

SYSTEM OF NATIONAL ACCOUNTS

# Quarterly estimates of the Canadian balance of international payments

SECOND QUARTER 1973





STATISTICS CANADA  
Balance of Payments Division

SYSTEM OF NATIONAL ACCOUNTS

QUARTERLY ESTIMATES OF THE CANADIAN  
BALANCE OF INTERNATIONAL PAYMENTS

SECOND QUARTER

1973

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### CANSIM

Selected items (or series) of balance of payments accounts are available from the CANSIM base, i.e. in machine readable form for use on computers or in printouts. The identification for these series is shown explicitly in the main tables. Data are entered into CANSIM simultaneously with the release of each quarterly publication.

### 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.



by some unwinding of non-resident positions in Canadian money market instruments which were built up substantially in the first quarter. Factors working in the opposite direction were the deceleration in the growth in non-bank holdings of foreign currencies abroad and the swing to an inflow in the category "other short-term capital transactions".

#### Current Account - Seasonally Adjusted

In the second quarter of 1973 the seasonally adjusted current account was virtually in balance recording a deficit of \$3 million, a drop of \$250 million from the previous quarter. About 60 per cent of the improvement in the current account balance came from the merchandise trade surplus which rose by 38 per cent to \$554 million. The rate of export increase fell in the quarter while there was a decline of \$29 million in imports.

Total merchandise exports rose by 2 per cent to \$6,077 million. Substantial increases were recorded in exports to Japan and the European Economic Community (excluding the United Kingdom); there was a small increase in exports to the United States and a drop in sales to the United Kingdom. There were significant increases in sales of crude petroleum, lumber, iron ore, wheat, copper in ores, meat, woodpulp and agricultural machinery and reductions in chemicals, motor vehicle products, nickel in ores, fabricated aluminum and newsprint.

Imports fell by about 0.5 per cent to \$5,523 million. There was an increase of about 5 per cent in imports from the United States and reductions in purchases from the European Economic Community (excluding the United Kingdom), the United Kingdom and Japan. On a commodity basis there were decreases in imports of automotive products, fuel oil and other petroleum products, office machines, meat and fish, and non-ferrous alloys. A rise in imports was recorded for communication equipment, agricultural machinery and crude petroleum.

With non-merchandise receipts remaining practically unchanged at \$1,454 million and payments falling by 5 per cent to \$2,011 million, the deficit on non-merchandise transactions fell by 15 per cent to \$557 million. A decline of 13 per cent to \$630 million in the deficit on services was accompanied by an improvement in the surplus on transfers which rose to \$73 million.

On the receipts side, except for an increase of 3 per cent on freight and shipping, changes on the service items were very

small. On payments, there were significant changes for nearly all the service items. Expenditures on travel abroad fell by 13 per cent to \$404 million. The possibility of shortages of gasoline in the United States could have affected the movements on this account. Moreover, a relatively high rate of inflation in Europe and the Canadian dollar depreciation vis-à-vis European currencies has also tended to reduce the volume of traffic. There was a rise of about 3 per cent to \$466 million in interest and dividends due to larger payments of interest arising mainly from provincial borrowings. The increase in interest was partly offset by a small decrease in dividend payments. A drop of about 6 per cent occurred in freight and shipping payments partly as a result of the decline in merchandise imports. The deficit on "other services" rose slightly to \$220 million with a drop in receipts and an increase in payments. Within this account there was a small decline in the deficit on business services which was more than offset by the increases in the deficits on governments' expenditures and miscellaneous income.

In this quarter the surplus on transfers, including withholding tax, rose to \$73 million as a drop of 9 per cent in payments to \$173 million more than offset a reduction of 4 per cent in receipts.

#### Current Account - Unadjusted for Seasonal Variations

In the second quarter of 1973, on a seasonally unadjusted basis, there was a current account deficit of \$137 million as a trade surplus of \$432 million was more than offset by a deficit of \$569 million on non-merchandise transactions.

Merchandise exports amounted to \$6,471 million, equivalent to 81 per cent of total current receipts. Some 70 per cent of exports went to the United States followed by Japan, the United Kingdom, the People's Republic of China, West Germany, U.S.S.R., and Italy. Principal commodities exported were automotive products, lumber, crude petroleum, newsprint, wheat, woodpulp, iron ore, industrial machinery, and fabricated iron and steel.

Merchandise imports totalled \$6,039 million, equivalent to about 75 per cent of total current payments. Most important sources of imports were the United States, Japan, United Kingdom, West Germany, Venezuela, France, Australia and Sweden. In terms of commodities the largest purchases were for automotive products, industrial machinery, crude petroleum, communications

equipment, iron and steel, office machines including computers and aircraft and parts.

Quarterly adjustments for balance of payments purposes to recorded Trade of Canada totals of exports and imports appear in Table 5. In this quarter there was a net addition of \$51 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 deduction 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 \$79 million.

In the second quarter total exports to developing countries amounted to \$391 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 25 per cent of Canadian exports to these countries. Food and other commodity grants represented 20 per cent of such aid while soft loans and export credits represented 43 and 37 per cent respectively.

In the second quarter of 1973 the average quarterly export price index (1968 = 100) rose to 120.2 from an average of 114.8 in the previous quarter and 107.4 in the same period last year. Between March and June 1973 the index climbed by 3.3 points reaching a peak in May of 120.6. Among the more important commodities, significant increases occurred in the price indexes of barley, pig iron, whisky, refined nickel, zinc, copper, tobacco, woodpulp, lumber, iron ore, and crude petroleum. There were reductions in the prices of electrical energy, beef and nickel ore.

The import price index continued to rise peaking at 119.7 in June. The quarterly average moved up about 4 percentage points above the average for the last quarter to 118.3. The June level was 10 per cent above that in June 1972 and about 8 per cent above the December 1972 level. During the second quarter there were increases in the prices of soya beans, wool, food and beverages, crude petroleum and fuel oil. Decreases were recorded in the prices of organic chemicals and electrical apparatus and machinery.

This trend in sharply rising export and import prices reflected the general increase in world prices of primary commodities and the existence of heavy inflationary pressures in many countries. In addition,

Canada's prices have also tended to rise as a result of the depreciation of the Canadian dollar vis-à-vis European and Japanese currencies.

Total non-merchandise receipts and payments amounted to \$1,482 million and \$2,051 million, respectively, to produce a deficit of \$569 million. On services there was a deficit of \$675 million which was partly offset by a surplus of \$106 million on transfers. The largest deficits on services occurred on interest and dividends and on "other service transactions".

On the interest and dividends item there was a deficit of \$282 million. The earnings of the Exchange Fund Account continued to represent the largest share of interest receipts. The bulk of dividend receipts, 76 per cent, was earned on direct investment; the United States accounted for 22 per cent of such earnings. On the payments side interest paid on provincial and municipal borrowings accounted for 56 per cent of the total; the bulk of the remainder covered payments on corporate bonds. Dividends paid on direct investment represented 84 per cent of total dividends paid; 87 per cent of the dividends paid on direct investment went to United States residents.

"Other service transactions" produced a deficit of \$243 million. Within this account which covers government transactions, miscellaneous income and business services, the highest deficit was on business services at \$177 million accounting for 73 per cent of the overall balance on this item. There was a deficit of \$72 million on travel. On both travel receipts and payments the United States accounted for by far the largest share of expenditures - 78 per cent of receipts and 67 per cent of payments.

Total transfer receipts stood at \$271 million and transfer payments at \$165 million. On this part of the current account the surplus on migrants' funds and withholding tax receipts more than offset official contributions and a deficit on personal and institutional remittances. Official contributions representing Canada's development assistance abroad in the form of commodities, food, cash grants and services stood at \$53 million in the second quarter. Almost one half of this amount was disbursed under the international assistance account for technical and economic aid and about one quarter was disbursed under the International Food Aid Programme, mainly to multilateral organizations.

#### Current Account - First Six Months, 1973

During the first six months of 1973



there was a current account deficit of \$583 million, a reduction from the deficit of \$815 million recorded in the corresponding period of 1972. The increase in the surplus on merchandise trade outpaced the rise in the deficit on non-merchandise transactions to bring about the smaller current account deficit. Merchandise exports and imports both jumped by 24 per cent to \$12,125 million and \$11,311 million respectively to produce a surplus on merchandise trade of \$814 million. This strong growth in the value of Canada's exports was assisted by the vigorous expansion in economic activity in major foreign markets, rising prices and, more recently, the upward revaluation of major overseas currencies. As compared with the first six months of 1972, the share of the United States in Canada's total exports remained nearly constant at 71 per cent, while that of the United Kingdom declined by over 1 per cent to 6 per cent as the rise in exports to that country failed to keep pace with the general rate of increase. The share of all other countries increased and the first half of 1973 saw Japan emerge as Canada's second largest customer after the United States. In addition to the United States and Japan there were notable increases in exports to China, Belgium - Luxembourg, West Germany and India. On a commodity basis, significant increases in the export of automotive products, lumber, crude petroleum, wheat, copper, woodpulp and newsprint were recorded.

The continued strength of economic expansion in Canada has encouraged the growth of imports. Purchases from the United States accounted for about 72 per cent of the total, up slightly from the previous year while smaller shares were recorded for the United Kingdom and all other countries. On a commodity basis imports of automotive products, aircraft, engines and parts, crude petroleum, telecommunications equipment and tractors and parts registered the largest gains.

On non-merchandise transactions, both receipts and payments advanced by 12 per cent to produce a deficit on invisibles of \$1,397 million. Receipts from services increased by \$242 million to \$2,137 million with sizeable gains being made on the freight and shipping, travel and interest and dividend accounts. This increase in service receipts was more than offset by larger payments for services, which increased by \$393 million to \$3,685 million. Increased payments were recorded for travel and interest and dividends. The surplus on transfers increased by \$10 million mainly because of increased receipts of immigrants' funds.

#### Current Account - Transactions by Area

During the first half of 1973, Canada's

balance on current transactions, compared with the corresponding period of 1972, worsened with the United States but showed an improvement with the United Kingdom and all other countries. The change with the United States arose from a deterioration in both the balances on merchandise and non-merchandise transactions. With the United Kingdom and all other countries, there was an improvement in the balances on both merchandise and non-merchandise transactions. (It should be noted that taxes withheld have not been allocated bilaterally. Their allocation bilaterally would not affect the balance with an area but only the total levels of receipts and payments).

With the United States, the deficit on current transactions widened by \$405 million to \$663 million in the first six months of 1973. There was a decline of \$174 million in the surplus on merchandise trade and an increase of \$231 million in the deficit on invisibles. The rapid expansion in economic activity in both Canada and the United States was reflected in the strong growth in commodity exports and imports. Exports to the United States increased by a sizeable 23 per cent to \$8,623 million while imports soared by 28 per cent to \$8,126 million to produce a surplus on merchandise trade of \$497 million down \$174 million from last year. The largest increases in exports were recorded for automotive products, lumber, and crude petroleum. These three commodities accounted for over half of the increase in exports. Rising demand and higher prices were major factors in this growth. Large gains in exports of newsprint, iron and steel and petroleum and coal products were also recorded. Rising consumption and rebuilding of inventories by United States publishers helped account for the strong demand for newsprint. Exports of nickel ore and metal to the United States registered a substantial decline. Imports from the United States were heavily concentrated in the end products section. Imports of automotive products, industrial machinery, aircraft and parts and food showed sizeable increases over the first half of 1972.

The deficit on invisibles widened by \$231 million to \$1,160 million as payments jumped by 13 per cent while receipts increased by only 5 per cent. The growth in Canadian expenditures arose mainly from interest and dividend and travel transactions. Interest and dividend payments increased by over \$100 million to \$725 million in the first half of 1973. Travel payments showed the largest relative growth, increasing by 20 per cent to \$555 million. On the receipts side, the biggest increases were in the freight and shipping and travel accounts. Freight and shipping receipts increased by 13 per cent,

primarily as a result of increased shipments to the United States. Transfer receipts decreased by 16 per cent to \$118 million. This decline was almost wholly attributable to a decrease in inheritances and immigrants' receipts as there was a reduction in the number of American immigrants.

