									
+ 3	- 169	- 82				- 85	+ 87	- 84	12
-	-	-				-	-	-	13

(4) Revaluation effects caused by the increase in the official price of gold in May 1972 and by prior switches in reserve components are excluded.

(5) 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					
			1963	1964	1965	1966	1967	1968(2)
			millions of dollars					
	A	<u>Current receipts</u>						
1	1	Merchandise exports (adjusted)(3)	7,082	8,238	8,745	10,326	11,338	13,660
		Service receipts						
2	3	Gold production available for export	154	145	138	127	112	33
3	4	Travel	609	662	747	840	1,318	978
4	5	Interest and dividends	230	332	322	318	295	353
5	6	Freight and shipping	563	644	668	758	830	891
6	(part)11	Other service receipts	430	482	562	676	770	840
7		Total service receipts	1,986	2,265	2,437	2,719	3,325	3,095
8		Sub-totals, exports of goods and services(4) ..	9,068	10,503	11,182	13,045	14,663	16,755
		Transfer receipts						
9	7	Inheritances and immigrants' funds	151	169	216	268	329	370
10	(part)11	Personal and institutional remittances(5)	70	75	83	83	93	95
11	..	Withholding tax(6)	127	140	167	204	218	209
12	12	Total current receipts	9,416	10,887	11,648	13,600	15,303	17,429
	B	<u>Current payments</u>						
13	1	Merchandise imports (adjusted)(3)	6,579	7,537	8,627	10,102	10,771	12,347
		Service payments						
14	4	Travel	585	712	796	900	895	1,008
15	5	Interest and dividends	860	1,010	1,086	1,140	1,211	1,259
16	6	Freight and shipping	648	679	761	823	861	931
17	(part)11	Other service payments	762	835	904	1,090	1,277	1,441
18	..	Withholding tax	127	140	167	204	218	209
19		Total service payments	2,982	3,376	3,714	4,157	4,462	4,848
20		Sub-totals, imports of goods and services(4) ..	9,561	10,913	12,341	14,259	15,234	17,095
		Transfer payments						
21	7	Inheritances and emigrants' funds	185	201	211	198	213	209
22	(part)11	Personal and institutional remittances(5)	126	128	133	139	173	148
23	9	Official contributions	65	69	93	166	182	133
24	12	Total current payments	9,937	11,311	12,778	14,762	15,802	17,585
	C	<u>Current account balance</u>						
25	1	Merchandise trade	+ 503	+ 701	+ 118	+ 224	+ 566	+ 1,413
		Service transactions						
26		Gold production available for export	+ 154	+ 145	+ 138	+ 127	+ 112	+ 33
27		Travel	+ 24	- 50	- 49	- 60	+ 423	- 30
28		Interest and dividends	- 630	- 678	- 764	- 822	- 916	- 906
29		Freight and shipping	- 85	- 35	- 93	- 65	- 31	- 40
30		Other service transactions	- 332	- 353	- 342	- 414	- 507	- 601
31		Withholding tax	- 127	- 140	- 167	- 204	- 218	- 209
32		Balance on service transactions	- 996	- 1,111	- 1,277	- 1,438	- 1,137	- 1,753
33		Balance on goods and services	- 493	- 410	- 1,159	- 1,214	- 571	- 360
34		Net transfers	- 28	- 14	+ 29	+ 52	+ 72	+ 194
35	4	Total current account balance	- 521	- 424	- 1,130	- 1,162	- 499	- 150

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

(2) After the first quarter 1968 transactions in non-monetary gold have been included with merchandise trade.