With the United Kingdom the current account surplus increased by 67 per cent to \$216 million in the first half of 1973. This improvement was mostly due to a swing of \$71 million from a deficit to a surplus on invisibles. Exports to the United Kingdom increased by 5 per cent to \$720 million while imports grew by 4 per cent to \$514 million. These growth rates for exports and imports were considerably lower than those which prevailed with the United States and all other countries. Commodity exports registering the largest gains included nickel, platinum, chemical elements and lumber. Imports from the United Kingdom were concentrated in the end products section, which accounted for over three quarters of the increase in imports. On non-merchandise transactions, receipts soared by 39 per cent to \$306 million, while payments rose by 5 per cent to \$296 million. This strong growth in receipts produced a \$10 million surplus on non-merchandise transactions, while in the same period of 1972 there was a deficit of \$61 million on invisibles. On service receipts there were notable increases in the miscellaneous income, interest and dividend and travel accounts. On transfer receipts, inheritances and immigrants' funds increased by 50 per cent to \$48 million, as the flow of British immigrants increased significantly.

With all other countries the current account deficit fell sharply to \$136 million from \$486 million in the first six months of 1972. This recovery was almost entirely due to an improvement on merchandise transactions as exports surged by 32 per cent to \$2,782 million while imports advanced by 15 per cent to \$2,671 million. The balance on merchandise trade therefore swung to a surplus of \$111 million from a deficit of \$220 million in the same period of 1972. Within this group of countries Japan accounted for the largest growth in exports and has emerged as Canada's second largest customer. Exports to Japan increased by over 75 per cent to \$756 million. High domestic demand and the revaluation of the yen contributed to this expansion in Japanese purchases. The first six months showed increased exports of crude resources and food with notable gains registered for copper, coal, rapeseed, wheat, lumber and barley. Imports from Japan showed a small decline in the period under review. Exports also increased to the People's Republic of China, Belgium-Luxembourg, West Germany, India and the U.S.S.R. Shipments to the

People's Republic of China more than doubled to \$181 million with the bulk of the increase due to larger purchases of wheat and fabricated nickel. Exports increased by over \$40 million both to Belgium-Luxembourg and West Germany. Larger shipments of metals such as zinc, asbestos, iron and steel and nickel and copper accounted for most of the increase to Belgium-Luxembourg while exports of woodpulp, rapeseed, flaxseed, iron and steel and copper increased to West Germany. Wheat accounted for most of the rise in exports to India and the U.S.S.R. Increased consumption and crop failures with resulting high prices have caused the value of wheat exports to soar in the first half of 1973. Exports to Venezuela, Peru and Argentina showed notable declines. Imports from the all other countries group were mainly concentrated in the end products section. The more significant increases in imports of end products came from West Germany, France, and South Korea. There was also an increase in imports of crude petroleum from Venezuela.

On non-merchandise transactions there was a marginal decline in the deficit on invisibles. Non-merchandise receipts advanced by 21 per cent to \$763 million while non-merchandise payments increased by 13 per cent to \$1,010 million to produce a \$247 million deficit on invisibles. On the receipts side inheritances and immigrants' funds and interest and dividends registered the largest gains. Inheritances and immigrants' funds increased by \$38 million to \$134 million while interest and dividends increased by \$32 million to \$106 million. Among the payments, travel and interest and dividends accounted for the bulk of the increase in non-merchandise payments as travel payments increased by \$44 million to \$210 million and interest and dividends increased by \$30 million to \$110 million.

#### Capital Movements

Capital transactions between Canada and other countries in the second quarter of 1973 resulted in a net capital inflow of \$30 million, down \$334 million from the first quarter inflow of \$364 million. This movement, together with the current account deficit of \$137 million resulted in a decrease in Canada's official monetary assets of \$107 million.

Net capital inflows in long-term forms of \$230 million were up \$30 million from the preceding quarter. Relatively large changes were recorded for many accounts, increasing both inflows and outflows. There were sizeable net inflows from foreign direct investment in Canada, the sale of new Canadian issues abroad and sales of outstanding foreign securities. Movements which led to increased



# Capital Movements(1)

|  | 1971                | 1972    | 1972  |       |       |       | 1973  |       |
|--|---------------------|---------|-------|-------|-------|-------|-------|-------|
|  |                     |         | IQ    | IIQ   | IIIQ  | IVQ   | IQ    | IIQ   |
|  | millions of dollars |         |       |       |       |       |       |       |
| Direct investment in Canada .....                        | + 880               | + 680   | + 235 | + 195 | + 130 | + 120 | + 95  | + 230 |
| Direct investment abroad .....                           | - 220               | - 385   | - 95  | - 90  | - 130 | - 70  | - 60  | - 90  |
| Portfolio transactions .....                             | + 326               | + 1,758 | + 245 | + 611 | + 314 | + 588 | + 155 | + 132 |
| Other capital movements in long-term forms .....         | - 494               | - 265   | - 62  | - 80  | - 45  | - 78  | + 10  | - 42  |
| Resident holdings of foreign currencies                  | + 843               | + 466   | + 547 | + 478 | - 566 | + 7   | + 50  | - 219 |
| Non-resident holdings of Canadian short-term paper ..... | + 85                | - 163   | + 256 | - 227 | - 141 | - 51  | + 310 | - 152 |
| Other capital movements in short-term forms(2) .....     | - 921               | - 1,192 | - 580 | - 433 | + 538 | - 717 | - 196 | + 171 |
| Net capital movement .....                               | + 499               | + 899   | + 546 | + 454 | + 100 | - 201 | + 364 | + 30  |

(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.

outflows were for the retirement of Canadian securities, the extension of export credits and Canadian repurchases of Canadian equities. The effect of adjusting long-term capital inflows to reflect the timing of security offerings is given in the accompanying statement which shows that deliveries exceeded offerings by \$62 million.

Capital movements in short-term forms led to a net outflow of \$200 million, a swing of \$364 million from the first quarter net inflow of \$164 million. An increase in the chartered banks' net foreign currency position with non-residents following a decrease in the previous quarter, was a significant factor in the net outflow. In addition there was some reduction by non-residents in their holdings of Canadian money market instruments which had been increased substantially in the previous quarter. Factors which tended to moderate the impact of the changes already described were the deceleration in the growth in non-bank holdings of foreign currencies abroad and the swing to an inflow from "other short-term capital transactions".

In the quarter the Canadian chartered banks increased their spot foreign currency claims on non-residents, on their Canadian books, by \$1,124 million. Their foreign currency liabilities to non-residents rose by \$956 million so that their net spot foreign currency position vis-à-vis non-residents rose by \$168 million occasioning a capital outflow of a similar amount. This movement is shown in item D17.1a of Table 1. It should be noted that the treatment and presentation

## Capital Movements in Long-term Forms

| Period              | Actual movement | Adjusted to reflect timing of security offerings |
|---------------------|-----------------|--|
| millions of dollars |                 |  |
| 1971 .....          | + 492           | + 211  |
| 1972 .....          | + 1,788         | + 1,867  |
| 1972 I Q .....      | + 323           | + 326  |
| II Q .....          | + 636           | + 632  |
| III Q .....         | + 269           | + 305  |
| IV Q .....          | + 560           | + 604  |
| 1973 I Q .....      | + 200           | + 150  |
| II Q .....          | + 230           | + 168  |

of these transactions in the balance of payments accounts have been altered in this report. The changes are explained in the section on Change in Presentation.

## Direct Investment

Transactions for foreign direct investment in Canadian enterprises led to a net capital inflow of \$230 million in the second quarter. In the preceding quarter and in the corresponding quarter of the previous year the net inflows amounted to \$95 million and \$195 million respectively. The net inflows

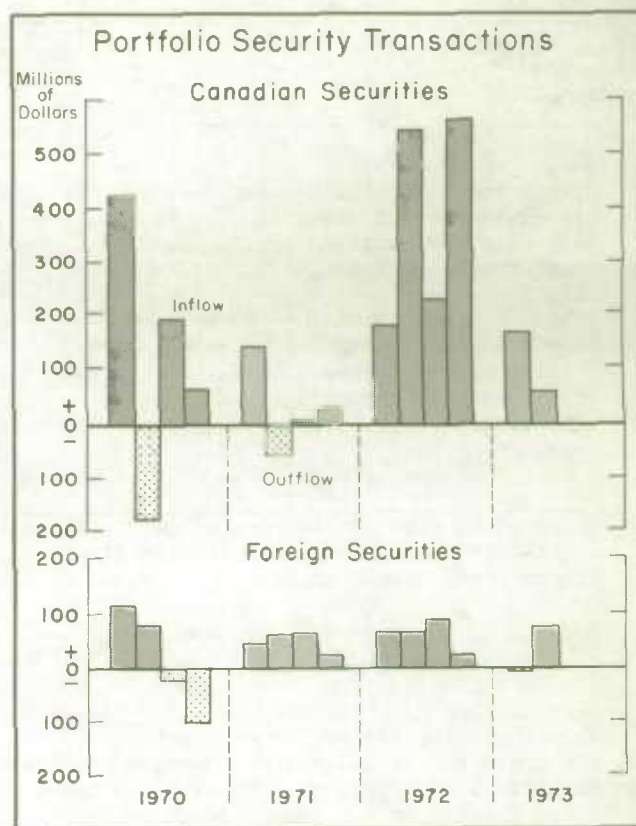
from the United States, which made up about 80 per cent of the total, were directed mainly to the mining and manufacturing sectors. Transactions with the United States included a number of significant non-recurring movements related to takeovers, reclassifications and special refinancing operations. Investors resident in the United Kingdom and continental Europe increased their direct investments in Canada and continued to show a preference for the manufacturing and financial sectors. If all non-recurring special transactions were excluded from the total net inflows from all countries, the net inflow for direct investment in Canada in the second quarter would be reduced to about \$150 million.

Net long-term capital flows from Canada for the purpose of increasing investment in Canadian controlled enterprises abroad amounted to \$90 million in the second quarter, an increase of \$30 million over the previous quarter. Net outflows to the United States, which represented about 75 per cent of the total, originated with companies in the petroleum and natural gas, manufacturing and merchandising sectors of Canadian industry. Included in the transactions with the United States was an outflow for the announced acquisition by Loblaw Groceries Limited of a direct majority interest in Loblaw Inc. of Buffalo, New York. Net capital flows to the United Kingdom were not greatly changed from the first quarter and amounted to about 7 per cent of the total. While transactions with continental Europe resulted in a small net inflow, net outflows were recorded with the rest of the world.

#### Security Transactions

Transactions in all long-term portfolio securities between Canada and the rest of the world resulted in a net capital inflow of \$132 million in the second quarter of 1973, a decrease of \$23 million from the revised net inflow of \$155 million recorded in the first quarter. Factors contributing to the smaller net inflow were a doubling of retirements to \$245 million and increased net repurchases by Canadians of outstanding Canadian equities. Movements leading to larger inflows were a rise in sales of new Canadian issues abroad to \$403 million and a return to a net sales balance from trading in outstanding foreign securities. In all transactions in the current quarter, net inflows from the United States of \$179 million more than offset net outflows of \$34 million to Europe (including the United Kingdom) and \$13 million to all other countries.

Trading in outstanding Canadian securities in the quarter led to a repurchase balance or a net capital outflow of \$100 million



with an outflow of \$102 million resulting from net repurchases of equities being only slightly reduced by net sales of debt issues. In the previous quarter, the net purchase balance of \$32 million was made up of net sales of \$16 million of debt issues and net repurchases of \$48 million of equities. While transactions in the current period in direct and guaranteed issues of governments led to a net outflow of \$7 million, net repurchases of corporate debt issues amounted to \$9 million. Canadian investors continued to repurchase outstanding Canadian equities, a trend that commenced in the second quarter of 1969. The net outflow of \$102 million for the latter purpose was made up of net repurchases of \$83 million from the United States and \$19 million from the rest of the world.

Geographically, transactions in all outstanding Canadian securities led to repurchase balances with each major area - \$88 million with the United States, \$2 million with Europe (including the United Kingdom) and \$10 million with all other countries.



New Issues of Canadian Bonds Sold to  
United States Residents

| Period              | Offer-<br>ings | De-<br>liveries | Unde-<br>livered(1) |
|---------------------|----------------|-----------------|---------------------|
| millions of dollars |                |                 |                     |
| 1971 .....          | 587            | 868             | 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 ..         | 126            | 176             | 168                 |
| II Q ..             | 233            | 295             | 106                 |

(1) At end of period.

The proceeds of sales to non-residents of new issues of Canadian securities amounted to \$403 million, an increase of \$92 million over the inflows of the previous period. Gross new Canadian issues delivered in domestic and foreign markets in the second quarter reached \$2.5 billion. Of the securities sold to non-residents, issues payable in United States dollars represented 60 per cent of the total while those denominated in European currencies amounted to almost 24 per cent. Provincial governments were the largest borrowers from outside Canada during the quarter as non-residents acquired \$161 million of their issues; of these \$124 million were placed in the United States and \$36 million in continental Europe. Corporate issues sold abroad amounted to \$132 million, significantly higher than the \$51 million recorded in the previous quarter. Provincial government agencies, the largest borrowers in the first quarter had sales of \$57 million in the current period. Sales of municipal issues increased by \$34 million to \$50 million. Of the total sales, residents of the United States acquired \$297 million and residents of Europe acquired the balance. Sales of new stock issues amounted to \$3 million.

Retirements of non-resident held Canadian securities during the quarter reached a level of \$245 million, more than double the total of \$118 million in the first quarter. They included \$96 million of Government of Canada issues, \$65 million of provincial direct and guaranteed issues, \$17 million of municipal issues, \$63 million of corporate issues and \$4 million of equities. Of the issues redeemed about 85 per cent were payable in currencies other than Canadian. Included in the latter were the Government of Canada 6 3/4 per cent notes due June 1, 1973 and a

Province of Quebec issue due April 16, 1973 both of which were payable in Deutsche marks. Geographically, the debt retirements led to capital outflows of \$108 million to the United States, \$7 million to the United Kingdom and \$130 million to continental Europe.

Transactions in outstanding foreign securities during the quarter resulted in a net inflow of \$79 million made up of net sales of \$87 million of equities and net purchases of \$8 million of debt issues. The net inflow represents a significant change from the previous quarter when there was an outflow of \$1 million. Trading during the quarter was mainly with residents of the United States as Canadians sold, on balance, \$83 million of equities and acquired \$6 million of debt issues. Net sales of United States equities to all countries which were particularly heavy in the first two months of the quarter, totalled \$86 million in the quarter. Transactions with countries other than the United States led to a net inflow of \$2 million.

New issues of foreign securities acquired by Canadian investors during the quarter amounted to \$8 million, an increase of \$1 million from the previous period. The current outflow covered purchases of \$7 million of debt issues and \$1 million of equities. Estimated retirements of foreign securities reduced Canadian holdings by \$3 million.

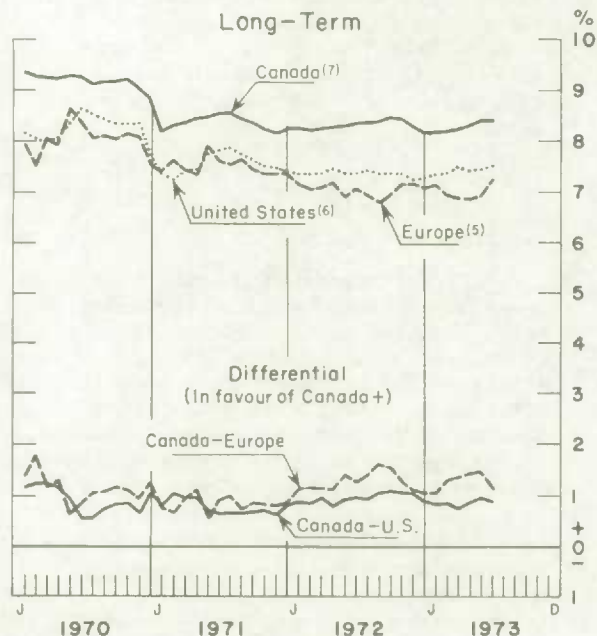
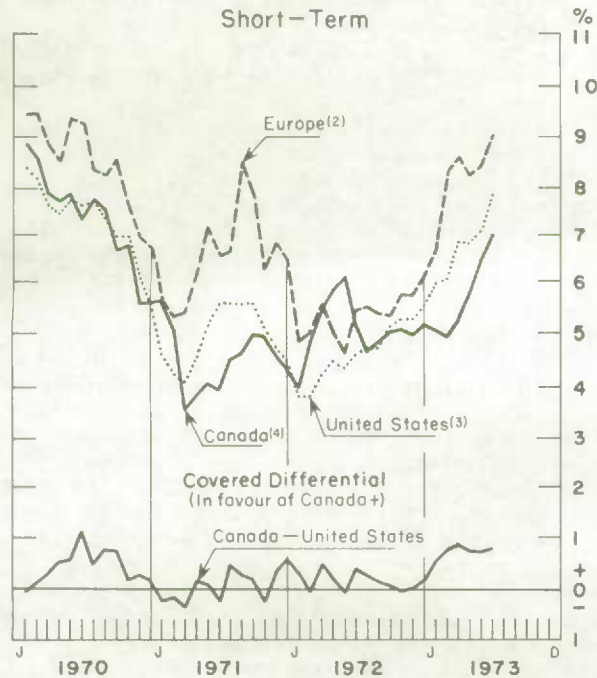
#### Other Capital Flows in Long-term Forms

Disbursements of "soft" loans by the Canadian government under development assistance programmes rose slightly to \$42 million during the second quarter of 1972. Almost all of this amount went to countries in Asia and Africa. There were no payments to international agencies. A repayment of almost \$5 million was received from the Netherlands under the terms of a post-war loan.

Transactions during the quarter arising from the financing of medium and long-term export credits extended directly or indirectly at the risk of the Canadian government led to a net capital outflow of \$89 million, almost four times higher than in the previous quarter. Most of this increase was accounted for by credit sales of wheat to Communist countries.

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 \$84 million. Increased borrowing from United States banks were quite significant in the quarter.

## Representative Interest Rates<sup>(1)</sup>



### 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, Warr 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.

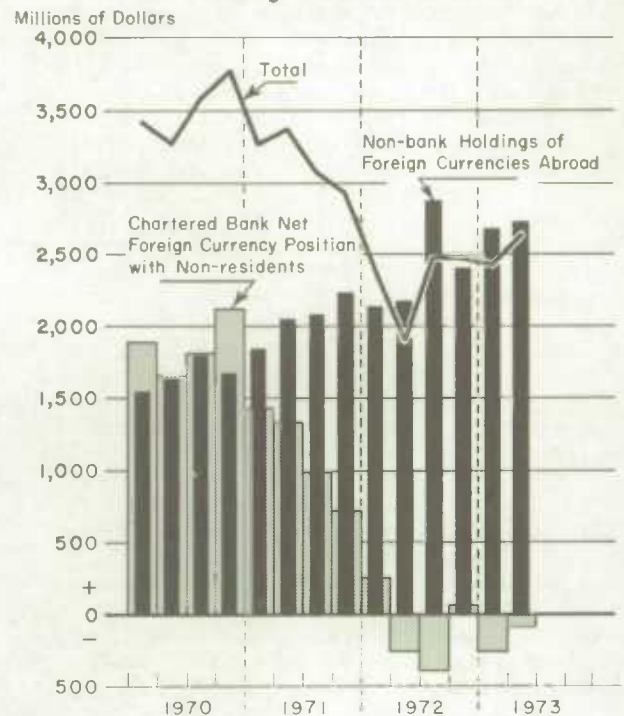
## Capital Movements in Short-term Forms

Non-resident holdings of Canadian dollar deposits did not change during the quarter, although there were substantial geographical shifts in holdings. Net outflows of \$29 million and \$6 million to the United States and United Kingdom respectively were balanced by net inflows from all other countries of \$35 million. During the first quarter transactions in Canadian dollar deposits led to a net inflow of \$18 million.

A decrease in Government of Canada demand liabilities in the form of interest free demand notes issued to international agencies increased resulting in a net inflow of \$2 million. There was no net movement in the previous quarter.

Transactions of the Canadian chartered banks in foreign currency assets and liabilities with non-residents (including foreign branches) resulted in a net outflow of \$168 million, a change of \$489 million from a net inflow of \$321 million in the first quarter. The net outflow, which reflected a larger increase in assets than in liabilities

## Resident Holdings of Foreign Currencies





vis-à-vis non-residents, included a net outflow of \$561 million to the United States, a net inflow from the United Kingdom of \$634 million, and a net outflow to all other countries of \$241 million.

The geographical movements represent, basically, a build-up of liabilities in the United Kingdom and a build-up of assets in the United States and all other countries. These movements reflect, to some extent, the rapid rise of short-term interest rates in the United States.

Changes in non-bank holdings of foreign currencies abroad led to net capital outflows of \$51 million, down \$220 million from net capital outflows of \$271 million in the first quarter. Geographically, with net inflows of \$15 million from the United States, net outflows of \$73 million to the United Kingdom and a net inflow from all other countries of \$7 million, these flows were opposite to those of the chartered banks possibly reflecting the high rates available on the London Eurodollar market and the selection of instruments available to non-bank investors.

Non-resident holdings of Government of Canada treasury bills increased \$4 million following a decline of \$15 million during the first quarter. There was a net outflow of \$2 million to the United States and a net inflow of \$6 million from other countries (including international agencies).

Commercial paper transactions led to a net outflow of \$38 million, a change of \$105 million from the first quarter inflow of \$67 million. Almost all of the outflow was to the United States.

Trading in finance company paper led to a net inflow of \$23 million, down moderately from a net inflow of \$35 million during the first quarter and, again, almost exclusively with the United States.

Transactions in other short-term paper (which includes mainly obligations of junior levels of government, banks, and mortgage loan companies) led to a net outflow of \$141 million. During the first quarter there was a net inflow from trading in these instruments of \$223 million.

In total these transactions in money market instruments other than treasury bills during the quarter led to a net outflow of \$156 million, a change of \$481 million from a net inflow of \$325 million during the first quarter despite very high covered interest rate differentials in favour of Canadian instruments during the quarter. The outflow likely reflects, in part, an unwinding of the very large non-resident position in commercial

and "other short-term paper" at the end of the first quarter.

A net outflow of \$5 million resulted from transactions in other finance company obligations during the quarter-a change of \$13 million from the previous quarter.

#### Other Short-term Capital Transactions

| Period              | Chartered bank Canadian dollar claims on non-residents | Short-term foreign currency bank borrowing abroad by Canadians | Other(1) | Total   |
|---------------------|--|--|----------|---------|
| millions of dollars |  |  |          |         |
| 1971 .....          | - 90   | + 146  | - 1,090  | - 1,034 |
| 1972 .....          | - 21   | + 31   | - 1,344  | - 1,334 |
| 1972 1 Q            | -  | - 38   | - 574    | - 612   |
| 11 Q                | + 11   | - 25   | - 370    | - 384   |
| 111 Q               | + 20   | - 7  | + 450    | + 463   |
| 1V Q                | - 52   | + 101  | - 850    | - 801   |
| 1973 1 Q            | - 6  | + 37   | - 253    | - 222   |
| 11 Q                | - 5  | + 233  | - 54     | + 174   |

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

All other short-term capital transactions led to a net inflow of \$174 million. Increases in short-term borrowings from foreign banks led to a large net inflow while changes in intercompany accounts receivable and payable resulted in a substantial net outflow. The balancing item, representing the difference between recorded measures of current, capital and reserve movements and which embodies all unidentified transactions implied an inflow in excess of \$100 million. The balancing item is attributed to the United States account.