(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.
1969	1970	1971	1972	1963	1964	1965	1966	1967	1968(2)	1969	1970	1971	1972		
millions of dollars															
15,039	16,907	17,929	20,068	3,970	4,396	4,993	6,249	7,277	9,199	10,610	10,962	12,063	13,991	A 1	1
...	...	...	...	154	145	138	127	112	33	...	...	...	...	3	2
1,074	1,234	1,283	1,226	549	590	660	730	1,164	891	961	1,082	1,129	1,022	4	3
451	528	557	616	155	190	204	194	176	231	260	336	360	361	5	4
935	1,126	1,184	1,260	279	301	337	411	425	467	523	590	660	723	6	5
1,262	1,376	1,340	1,327	295	308	353	429	491	573	743	766	705	661	(part)11	6
3,722	4,264	4,364	4,429	1,432	1,534	1,692	1,891	2,368	2,195	2,487	2,774	2,854	2,767	7	7
18,761	21,171	22,293	24,497	5,402	5,930	6,685	8,140	9,645	11,394	13,097	13,736	14,917	16,758	8	8
366	389	432	445	65	77	91	106	105	137	155	165	181	167	7	9
95	107	118	128	47	51	56	55	57	54	54	66	76	84	(part)11	10
234	269	278	285	..	..	..	..	..	..	..	..	..	..	..	11
19,456	21,936	23,121	25,355	5,514	6,058	6,832	8,301	9,807	11,585	13,306	13,967	15,174	17,009	12	
14,071	13,859	15,532	18,571	4,458	5,204	6,034	7,242	7,846	8,867	10,127	9,828	10,871	12,791	B 1	13
1,292	1,460	1,494	1,456	388	481	548	628	627	710	893	936	944	915	4	14
1,366	1,550	1,628	1,553	727	850	906	985	1,058	1,074	1,143	1,306	1,389	1,298	5	15
996	1,106	1,176	1,297	378	399	465	530	522	561	562	587	606	676	6	16
1,862	1,998	2,008	2,140	521	561	615	756	893	984	1,242	1,313	1,394	1,489	(part)11	17
234	269	278	285	..	..	..	..	..	..	..	..	..	..	..	18
5,750	6,383	6,584	6,731	2,014	2,291	2,534	2,899	3,100	3,329	3,840	4,142	4,333	4,378	..	19
19,821	20,242	22,116	25,302	6,472	7,495	8,568	10,141	10,946	12,196	13,967	13,970	15,204	17,169	20	20
204	199	185	185	152	157	160	145	156	145	127	114	105	103	7	21
204	212	218	225	38	41	41	45	47	49	50	55	58	63	(part)11	22
144	201	201	222	-	-	-	-	-	-	-	-	-	-	9	23
20,373	20,854	22,720	25,934	6,662	7,693	8,769	10,331	11,149	12,390	14,144	14,139	15,367	17,335	12	24
+ 968	+ 3,048	+ 2,397	+ 1,497	- 488	- 808	- 1,041	- 993	- 569	+ 332	+ 483	+ 1,134	+ 1,192	+ 1,200	C 1	25
- 218	- 226	- 211	- 230	+ 154	+ 145	+ 138	+ 127	+ 112	+ 33	...	...	...	...		26
- 915	- 1,022	- 1,071	- 937	+ 161	+ 109	+ 112	+ 102	+ 537	+ 181	+ 68	+ 146	+ 185	+ 107		27
- 61	+ 20	+ 8	- 37	- 572	- 660	- 702	- 791	- 882	- 843	- 883	- 970	- 1,029	- 937		28
- 600	- 622	- 668	- 813	- 99	- 98	- 128	- 119	- 97	- 94	- 39	+ 3	+ 54	+ 47		29
- 234	- 269	- 278	- 285	- 226	- 253	- 262	- 327	- 402	- 411	- 499	- 547	- 689	- 828		30
- 3,028	- 2,119	- 2,220	- 2,302	..	..	..	..	..	..	..	..	..	..		31
- 1,060	+ 929	+ 177	- 805	- 582	- 757	- 842	- 1,008	- 732	- 1,134	- 1,353	- 1,368	- 1,479	- 1,611		32
+ 143	+ 153	+ 224	+ 226	- 1,070	- 1,565	- 1,883	- 2,001	- 1,301	- 802	- 870	- 234	- 287	- 411		33
- 917	+ 1,082	+ 401	- 579	- 78	- 70	- 54	- 29	- 41	- 3	+ 32	+ 62	+ 94	+ 85		34
- 1,148	- 1,635	- 1,937	- 2,030	- 1,432	- 1,534	- 1,692	- 1,891	- 2,368	- 2,195	- 2,487	- 2,774	- 2,854	- 2,767	4	35

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

(5) Personal and institutional remittances include those for pensions.

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

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

Capital Account(7)

Line No.	Acct. No.	Item	Between Canada and All Countries					
			1963	1964	1965	1966	1967	1968(2)
			millions of dollars					
	D	Direct investment(8)						
36	1	In Canada	+ 280	+ 270	+ 535	+ 790	+ 691	+ 590
37	2	Abroad	- 135	- 95	- 125	- 5	- 125	- 225
		Portfolio transactions						
		Canadian securities						
38	3.1	Outstanding bonds	+ 39	+ 77	+ 55	- 104	- 57	- 70
39	3.2	Outstanding stocks	- 170	- 98	- 274	- 136	+ 12	+ 114
40	4	New issues	+ 984	+ 1,100	+ 1,240	+ 1,465	+ 1,307	+ 1,917
41	5	Retirements	- 404	- 382	- 390	- 499	- 357	- 431
		Foreign securities						
42	6	Outstanding issues	+ 40	- 31	- 53	- 361	- 382	- 420
43	7	New issues	- 39	- 31	- 57	- 57	- 65	- 77
44	8	Retirements	+ 21	+ 10	+ 25	+ 17	+ 15	+ 30
		Loans and subscriptions - Government of Canada						
45	9	Advances	- 18	- 10	- 14	- 35	- 38	- 78
46	10	Repayments	+ 25	+ 10	+ 10	+ 24	+ 34	+ 5
47	11	Columbia River Treaty	-	+ 54	+ 32	+ 32	+ 44	+ 88
48	12	Export credits directly or indirectly at risk of the Government of Canada	- 72	- 164	- 187	- 41	+ 107	+ 29
49	13	Other long-term capital transactions	+ 86	+ 110	+ 67	+ 77	+ 169	+ 180
50	E 1	Balance of capital movements in long-term forms (lines 36-49)	+ 637	+ 820	+ 864	+ 1,167	+ 1,355	+ 1,652
51	D 17.1	Resident holdings of foreign currency bank balances and other short-term funds abroad	- 259	- 527	+ 139	- 603	- 259	- 419
		Non-resident holdings of Canadian:						
52	14.1	Dollar deposits	+ 43	+ 28	+ 31	+ 11	+ 24	+ 72
53	14.2	Government demand liabilities	+ 1	-	+ 2	+ 5	+ 4	+ 21
54	14.3	Treasury bills	- 27	- 16	+ 12	- 15	+ 4	+ 48
55	17.2a	Commercial paper	- 23	- 11	- 15	+ 16	- 11	+ 2
56	17.3	Finance company paper	+ 93	+ 196	- 162	- 1	- 64	- 132
57	17.2b	Other short-term paper	(9)	-	+ 25	- 12	+ 24	- 2
58	17.4	Other finance company obligations	+ 35	+ 52	+ 209	+ 154	+ 35	+ 24
59	17.5	Other short-term capital transactions(10)	+ 166	+ 246	+ 183	+ 81	- 585	- 761
60	E 2	Balance of capital movements in short-term forms (lines 51-59)	+ 29	- 32	+ 424	- 364	- 836	- 1,147
61	E 3	Total net capital balance	+ 666	+ 788	+ 1,288	+ 803	+ 519	+ 505
62	G	Balance settled by exchange transfers	-	-	-	-	-	-
63	..	Allocation of Special Drawing Rights .....	...	...	...	...	...	...
	H	Net official monetary movements(11):						
64	4	Official international reserves	+ 56	+ 297	+ 158	- 360	+ 17	+ 350
65	5	Official monetary liabilities	+ 89	+ 67	-	+ 1	+ 3	- 1
66	6	Net official monetary movements	+ 145	+ 364	+ 158	- 359	+ 20	+ 349

(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.