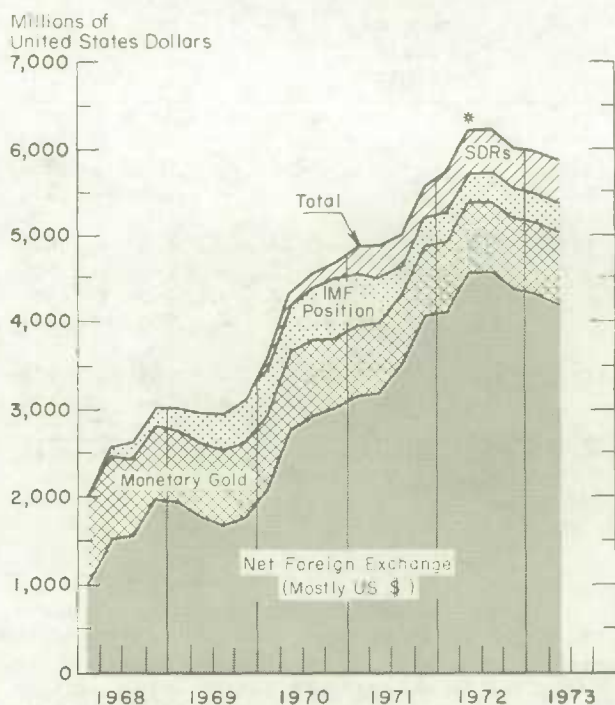
#### Official International Monetary Assets and Liabilities

Canada's net official monetary assets totalled US \$5,860 million on June 30, 1973, a decrease of US \$108 million. Holdings of United States dollars fell US \$117 million and those of other currencies rose US \$3 million. The decline in holdings of

convertible currencies was related, in large measure, to the repayment of Government of Canada 6-3/4 per cent DM250 million notes due June 1, 1973. Holdings of monetary gold remained unchanged. Purchases of Special Drawing Rights amounted to US \$2 million and Canada's reserve position with the International Monetary Fund (IMF) increased US \$4 million to US \$328 million at the end of the quarter.

The overall decrease in Canada's net official monetary assets in the second quarter expressed in Canadian dollars was \$107 million.

### 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 spot value of the United States dollar in Canadian cents ranged between 99.50 and 100.36 on the interbank market in Canada closing the quarter at 99.82 down from 99.88 at the end of the previous quarter. Other major currencies again became more expensive although the rate of change was lower than during the first quarter. Spot changes ranged from an increase of about 9 per cent for the Deutsche Mark to a change of less than 1 per cent for the Japanese yen from the end of the first quarter to the end of the second quarter. Price increases vis-à-vis the Canadian dollar for the pound, the French franc, and the Swiss franc were 4 per cent, 7 per cent and 7 per cent respectively.

The forward United States dollar for delivery in 90 days vis-à-vis the Canadian dollar traded at a substantial discount during the second quarter averaging 0.40 cents from the spot rate or 1.62 per cent on an annual yield basis, relatively unchanged from the previous quarter. The closing forward discount for the quarter was 0.40 cents the same as the average rate. 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.

### Revisions

In this quarter, as in the second quarter of preceding years, revisions have been made to the data for the previous two years i.e., for 1971 and 1972. For 1971 the main current account revisions occurred in travel receipts and payments, receipts of personal and institutional remittances and payments of interest and dividends, freight and shipping and for "other services". In 1972 important revisions were made to receipts of freight and shipping and personal and institutional remittances and payments of interest and dividends and for "other services". Revisions to personal and institutional remittances for both years arose from the additional information obtained in the course of the current account reconciliation exercise with the United States. Revisions to the travel account for 1971 occurred as a result of investigations carried out by the International Travel Section which showed an overstatement of data reported from 1968 to 1971. The adjusted estimates for travel for the whole of this period will be published in the June 1973 report Travel Between Canada and Other Countries (Catalogue 66-001). Interest and dividend payments were revised following an examination of the non-survey part of the universe on which the account is based which revealed that this part of the account was being underestimated. Payments for "other services" in both years were revised due to more information becoming available on the three components of this account, namely government transactions, miscellaneous income and business services. Government expenditures on representation abroad, payments for business services and foreign insurance company earnings (included in miscellaneous income) were revised on the basis of new survey results. Additional reports on freight payments on imports in 1971 and survey results on earnings on exports and interport earnings by Canadian shipping companies in 1972 gave rise to the revisions on freight and shipping.

Apart from changes in the "other short-



term capital transactions account", which includes the balancing item and therefore reflects revisions made elsewhere in the accounts, the main change to the 1971 capital data was an \$85 million reduction in the direct investment abroad account. This reflected the inclusion of revised survey estimates for that year. The largest revision to 1972 capital account data was a \$50 million decrease in the net outflow in the finance company paper account which resulted from a correction of a computation error.

#### Area Classification

With the accession of New Zealand to the Organization for Economic Co-operation and Development (OECD) in May 1973 the classification other OECD has been expanded to reflect this addition. This change has been made back to the first quarter of 1973.

In order to make Canadian and United States balance of payments series more comparable the definition of the United States in the Canadian series has been altered to include Puerto Rico and the United States Virgin Islands with data for the United States. This change has also been carried back to the first quarter of 1973.

#### Change in Presentation

Transactions in foreign currencies through the Canadian chartered banks play an important part in capital account transactions. Balance of payments effects of these movements can be measured in several ways, all having the same net impact. Up to the present it has been the practice to treat the foreign currency operations of the banks as "extra Canadian", and not to differentiate between foreign currency balances owned by Canadians whether they are held in chartered banks in Canada or abroad, so that the direct measurement of these transactions has been included in the balance of payments. Similarly foreign currency bank loans obtained by residents were treated in a similar manner whether they came from chartered banks in Canada or abroad. Other foreign currency transactions of the chartered banks with Canadian residents were

also included in the balance of payments. Under this treatment it was also appropriate to include in the accounts changes in the banks' total net spot foreign currency position with both residents and non-residents. (For further detail the reader is referred to page 14 of the report for the second quarter of 1965 and the statement on page 13 of the report for the fourth quarter of 1972.)

The main rationale for this treatment was that the behaviour of deposits in foreign currency belonging to residents of Canada was not generally influenced by whether they represented claims on banks in Canada or abroad. This treatment seemed quite appropriate when it was evolved in the days of exchange control. With the development of the eurocurrency markets, the swap deposit facilities of the chartered banks (which many depositors look upon as tantamount to Canadian dollar deposits and whose behaviour is not unrelated to the banks' Canadian dollar operations), and the increasing sophistication of corporations in managing their cash balances the previous treatment no longer appears appropriate. Beginning with this publication, therefore, only the foreign currency transactions of the chartered banks vis-à-vis non-residents appear in the balance of payments. The net impact of these transactions appears in a new account - D17.1a. Further details of these transactions appear in Table 10. Due to the change in treatment there is a discontinuity in the series for items D13, D17.1 and D17.5, because previously parts of the chartered banks' foreign currency transactions with residents have been reflected in each of these accounts. In order to reduce the impact of the discontinuity the series have been taken back on the new basis, to 1964 which is the earliest year for which satisfactory data are available.

#### 1971 Annual Report

The annual report "The Canadian Balance of International Payments, 1971" Catalogue No. 67-201 was released on August 20, 1973. Special features of this report include a "Calendar of Balance of Payments Events, 1971", a section on "Notes on Definitions and Contents of Accounts" and a statement on the "Reconciliation of Canadian - United States Current Account Balance of Payments Statistics, 1970".

TABLE I. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

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)(1) .....            | 4,094 | 4,697 | 4,369 | 4,767 | 4,409 | 5,390 |
|                     |                            |           | Service receipts                                   |       |       |       |       |       |       |
| 2                   | 50506                      | 4         | Travel .....                                       | 118   | 297   | 644   | 187   | 105   | 298   |
| 3                   | 50508                      | 5         | Interest and dividends .....                       | 140   | 126   | 112   | 180   | 121   | 133   |
| 4                   | 50512                      | 6         | Freight and shipping .....                         | 265   | 309   | 294   | 314   | 260   | 329   |
| 5                   | 50516                      | (part)11  | Other service receipts .....                       | 307   | 335   | 333   | 349   | 323   | 326   |
| 6                   | 50502                      |           | Total service receipts .....                       | 830   | 1,067 | 1,383 | 1,030 | 809   | 1,086 |
| 7                   | 50503                      |           | Sub-totals, exports of goods and services(2) ..... | 4,924 | 5,764 | 5,752 | 5,797 | 5,218 | 6,476 |
|                     |                            |           | Transfer receipts                                  |       |       |       |       |       |       |
| 8                   | 50515                      | 7         | Inheritances and immigrants' funds .....           | 89    | 106   | 134   | 103   | 85    | 121   |
| 9                   | 50518                      | (part)11  | Personal and institutional remittances(3) .....    | 40    | 41    | 42    | 42    | 42    | 43    |
| 10                  | 50716                      | ..        | Withholding tax(4) .....                           | 59    | 81    | 47    | 91    | 65    | 85    |
| 11                  | 50525                      | 12        | Total current receipts .....                       | 5,112 | 5,992 | 5,975 | 6,033 | 5,410 | 6,725 |
|                     |                            | B         | <u>Current payments</u>                            |       |       |       |       |       |       |
| 12                  | 50526                      | 1         | Merchandise imports (adjusted)(1) .....            | 3,398 | 4,123 | 3,747 | 4,260 | 4,187 | 4,971 |
|                     |                            |           | Service payments                                   |       |       |       |       |       |       |
| 13                  | 50531                      | 4         | Travel .....                                       | 311   | 361   | 519   | 257   | 333   | 386   |
| 14                  | 50533                      | 5         | Interest and dividends .....                       | 380   | 367   | 373   | 579   | 383   | 367   |
| 15                  | 50537                      | 6         | Freight and shipping .....                         | 240   | 316   | 314   | 334   | 276   | 344   |
| 16                  | 50545                      | (part)11  | Other service payments .....                       | 472   | 526   | 526   | 552   | 512   | 561   |
| 17                  | 50715                      | ..        | Withholding tax(4) .....                           | 59    | 81    | 47    | 91    | 65    | 85    |
| 18                  | 50544                      |           | Total service payments .....                       | 1,462 | 1,651 | 1,779 | 1,813 | 1,569 | 1,723 |
| 19                  | 50541                      |           | Sub-totals, imports of goods and services(2) ..... | 4,860 | 5,774 | 5,526 | 6,073 | 5,756 | 6,694 |
|                     |                            |           | Transfer payments                                  |       |       |       |       |       |       |
| 20                  | 50540                      | 7         | Inheritances and emigrants' funds .....            | 39    | 46    | 56    | 44    | 43    | 53    |
| 21                  | 50547                      | (part)11  | Personal and institutional remittances(3) .....    | 52    | 54    | 54    | 55    | 56    | 57    |
| 22                  | 50542                      | 9         | Official contributions .....                       | 38    | 32    | 66    | 65    | 38    | 53    |
| 23                  | 50550                      | 12        | Total current payments .....                       | 4,989 | 5,906 | 5,702 | 6,237 | 5,893 | 6,857 |
|                     |                            | C         | <u>Current account balance</u>                     |       |       |       |       |       |       |
| 24                  | 50551                      | 1         | Merchandise trade .....                            | + 696 | + 574 | + 622 | + 507 | + 222 | + 419 |
|                     |                            |           | Service transactions                               |       |       |       |       |       |       |
| 25                  | 50718                      |           | Travel .....                                       | - 193 | - 64  | + 125 | - 70  | - 228 | - 68  |
| 26                  | 50719                      |           | Interest and dividends .....                       | - 240 | - 241 | - 261 | - 399 | - 262 | - 234 |
| 27                  | 50720                      |           | Freight and shipping .....                         | + 25  | - 7   | - 20  | - 20  | - 16  | - 15  |
| 28                  | 50721                      |           | Other service transactions .....                   | - 165 | - 191 | - 193 | - 203 | - 189 | - 235 |
| 29                  | 50722                      |           | Withholding tax .....                              | - 59  | - 81  | - 47  | - 91  | - 65  | - 85  |
| 30                  | 50556                      |           | Balance on service transactions .....              | - 632 | - 584 | - 396 | - 783 | - 760 | - 637 |
| 31                  | 50558                      |           | Balance on goods and services .....                | + 64  | - 10  | + 226 | - 276 | - 538 | - 218 |
| 32                  | 50557                      |           | Net transfers .....                                | + 59  | + 96  | + 47  | + 72  | + 55  | + 86  |
| 33                  | 50555                      | 4         | Total current account balance .....                | + 123 | + 86  | + 273 | - 204 | - 483 | - 132 |

(1) Trade of Canada figures with certain valuation, coverage and timing adjustments appropriate for balance of payments - See Table 5.

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



TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Current Account - Not Seasonally Adjusted

| 1972                |       | 1973  |       |     |    | 1971    | 1972    | Four<br>quarters<br>ended<br>IIQ 1973 | Acct.<br>No. | Cansim D<br>Numbers<br>Annual | Line<br>No. |
|---------------------|-------|-------|-------|-----|----|---------|---------|---------------------------------------|--------------|-------------------------------|-------------|
| III                 | IV    | I     | II    | III | IV |         |         |                                       |              |                               |             |
| millions of dollars |       |       |       |     |    |         |         |                                       |              |                               |             |
| 4,553               | 5,713 | 5,654 | 6,471 |     |    | 17,927  | 20,065  | 22,391                                | A<br>1       | 50001                         | 1           |
| 631                 | 196   | 122   | 345   |     |    | 1,246   | 1,230   | 1,294                                 | 4            | 50006                         | 2           |
| 189                 | 184   | 159   | 156   |     |    | 558     | 627     | 688                                   | 5            | 50008                         | 3           |
| 282                 | 347   | 304   | 364   |     |    | 1,182   | 1,218   | 1,297                                 | 6            | 50012                         | 4           |
| 317                 | 345   | 341   | 346   |     |    | 1,324   | 1,311   | 1,349                                 | (part) 11    | 50016                         | 5           |
| 1,419               | 1,072 | 926   | 1,211 |     |    | 4,310   | 4,386   | 4,628                                 |              | 50002                         | 6           |
| 5,972               | 6,785 | 6,580 | 7,682 |     |    | 22,237  | 24,451  | 27,019                                |              | 50003                         | 7           |
| 126                 | 111   | 93    | 147   |     |    | 432     | 443     | 477                                   | 7            | 50015                         | 8           |
| 44                  | 47    | 48    | 48    |     |    | 165     | 176     | 187                                   | (part) 11    | 50018                         | 9           |
| 43                  | 95    | 76    | 76    |     |    | 278     | 288     | 290                                   | ..           | 50215                         | 10          |
| 6,185               | 7,038 | 6,797 | 7,953 |     |    | 23,112  | 25,358  | 27,973                                | 12           | 50025                         | 11          |
| 4,345               | 5,062 | 5,272 | 6,039 |     |    | 15,528  | 18,565  | 20,718                                | B<br>1       | 50026                         | 12          |
| 509                 | 256   | 419   | 417   |     |    | 1,448   | 1,464   | 1,601                                 | 4            | 50031                         | 13          |
| 331                 | 515   | 449   | 438   |     |    | 1,699   | 1,616   | 1,753                                 | 5            | 50033                         | 14          |
| 325                 | 355   | 309   | 366   |     |    | 1,204   | 1,300   | 1,355                                 | 6            | 50037                         | 15          |
| 527                 | 574   | 546   | 589   |     |    | 2,076   | 2,174   | 2,236                                 | (part) 11    | 50045                         | 16          |
| 43                  | 95    | 76    | 76    |     |    | 278     | 288     | 290                                   | ..           | 50216                         | 17          |
| 1,755               | 1,795 | 1,799 | 1,886 |     |    | 6,705   | 6,842   | 7,235                                 |              | 50044                         | 18          |
| 6,100               | 6,857 | 7,071 | 7,925 |     |    | 22,233  | 25,407  | 27,953                                |              | 50041                         | 19          |
| 51                  | 35    | 51    | 54    |     |    | 185     | 182     | 191                                   | 7            | 50040                         | 20          |
| 57                  | 57    | 58    | 58    |     |    | 215     | 227     | 230                                   | (part) 11    | 50047                         | 21          |
| 74                  | 57    | 63    | 53    |     |    | 201     | 222     | 247                                   | 9            | 50042                         | 22          |
| 6,282               | 7,006 | 7,243 | 8,090 |     |    | 22,834  | 26,038  | 28,621                                | 12           | 50050                         | 23          |
| + 208               | + 651 | + 382 | + 432 |     |    | + 2,399 | + 1,500 | + 1,673                               | C<br>1       | 50051                         | 24          |
| + 122               | - 60  | - 297 | - 72  |     |    | - 202   | - 234   | - 307                                 |              |                               | 25          |
| - 162               | - 331 | - 290 | - 282 |     |    | - 1,141 | - 989   | - 1,065                               |              |                               | 26          |
| - 43                | - 8   | - 5   | - 2   |     |    | - 22    | - 82    | - 58                                  |              |                               | 27          |
| - 210               | - 229 | - 205 | - 243 |     |    | - 752   | - 863   | - 887                                 |              |                               | 28          |
| - 43                | - 95  | - 76  | - 76  |     |    | - 278   | - 288   | - 290                                 |              |                               | 29          |
| - 336               | - 723 | - 873 | - 675 |     |    | - 2,395 | - 2,456 | - 2,607                               |              | 50056                         | 30          |
| - 128               | - 72  | - 491 | - 243 |     |    | + 4     | - 956   | - 934                                 |              | 50058                         | 31          |
| + 31                | + 104 | + 45  | + 106 |     |    | + 274   | + 276   | + 286                                 |              | 50057                         | 32          |
| - 97                | + 32  | - 446 | - 137 |     |    | + 278   | - 680   | - 648                                 | 4            | 50055                         | 33          |

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

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

TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Continued

Capital Account(5) - 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 (6)  |                     |       |       |       |       |       |
| 35       | 50564                      | 2         | In Canada .....  | + 322               | + 153 | + 169 | + 236 | + 235 | + 195 |
|          |                            |           | Abroad .....   | - 142               | - 29  | + 16  | - 65  | - 95  | - 90  |
|          |                            |           | Portfolio transactions   |                     |       |       |       |       |       |
|          |                            |           | Canadian securities  |                     |       |       |       |       |       |
| 36       | 50677                      | 3.1       | Outstanding bonds .....  | - 31                | - 24  | - 21  | - 18  | + 7   | + 35  |
| 37       | 50576                      | 3.2       | Outstanding stocks .....   | - 42                | - 27  | - 59  | - 16  | - 13  | - 15  |
| 38       | 50586 + 50678              | 4         | New issues .....   | + 309               | + 369 | + 228 | + 280 | + 310 | + 662 |
| 39       | 50587 + 50679              | 5         | Retirements .....  | - 97                | - 373 | - 140 | - 216 | - 128 | - 140 |
|          |                            |           | Foreign securities   |                     |       |       |       |       |       |
| 40       | 50600                      | 6         | Outstanding issues .....   | + 54                | + 72  | + 72  | + 61  | + 77  | + 98  |
| 41       | 50608                      | 7         | New issues .....   | - 11                | - 11  | - 8   | - 37  | - 10  | - 31  |
| 42       | 50616                      | 8         | Retirements .....  | + 3                 | + 2   | + 3   | + 4   | + 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 .....   | - 14                | + 3   | - 75  | - 46  | + 20  | + 80  |
| 48       | 50687                      | E 1       | Balance of capital movements in long-term forms (lines 34-47) .....  | + 302               | + 26  | + 64  | + 100 | + 323 | + 636 |
| 49       | 50659                      | D 17.1a   | Resident holdings of foreign currencies: Chartered bank net foreign currency position with non-residents ..... | + 693               | + 104 | + 328 | + 279 | + 458 | + 506 |
| 50       | 50660                      | 17.1b     | Non-bank holdings of foreign currencies abroad .....   | - 163               | - 221 | - 33  | - 144 | + 89  | - 28  |
|          |                            |           | Non-resident holdings of Canadian:   |                     |       |       |       |       |       |
| 51       | 50652                      | 14.1      | Dollar deposits .....  | + 50                | + 22  | - 51  | + 71  | + 64  | - 8   |
| 52       | 50654                      | 14.2      | Government demand liabilities .....  | -                   | -     | -     | + 50  | - 25  | - 2   |
| 53       | 50656                      | 14.3      | Treasury bills .....   | + 1                 | - 4   | + 14  | - 14  | + 2   | + 30  |
| 54       | 50667                      | 17.2a     | Commercial paper .....   | - 24                | + 25  | + 23  | + 28  | - 17  | - 85  |
| 55       | 50668                      | 17.3      | Finance company paper .....  | - 72                | - 14  | - 8   | + 55  | + 105 | - 20  |
| 56       | 50669                      | 17.2b     | Other short-term paper .....   | - 41                | - 5   | + 6   | + 115 | + 166 | - 152 |
| 57       | 50676                      | 17.4      | Other finance company obligations .....  | - 4                 | - 9   | - 5   | - 11  | - 7   | - 39  |
| 58       | 50686                      | 17.5      | Other short-term capital transactions (7) .....  | - 817               | - 3   | - 469 | + 255 | - 612 | - 384 |
| 59       | 50688                      | E 2       | Balance of capital movements in short-term forms (lines 49-58) .....   | - 377               | - 105 | - 195 | + 684 | + 223 | - 182 |
| 60       | 50689                      | E 3       | Total net capital balance .....  | - 75                | - 79  | - 131 | + 784 | + 546 | + 454 |
| 61       | 50710                      | ..        | Allocation of Special Drawing Rights .....   | + 119               | -     | -     | -     | + 117 | -     |
|          |                            | H         | Net official monetary movements (8):   |                     |       |       |       |       |       |
| 62       | 50713                      | 4         | Official international reserves .....  | + 167               | + 7   | + 142 | + 580 | + 180 | + 322 |
| 63       | 50714                      | 5         | Official monetary liabilities .....  | -                   | -     | -     | -     | -     | -     |
| 64       | 50712                      | 6         | Net official monetary movements .....  | + 167               | + 7   | + 142 | + 580 | + 180 | + 322 |

(5) 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.

(6) Exclusive of undistributed profits.