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.
1969	1970	1971	1972	1963	1964	1965	1966	1967	1968(2)	1969	1970	1971	1972		
millions of dollars															
														D	
+ 720	+ 835	+ 885	+ 680	+ 220	+ 188	+ 421	+ 718	+ 575	+ 354	+ 564	+ 575	+ 605	+ 562	J	36
- 370	- 295	- 305	- 385	- 36	- 35	- 24	- 87	- 72	- 108	- 287	- 238	- 183	- 130	2	37
+ 2	- 39	- 94	+ 293	+ 35	+ 38	+ 21	- 72	- 63	- 67	- 27	- 69	- 71	- 4	3.1	38
+ 53	- 145	- 144	- 63	- 99	- 52	- 195	- 95	+ 77	+ 104	+ 2	- 79	- 41	- 147	3.2	39
+ 2,089	+ 1,227	+ 1,162	+ 1,816	+ 930	+ 1,040	+ 1,200	+ 1,409	+ 1,239	+ 1,391	+ 1,502	+ 1,026	+ 862	+ 1,116	4	40
- 440	- 552	- 804	- 542	- 315	- 300	- 330	- 456	- 301	- 376	- 382	- 395	- 613	- 406	5	41
+ 112	+ 98	+ 244	+ 302	+ 42	- 26	- 49	- 344	- 355	- 402	+ 112	+ 81	+ 257	+ 271	6	42
- 47	- 34	- 63	- 57	- 34	- 20	- 28	- 33	- 38	- 46	- 30	- 20	- 21	- 12	7	43
+ 37	+ 10	+ 10	+ 9	+ 17	+ 5	+ 5	+ 6	+ 8	+ 16	+ 7	+ 5	+ 5	+ 4	8	44
- 89	- 144	- 192	- 261	-	-	-	-	-	-	-	-	-	-	9	45
+ 22	+ 36	+ 36	+ 28	-	-	-	-	-	-	-	-	-	-	10	46
+ 32	+ 31	+ 24	-	-	+ 54	+ 32	+ 32	+ 44	+ 88	+ 32	+ 31	+ 24	-	11	47
- 12	- 129	- 230	- 250	+ 7	+ 9	-	+ 25	+ 7	+ 8	+ 3	+ 1	- 1	- 6	12	48
+ 124	- 157	- 135	+ 203	+ 76	+ 112	+ 52	+ 55	+ 137	+ 172	+ 169	- 104	- 95	+ 67	13	49
+ 2,333	+ 742	+ 394	+ 1,773	+ 843	+ 1,013	+ 1,105	+ 1,332	+ 1,258	+ 1,134	+ 1,665	+ 814	+ 728	+ 1,315	E 1	50
- 1,638	- 424	+ 874	+ 565	- 247	+ 103	- 817	- 582	- 164	- 433	- 834	- 122	+ 1,686	+ 320	D 17.1	51
+ 52	+ 26	+ 92	+ 136	+ 31	+ 34	+ 5	+ 17	+ 3	+ 24	+ 31	+ 44	+ 22	+ 7	14.1	52
- 34	- 8	- 50	- 27	- 1	- 2	- 2	- 1	-	-	-	-	-	-	14.2	53
+ 28	- 73	- 3	- 21	- 23	- 16	+ 7	- 1	- 4	- 3	+ 3	- 4	-	-	14.3	54
+ 39	+ 52	- 37	- 114	- 23	- 11	- 15	+ 3	- 4	+ 1	+ 42	+ 50	+ 39	- 114	17.2a	55
+ 177	+ 193	- 32	- 100	+ 93	+ 196	- 208	- 33	- 67	- 62	+ 190	+ 116	+ 38	- 101	17.3	56
- 3	+ 49	+ 75	- 3	(9)	-	+ 13	- 1	+ 7	+ 10	-	+ 48	+ 75	- 3	17.2b	57
+ 116	- 103	- 29	- 21	+ 35	+ 52	+ 205	+ 152	+ 32	+ 22	+ 113	- 105	- 25	- 28	17.4	58
- 88	- 6	- 1,082	- 1,489	+ 118	+ 267	+ 144	+ 34	- 510	- 895	+ 7	+ 12	- 1,064	- 1,433	17.5	59
- 1,351	- 294	- 18	- 978	- 17	+ 623	- 668	- 412	- 707	- 1,336	- 448	+ 39	+ 771	- 1,353	E 2	60
+ 982	+ 448	+ 376	+ 795	+ 826	+ 1,636	+ 437	+ 920	+ 551	- 202	+ 1,217	+ 853	+ 1,499	- 38	E 3	61
-	-	-	-	+ 378	+ 27	+ 1,543	+ 626	+ 771	+ 1,488	- 591	+ 771	- 247	-	.. G	62
...	+ 133	+ 119	+ 117	-	-	-	-	-	-	-	-	-	-	-	63
+ 65	+ 1,662	+ 896	+ 333	+ 56	+ 28	+ 43	- 484	- 20	+ 483	- 212	+ 1,452	+ 1,059	-	H	4
-	+ 1	-	-	-	-	-	-	-	- 2	-	-	-	-	..	5
+ 65	+ 1,663	+ 896	+ 333	+ 56	+ 28	+ 43	- 484	- 20	+ 481	- 212	+ 1,452	+ 1,059	-	..	6

(9) Included with commercial paper.

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

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

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REFERENCE PUBLICATIONS

Catalogue
number

Title

- 67-202 "Canada's International Investment Position, 1926 to 1967".
- 67-002 "Security Transactions with Non-residents" (formerly "Sales and Purchases of Securities between Canada and Other Countries").
- 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 1965-70" for 1965 to 1968.
- 67-001 "Quartely 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, K1A 0T6.

Note:

Selected items of the balance of payments accounts are available from the CANSIM base. These are identified by matrix number in the CANSIM Summary Reference Index, Part C, Page 3-1, as amended by Amendment 1 of February 1, 1973.