TABLE 1. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

Capital Account(5) - Not Seasonally Adjusted

| 1972   |  | 1973  |   |     |    | 1971  | 1972   | Four<br>quarters<br>ended<br>IIQ 1973                | Acct.<br>No.   | Cansim D<br>Numbers<br>Annual                               | Line<br>No.                            |
|--|--|---|---|-----|----|---|--|--|--|---|--|
| III  | IV                                       | I   | II  | III | IV |   |  |  |  |   |  |
| millions of dollars                          |  |   |   |     |    |   |  |  |  |   |  |
| + 130<br>- 130                               | + 120<br>- 70                            | + 95<br>- 60                                      | + 230<br>- 90                                   |     |    | + 880<br>- 220                                      | + 680<br>- 385   | + 575<br>- 350                                       | D 1<br>2   | 50060<br>50064  | 34<br>35                               |
| + 138<br>- 43<br>+ 236<br>- 107              | + 113<br>+ 8<br>+ 608<br>- 167           | + 16<br>- 48<br>+ 311<br>- 118                    | + 2<br>- 102<br>+ 403<br>- 245                  |     |    | - 94<br>- 144<br>+ 1,186<br>- 826                   | + 293<br>- 63<br>+ 1,816<br>- 542                      | + 269<br>- 185<br>+ 1,558<br>- 637                   | 3.1<br>3.2<br>4<br>5                                   | 50068<br>50076<br>50084<br>50092                            | 36<br>37<br>38<br>39                   |
| + 95<br>- 7<br>+ 2                           | + 32<br>- 9<br>+ 3                       | - 1<br>- 7<br>+ 2                                 | + 79<br>- 8<br>+ 3                              |     |    | + 259<br>- 67<br>+ 12                               | + 302<br>- 57<br>+ 9                                   | + 205<br>- 31<br>+ 10                                | 6<br>7<br>8  | 50100<br>50108<br>50116                                     | 40<br>41<br>42                         |
| - 38<br>-                                    | - 95<br>+ 30                             | - 39<br>+ 5                                       | - 42<br>+ 5                                     |     |    | - 192<br>+ 36                                       | - 249<br>+ 37  | - 214<br>+ 40  | 9<br>10  | 50124 + 50126<br>50127 + 50129                              | 43<br>44                               |
| -  | -  | + 1   | -   |     |    | + 24  | -  | + 1  | 11   | 50130   | 45                                     |
| - 37   | - 61                                     | - 23  | - 89  |     |    | - 230   | - 251  | - 230  | 12   | 50132   | 46                                     |
| + 30   | + 48                                     | + 66  | + 84  |     |    | - 132   | + 198  | + 248  | 13   | 50150   | 47                                     |
| + 269  | + 560                                    | + 200   | + 230   |     |    | + 492   | + 1,788  | + 1,259  | E 1  | 50187   | 48                                     |
| + 140<br>- 706                               | - 467<br>+ 474                           | + 321<br>- 271                                    | - 168<br>- 51                                   |     |    | + 1,404<br>- 561                                    | + 637<br>- 171   | - 174<br>- 554                                       | D 17.1a<br>17.1b                                       | 50159<br>50160  | 49<br>50                               |
| + 55<br>- 5<br>+ 14<br>- 119<br>- 31<br>+ 20 | + 25<br>+ 54<br>- 4<br>- 31<br>- 16<br>- | + 18<br>-<br>- 15<br>+ 67<br>+ 35<br>+ 223<br>+ 8 | -<br>+ 2<br>+ 4<br>- 38<br>+ 23<br>- 141<br>- 5 |     |    | + 92<br>+ 50<br>- 3<br>+ 52<br>- 39<br>+ 75<br>- 29 | + 136<br>+ 27<br>+ 23<br>- 119<br>- 50<br>- 17<br>- 21 | + 98<br>+ 56<br>- 20<br>+ 12<br>- 77<br>+ 51<br>+ 28 | 14.1<br>14.2<br>14.3<br>17.2a<br>17.3<br>17.2b<br>17.4 | 50152<br>50154<br>50156<br>50167<br>50168<br>50169<br>50176 | 51<br>52<br>53<br>54<br>55<br>56<br>57 |
| + 463  | - 801                                    | - 222   | + 174   |     |    | - 1,034   | - 1,334  | - 386  | 17.5   | 50186   | 58                                     |
| - 169<br>+ 100                               | - 761<br>- 201                           | + 164<br>+ 364                                    | - 200<br>+ 30                                   |     |    | + 7<br>+ 499  | - 889<br>+ 899   | - 966<br>+ 293                                       | E 2<br>E 3   | 50188<br>50189  | 59<br>60                               |
| -  | -  | -   | -   |     |    | + 119   | + 117  | -  | ..   | 50210   | 61                                     |
| + 3<br>-<br>+ 3                              | - 169<br>-<br>- 169                      | - 82<br>-<br>- 82                                 | - 107<br>-<br>- 107                             |     |    | + 896<br>-<br>+ 896                                 | + 336<br>-<br>+ 336                                    | - 355<br>-<br>- 355                                  | H 4<br>5<br>6  | 50213<br>50214<br>50212                                     | 62<br>63<br>64                         |

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

(8) For detailed composition of official monetary assets see Table 14.

TABLE 2. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Current Account - Seasonally Adjusted

| Cansim D<br>Numbers<br>Quarterly | Acct.<br>No. | Item  | 1971                |       |       |       |
|----------------------------------|--------------|---|---------------------|-------|-------|-------|
|                                  |              |   | I                   | II    | III   | IV    |
|                                  |              |   | millions of dollars |       |       |       |
|                                  | A            | <u>Current receipts</u>                         |                     |       |       |       |
| 60501                            | 1            | Merchandise exports (adjusted)(1) .....         | 4,341               | 4,401 | 4,585 | 4,600 |
|                                  |              | Service receipts                                |                     |       |       |       |
| 60506                            | 4            | Travel .....                                    | 324                 | 303   | 308   | 311   |
| 60508                            | 5            | Interest and dividends .....                    | 148                 | 131   | 131   | 148   |
| 60512                            | 6            | Freight and shipping .....                      | 292                 | 294   | 296   | 300   |
| 60711                            | (part)11     | Other service receipts .....                    | 312                 | 331   | 340   | 341   |
| 60710                            |              | Total service receipts .....                    | 1,076               | 1,059 | 1,075 | 1,100 |
| 60722                            |              | Sub-totals, exports of goods and services(2)    | 5,417               | 5,460 | 5,660 | 5,700 |
|                                  |              | Transfer receipts                               |                     |       |       |       |
| 60515                            | 7            | Inheritances and immigrants' funds .....        | 119                 | 96    | 109   | 108   |
| 60713                            | (part)11     | Personal and institutional remittances(3) ..... | 40                  | 40    | 43    | 42    |
| 60726                            | ..           | Withholding tax(4) .....                        | 67                  | 69    | 66    | 76    |
| 60525                            | 12           | Total current receipts .....                    | 5,643               | 5,665 | 5,878 | 5,926 |
|                                  | B            | <u>Current payments</u>                         |                     |       |       |       |
| 60526                            | 1            | Merchandise imports (adjusted)(1) .....         | 3,605               | 3,792 | 3,965 | 4,166 |
|                                  |              | Service payments                                |                     |       |       |       |
| 60531                            | 4            | Travel .....                                    | 342                 | 345   | 363   | 378   |
| 60533                            | 5            | Interest and dividends .....                    | 391                 | 389   | 412   | 507   |
| 60537                            | 6            | Freight and shipping .....                      | 280                 | 294   | 309   | 321   |
| 60715                            | (part)11     | Other service payments .....                    | 480                 | 506   | 538   | 552   |
| 60725                            | ..           | Withholding tax(4) .....                        | 67                  | 69    | 66    | 76    |
| 60714                            |              | Total service payments .....                    | 1,560               | 1,603 | 1,688 | 1,854 |
| 60723                            |              | Sub-totals, imports of goods and services(2)    | 5,165               | 5,395 | 5,653 | 6,020 |
|                                  |              | Transfer payments                               |                     |       |       |       |
| 60540                            | 7            | Inheritances and emigrants' funds .....         | 47                  | 47    | 47    | 44    |
| 60717                            | (part)11     | Personal and institutional remittances(3) ..... | 52                  | 53    | 55    | 55    |
| 60542                            | 9            | Official contributions .....                    | 48                  | 37    | 50    | 66    |
| 60550                            | 12           | Total current payments .....                    | 5,312               | 5,532 | 5,805 | 6,185 |
|                                  | C            | <u>Current account balance</u>                  |                     |       |       |       |
| 60551                            | 1            | Merchandise trade .....                         | + 736               | + 609 | + 620 | + 434 |
|                                  |              | Service transactions                            |                     |       |       |       |
| 60554                            |              | Travel .....                                    | - 18                | - 42  | - 55  | - 87  |
| 60556                            |              | Interest and dividends .....                    | - 243               | - 258 | - 281 | - 359 |
| 60557                            |              | Freight and shipping .....                      | + 12                | -     | - 13  | - 21  |
| 60719                            |              | Other service transactions .....                | - 168               | - 175 | - 198 | - 211 |
| 60727                            |              | Withholding tax .....                           | - 67                | - 69  | - 66  | - 76  |
| 60718                            |              | Total service transactions .....                | - 484               | - 544 | - 613 | - 754 |
| 60724                            |              | Balance on goods and services .....             | + 252               | + 65  | + 7   | - 320 |
| 60720                            |              | Net transfers .....                             | + 79                | + 68  | + 66  | + 61  |
| 60555                            | 4            | Total current account balance .....             | + 331               | + 133 | + 73  | - 259 |

(1) Trade of Canada figures with certain valuation, coverage 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.<br>No. | Cansim D<br>Numbers<br>Quarterly |
|---------------------|-------|-------|-------|-------|-------|-----|----|--------------|----------------------------------|
| I                   | II    | III   | IV    | I     | II    | III | IV |              |                                  |
| millions of dollars |       |       |       |       |       |     |    |              |                                  |
|                     |       |       |       |       |       |     |    | A            |                                  |
| 4,651               | 5,014 | 4,842 | 5,558 | 5,954 | 6,077 |     |    | 1            | 60501                            |
| 290                 | 306   | 308   | 326   | 355   | 353   |     |    | 4            | 60506                            |
| 128                 | 140   | 207   | 152   | 164   | 165   |     |    | 5            | 60508                            |
| 287                 | 313   | 286   | 332   | 335   | 345   |     |    | 6            | 60512                            |
| 329                 | 322   | 324   | 336   | 346   | 345   |     |    | (part) 11    | 60711                            |
| 1,034               | 1,081 | 1,125 | 1,146 | 1,200 | 1,208 |     |    |              | 60710                            |
| 5,685               | 6,095 | 5,967 | 6,704 | 7,154 | 7,285 |     |    |              | 60722                            |
| 113                 | 110   | 103   | 117   | 124   | 135   |     |    | 7            | 60515                            |
| 42                  | 42    | 45    | 47    | 48    | 47    |     |    | (part) 11    | 60713                            |
| 73                  | 73    | 62    | 80    | 84    | 64    |     |    | ..           | 60726                            |
| 5,913               | 6,320 | 6,177 | 6,948 | 7,410 | 7,531 |     |    | 12           | 60525                            |
|                     |       |       |       |       |       |     |    | B            |                                  |
| 4,402               | 4,556 | 4,609 | 4,998 | 5,552 | 5,523 |     |    | 1            | 60526                            |
| 364                 | 350   | 355   | 395   | 463   | 404   |     |    | 4            | 60531                            |
| 391                 | 391   | 392   | 442   | 453   | 466   |     |    | 5            | 60533                            |
| 321                 | 319   | 320   | 340   | 359   | 339   |     |    | 6            | 60537                            |
| 524                 | 538   | 540   | 572   | 562   | 565   |     |    | (part) 11    | 60715                            |
| 73                  | 73    | 62    | 80    | 84    | 64    |     |    | ..           | 60725                            |
| 1,673               | 1,671 | 1,669 | 1,829 | 1,921 | 1,838 |     |    |              | 60714                            |
| 6,075               | 6,227 | 6,278 | 6,827 | 7,473 | 7,361 |     |    |              | 60723                            |
| 51                  | 53    | 43    | 35    | 61    | 54    |     |    | 7            | 60540                            |
| 56                  | 56    | 58    | 57    | 58    | 57    |     |    | (part) 11    | 60717                            |
| 47                  | 61    | 57    | 57    | 71    | 62    |     |    | 9            | 60542                            |
| 6,229               | 6,397 | 6,436 | 6,976 | 7,663 | 7,534 |     |    | 12           | 60550                            |
|                     |       |       |       |       |       |     |    | C            |                                  |
| + 249               | + 458 | + 233 | + 560 | + 402 | + 554 |     |    | 1            | 60551                            |
| - 74                | - 44  | - 47  | - 69  | - 108 | - 51  |     |    |              | 60554                            |
| - 263               | - 251 | - 185 | - 290 | - 289 | - 301 |     |    |              | 60556                            |
| - 34                | - 6   | - 34  | - 8   | - 24  | + 6   |     |    |              | 60557                            |
| - 195               | - 216 | - 216 | - 236 | - 216 | - 220 |     |    |              | 60719                            |
| - 73                | - 73  | - 62  | - 80  | - 84  | - 64  |     |    |              | 60727                            |
| - 639               | - 590 | - 544 | - 683 | - 721 | - 630 |     |    |              | 60718                            |
| - 390               | - 132 | - 311 | - 123 | - 319 | - 76  |     |    |              | 60724                            |
| + 74                | + 55  | + 52  | + 95  | + 66  | + 73  |     |    |              | 60720                            |
| - 316               | - 77  | - 259 | - 28  | - 253 | - 3   |     |    | 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

| Line No. | Item                                 | 1971                |       |       |         | 1972  |         |
|----------|--------------------------------------|---------------------|-------|-------|---------|-------|---------|
|          |                                      | I                   | II    | III   | IV      | I     | II      |
|          |                                      | millions of dollars |       |       |         |       |         |
|          | <u>United States</u>                 |                     |       |       |         |       |         |
| 1        | Merchandise exports (adjusted) ..... | 2,768               | 3,206 | 2,878 | 3,211   | 3,258 | 3,754   |
| 2        | Non-merchandise receipts .....       | 563                 | 758   | 1,068 | 696     | 564   | 773     |
| 3        | Total current receipts .....         | 3,331               | 3,964 | 3,946 | 3,907   | 3,822 | 4,527   |
| 4        | Merchandise imports (adjusted) ..... | 2,488               | 2,941 | 2,559 | 2,880   | 2,886 | 3,455   |
| 5        | Non-merchandise payments .....       | 1,005               | 1,123 | 1,174 | 1,274   | 1,082 | 1,184   |
| 6        | Total current payments .....         | 3,493               | 4,064 | 3,733 | 4,154   | 3,968 | 4,639   |
|          | Balance                              |                     |       |       |         |       |         |
| 7        | Merchandise trade .....              | + 280               | + 265 | + 319 | + 331   | + 372 | + 299   |
| 8        | Non-merchandise transactions .....   | - 442               | - 365 | - 106 | - 578   | - 518 | - 411   |
| 9        | Current account balance .....        | - 162               | - 100 | + 213 | - 247   | - 146 | - 112   |
|          | Capital movements(2)                 |                     |       |       |         |       |         |
| 10       | In long-term forms .....             | + 261               | + 165 | + 188 | + 157   | + 380 | + 530   |
| 11       | In short-term forms .....            | + 107               | - 64  | - 152 | + 891   | + 22  | - 1,079 |
| 12       | Total net capital balance .....      | + 368               | + 101 | + 36  | + 1,048 | + 402 | - 549   |
|          | <u>United Kingdom</u>                |                     |       |       |         |       |         |
| 13       | Merchandise exports (adjusted) ..... | 317                 | 381   | 340   | 361     | 261   | 425     |
| 14       | Non-merchandise receipts .....       | 111                 | 138   | 152   | 147     | 97    | 123     |
| 15       | Total current receipts .....         | 428                 | 519   | 492   | 508     | 358   | 548     |
| 16       | Merchandise imports (adjusted) ..... | 173                 | 215   | 216   | 231     | 230   | 266     |
| 17       | Non-merchandise payments .....       | 120                 | 154   | 202   | 137     | 125   | 156     |
| 18       | Total current payments .....         | 293                 | 369   | 418   | 368     | 355   | 422     |
|          | Balance                              |                     |       |       |         |       |         |
| 19       | Merchandise trade .....              | + 144               | + 166 | + 124 | + 130   | + 31  | + 159   |
| 20       | Non-merchandise transactions .....   | - 9                 | - 16  | - 50  | + 10    | - 28  | - 33    |
| 21       | Current account balance .....        | + 135               | + 150 | + 74  | + 140   | + 3   | + 126   |
|          | Capital movements(2)                 |                     |       |       |         |       |         |
| 22       | In long-term forms .....             | + 36                | - 4   | - 36  | + 25    | - 12  | - 16    |
| 23       | In short-term forms .....            | - 313               | + 21  | + 21  | + 21    | + 80  | + 776   |
| 24       | Total net capital balance .....      | - 277               | + 17  | - 15  | + 46    | + 68  | + 760   |

See footnotes at end of table.



TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

By Area(1) - Not Seasonally Adjusted

| 1972                |       | 1973  |       |     |    | 1971    | 1972    | Four<br>quarters<br>ended<br>IIQ 1973 | Line<br>No. |
|---------------------|-------|-------|-------|-----|----|---------|---------|---------------------------------------|-------------|
| III                 | IV    | I     | II    | III | IV |         |         |                                       |             |
| millions of dollars |       |       |       |     |    |         |         |                                       |             |
| 3,102               | 3,877 | 4,067 | 4,556 |     |    | 12,063  | 13,991  | 15,602                                | 1           |
| 1,036               | 685   | 596   | 808   |     |    | 3,085   | 3,058   | 3,125                                 | 2           |
| 4,138               | 4,562 | 4,663 | 5,364 |     |    | 15,148  | 17,049  | 18,727                                | 3           |
| 2,898               | 3,544 | 3,748 | 4,378 |     |    | 10,868  | 12,783  | 14,568                                | 4           |
| 1,167               | 1,228 | 1,246 | 1,318 |     |    | 4,576   | 4,661   | 4,959                                 | 5           |
| 4,065               | 4,772 | 4,994 | 5,696 |     |    | 15,444  | 17,444  | 19,527                                | 6           |
| + 204               | + 333 | + 319 | + 178 |     |    | + 1,195 | + 1,208 | + 1,034                               | 7           |
| - 131               | - 543 | - 650 | - 510 |     |    | - 1,491 | - 1,603 | - 1,834                               | 8           |
| + 73                | - 210 | - 331 | - 332 |     |    | - 296   | - 395   | - 800                                 | 9           |
| + 131               | + 297 | + 51  | + 373 |     |    | + 771   | + 1,338 | + 852                                 | 10          |
| + 741               | - 994 | + 780 | - 660 |     |    | + 782   | - 1,310 | - 133                                 | 11          |
| + 872               | - 697 | + 831 | - 287 |     |    | + 1,553 | + 28    | + 719                                 | 12          |
| 276                 | 381   | 363   | 357   |     |    | 1,399   | 1,343   | 1,377                                 | 13          |
| 126                 | 144   | 142   | 164   |     |    | 548     | 490     | 576                                   | 14          |
| 402                 | 525   | 505   | 521   |     |    | 1,947   | 1,833   | 1,953                                 | 15          |
| 199                 | 252   | 252   | 262   |     |    | 835     | 947     | 965                                   | 16          |
| 184                 | 140   | 140   | 156   |     |    | 613     | 605     | 620                                   | 17          |
| 383                 | 392   | 392   | 418   |     |    | 1,448   | 1,552   | 1,585                                 | 18          |
| + 77                | + 129 | + 111 | + 95  |     |    | + 564   | + 396   | + 412                                 | 19          |
| - 58                | + 4   | + 2   | + 8   |     |    | - 65    | - 115   | - 44                                  | 20          |
| + 19                | + 133 | + 113 | + 103 |     |    | + 499   | + 281   | + 368                                 | 21          |
| + 30                | + 2   | + 23  | + 13  |     |    | + 21    | + 4     | + 68                                  | 22          |
| - 640               | + 107 | - 559 | + 658 |     |    | - 250   | + 323   | - 434                                 | 23          |
| + 610               | + 109 | - 536 | + 671 |     |    | - 229   | + 327   | - 366                                 | 24          |

See footnotes at end of table.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS -- Continued

By Area(1) - Not Seasonally Adjusted

| Line No. | Item                                 | 1971                |    |     |    | 1972          |    |
|----------|--------------------------------------|---------------------|----|-----|----|---------------|----|
|          |                                      | I                   | II | III | IV | I             | II |
|          |                                      | millions of dollars |    |     |    |               |    |
|          | <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 .....         |                     |    |     |    |               |    |
|          | Balance                              |                     |    |     |    |               |    |
| 31       | Merchandise trade .....              |                     |    |     |    |               |    |
| 32       | Non-merchandise transactions .....   |                     |    |     |    |               |    |
| 33       | Current account balance .....        |                     |    |     |    |               |    |
|          | <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 transactions .....   |                     |    |     |    |               |    |
| 42       | Current account balance .....        |                     |    |     |    |               |    |
|          |                                      |                     |    |     |    | not available |    |
|          | <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 transactions .....   |                     |    |     |    |               |    |
| 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 transactions .....   |                     |    |     |    |               |    |
| 60       | Current account balance .....        |                     |    |     |    |               |    |

See footnotes at end of table.

QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

SECOND QUARTER 1973

The Canadian economy maintained its high level of activity in the second quarter of 1973 as the seasonally adjusted Gross National Product rose by 3.0 per cent in current dollars following even higher rates of growth in the preceding two quarters. This moderation in economic growth was accompanied by a strengthening of the current account of the balance of payments. The seasonally adjusted deficit was a bare \$3 million, down a quarter of a billion dollars from the first quarter of 1973. About three fifths of the change was due to an increase in the trade surplus to \$554 million reflecting both a rise in exports and a decline in imports. The major shift in the service accounts was a decline in travel expenditures abroad.

There were price increases recorded for both exports and imports which were associated with sharply rising world prices for many major primary commodities caused in part by widespread inflation, rising demand and shortages of supply. Counter measures adopted included price freezes in the United States and export controls on selected commodities by both the United States and Canada.

Capital movements, unadjusted for seasonal variations, led to a net capital inflow of \$30 million, a decline of \$334 million from the first quarter of 1973. This increase, together with a seasonally unadjusted current account deficit of \$137 million resulted in a decrease in Canada's official monetary assets of \$107 million.

Capital transactions in long-term forms recorded a net inflow of \$230 million up \$30 million. The main factors contributing to this rise were increases in foreign direct investment in Canada and new issues sold abroad and a return to net sales from transactions in outstanding foreign securities. Movements which led to increased outflows were larger retirements of Canadian securities, export credits and Canadian repurchases of Canadian equities.

Capital movements in short-term forms resulted in a net outflow of \$200 million, a swing of \$364 million from the first quarter net inflow of \$164 million. An increase in the chartered banks' net foreign currency position with non-residents, following a decrease in the previous quarter, was a significant factor in the net outflow, bolstered

Summary Statement

|   | 1971  | 1972    | 1972                    |       |       |       | 1973  |       |
|---|-------|---------|-------------------------|-------|-------|-------|-------|-------|
|   |       |         | IO                      | IIQ   | IIIQ  | IVQ   | IO    | IIQ   |
|   |       |         | millions of dollars     |       |       |       |       |       |
|   |       |         | Seasonally adjusted     |       |       |       |       |       |
| Merchandise trade balance .....           |       |         | + 249                   | + 458 | + 233 | + 560 | + 402 | + 554 |
| Balance on non-merchandise transactions   |       |         | - 565                   | - 535 | - 492 | - 588 | - 655 | - 557 |
| Current account balance .....             |       |         | - 316                   | - 77  | - 259 | - 28  | - 253 | - 3   |
|   |       |         | Not seasonally adjusted |       |       |       |       |       |
| Current account balance .....             | + 278 | - 680   | - 483                   | - 132 | - 97  | + 32  | - 446 | - 137 |
| Capital movements in long-term forms .... | + 492 | + 1,788 | + 323                   | + 636 | + 269 | + 560 | + 200 | + 230 |
| Capital movements in short-term forms ... | + 7   | - 889   | + 223                   | - 182 | - 169 | - 761 | + 164 | - 200 |
| Net capital movement(1) .....             | + 499 | + 899   | + 546                   | + 454 | + 100 | - 201 | + 364 | + 30  |
| Allocation of Special Drawing Rights .... | + 119 | + 117   | + 117                   | -     | -     | -     | -     | -     |
| Net official monetary movements .....     | + 896 | + 336   | + 180                   | + 322 | + 3   | - 169 | - 82  | - 107 |

(1) Excluding items shown below.



# Canadian Balance of International Payments

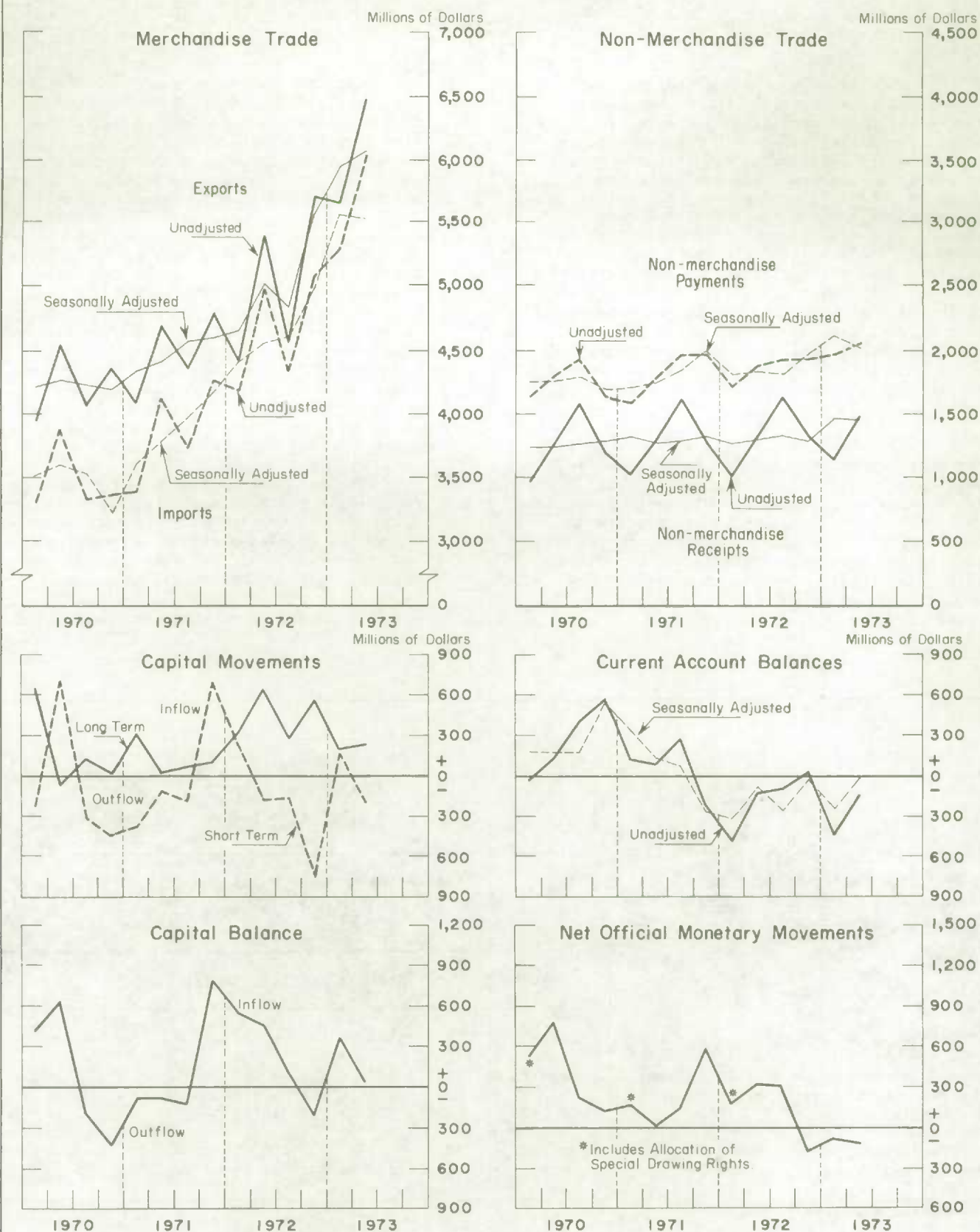


TABLE 16. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Current Account(1) - Not Seasonally Adjusted

| United Kingdom      |       | Rest of the sterling area |       | Other OECD (Europe) |       | Other |       | Acct. No. | Line No. |
|---------------------|-------|---------------------------|-------|---------------------|-------|-------|-------|-----------|----------|
| 1970                | 1971  | 1970                      | 1971  | 1970                | 1971  | 1970  | 1971  |           |          |
| millions of dollars |       |                           |       |                     |       |       |       |           |          |
|                     |       |                           |       |                     |       |       |       | A         |          |
| 1,491               | 1,399 | 785                       | 712   | 1,618               | 1,561 | 2,051 | 2,192 | 1         | 1        |
| 44                  | 42    | 23                        | 24    | 53                  | 54    | 32    | 34    | 4         | 2        |
| 29                  | 27    | 65                        | 86    | 40                  | 28    | 58    | 54    | 5         | 3        |
| 125                 | 114   | 77                        | 86    | 164                 | 160   | 170   | 152   | 6         | 4        |
| 282                 | 296   | 75                        | 87    | 119                 | 131   | 134   | 150   | (part)11  | 5        |
| 480                 | 479   | 240                       | 283   | 376                 | 373   | 394   | 390   |           | 6        |
| 1,971               | 1,878 | 1,025                     | 995   | 1,994               | 1,934 | 2,445 | 2,582 |           | 7        |
| 68                  | 55    | 68                        | 84    | 40                  | 46    | 48    | 66    | 7         | 8        |
| 12                  | 14    | 1                         | 1     | 27                  | 29    | 1     | 2     | (part)11  | 9        |
| -                   | -     | -                         | -     | -                   | -     | -     | -     | ..        | 10       |
| 2,051               | 1,947 | 1,094                     | 1,080 | 2,061               | 2,009 | 2,494 | 2,650 | 12        | 11       |
|                     |       |                           |       |                     |       |       |       | B         |          |
| 734                 | 835   | 628                       | 626   | 1,196               | 1,344 | 1,473 | 1,855 | 1         | 12       |
| 155                 | 180   | 66                        | 70    | 207                 | 226   | 95    | 74    | 4         | 13       |
| 93                  | 101   | 6                         | 8     | 141                 | 142   | 4     | 4     | 5         | 14       |
| 113                 | 114   | 83                        | 77    | 184                 | 208   | 139   | 203   | 6         | 15       |
| 158                 | 143   | 46                        | 52    | 299                 | 254   | 182   | 155   | (part)11  | 16       |
| -                   | -     | -                         | -     | -                   | -     | -     | -     | ..        | 17       |
| 520                 | 538   | 201                       | 207   | 831                 | 830   | 420   | 436   |           | 18       |
| 1,254               | 1,373 | 829                       | 833   | 2,027               | 2,174 | 1,893 | 2,291 |           | 19       |
| 49                  | 43    | 9                         | 10    | 15                  | 14    | 12    | 13    | 7         | 20       |
| 32                  | 32    | 20                        | 21    | 36                  | 36    | 69    | 71    | (part)11  | 21       |
| -                   | -     | 112                       | 105   | 2                   | 7     | 87    | 89    | 9         | 22       |
| 1,335               | 1,448 | 970                       | 969   | 2,080               | 2,231 | 2,061 | 2,464 | 12        | 23       |
|                     |       |                           |       |                     |       |       |       | C         |          |
| + 757               | + 564 | + 157                     | + 86  | + 422               | + 217 | + 578 | + 337 | 1         | 24       |
| - 112               | - 138 | - 43                      | - 46  | - 154               | - 172 | - 63  | - 40  |           | 25       |
| - 64                | - 74  | + 59                      | + 78  | - 101               | - 114 | + 54  | + 50  |           | 26       |
| + 12                | -     | - 6                       | + 9   | - 20                | - 48  | + 31  | - 51  |           | 27       |
| + 124               | + 153 | + 29                      | + 35  | - 180               | - 123 | - 48  | - 5   |           | 28       |
| -                   | -     | -                         | -     | -                   | -     | -     | -     |           | 29       |
| - 40                | - 59  | + 39                      | + 76  | - 455               | - 457 | - 26  | - 46  |           | 30       |
| + 717               | + 505 | + 196                     | + 162 | - 33                | - 240 | + 552 | + 291 |           | 31       |
| - 1                 | - 6   | - 72                      | - 51  | + 14                | + 18  | - 119 | - 105 |           | 32       |
| + 716               | + 499 | + 124                     | + 111 | - 19                | - 222 | + 433 | + 186 | 4         | 33       |

(1) Personal and institutional remittances include pension payments.

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

TABLE 16. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

Capital Account(6) - Not Seasonally Adjusted

| Line No. | Acct. No. | Item   | All Countries       |         | United States |         |
|----------|-----------|--|---------------------|---------|---------------|---------|
|          |           |  | 1970                | 1971    | 1970          | 1971    |
|          |           |  | millions of dollars |         |               |         |
|          | D         | Direct investment(7)   |                     |         |               |         |
| 34       | 1         | In Canada .....  | + 835               | + 880   | + 575         | + 559   |
| 35       | 2         | Abroad .....   | - 295               | - 220   | - 238         | - 111   |
|          |           | Portfolio transactions   |                     |         |               |         |
|          |           | Canadian securities  |                     |         |               |         |
| 36       | 3.1       | Outstanding bonds .....  | - 39                | - 94    | - 69          | - 72    |
| 37       | 3.2       | Outstanding stocks .....   | - 145               | - 144   | - 79          | - 41    |
| 38       | 4         | New issues .....   | + 1,227             | + 1,186 | + 1,026       | + 885   |
| 39       | 5         | Retirements .....  | - 552               | - 826   | - 395         | - 632   |
|          |           | Foreign securities   |                     |         |               |         |
| 40       | 6         | Outstanding issues .....   | + 98                | + 259   | + 81          | + 271   |
| 41       | 7         | New issues .....   | - 34                | - 67    | - 20          | - 25    |
| 42       | 8         | Retirements .....  | + 10                | + 12    | + 5           | + 6     |
|          |           | Loans and subscriptions - Government of Canada   |                     |         |               |         |
| 43       | 9         | Advances .....   | - 144               | - 192   | -             | -       |
| 44       | 10        | Repayments .....   | + 36                | + 36    | -             | -       |
| 45       | 11        | Columbia River Treaty .....  | + 31                | + 24    | + 31          | + 24    |
| 46       | 12        | Export credits directly or indirectly at risk of the Government of Canada .....                                | - 129               | - 230   | + 1           | - 1     |
| 47       | 13        | Other long-term capital transactions .....   | - 147               | - 132   | - 94          | - 72    |
| 48       | E 1       | Balance of capital movements in long-term forms (lines 34-47) .....  | + 752               | + 492   | + 824         | + 771   |
| 49       | D 17.1a   | Resident holdings of foreign currencies: Chartered bank net foreign currency position with non-residents ..... | - 122               | + 1,404 | + 55          | + 1,525 |
| 50       | 17.1b     | Non-bank holdings of foreign currencies abroad .....   | - 97                | - 561   | + 43          | + 109   |
|          |           | Non-resident holdings of Canadian:   |                     |         |               |         |
| 51       | 14.1      | Dollar deposits .....  | + 26                | + 92    | + 44          | + 22    |
| 52       | 14.2      | Government demand liabilities .....  | - 8                 | + 50    | -             | -       |
| 53       | 14.3      | Treasury bills .....   | - 73                | - 3     | - 4           | -       |
| 54       | 17.2a     | Commercial paper .....   | + 52                | + 52    | + 50          | + 53    |
| 55       | 17.3      | Finance company paper .....  | + 193               | - 39    | + 116         | + 36    |
| 56       | 17.2b     | Other short-term paper .....   | + 49                | + 75    | + 48          | + 76    |
| 57       | 17.4      | Other finance company obligations .....  | - 103               | - 29    | - 105         | - 25    |
| 58       | 17.5      | Other short-term capital transactions(8) .....   | - 221               | - 1,034 | - 203         | - 1,014 |
| 59       | E 2       | Balance of capital movements in short-term forms (lines 49-58) .....   | - 304               | + 7     | + 44          | + 782   |
| 60       | E 3       | Total net capital balance .....  | + 448               | + 499   | + 868         | + 1,553 |
| 61       | G         | Balance settled by exchange transfers .....  | -                   | -       | + 756         | - 198   |
| 62       | ..        | Allocation of Special Drawing Rights .....   | + 133               | + 119   | -             | -       |
|          | H         | Net official monetary movements(9):  |                     |         |               |         |
| 63       | 4         | Official international reserves .....  | + 1,662             | + 896   | + 1,452       | + 1,059 |
| 64       | 5         | Official monetary liabilities .....  | + 1                 | -       | -             | -       |
| 65       | 6         | Net official monetary movements .....  | + 1,663             | + 896   | + 1,452       | + 1,059 |

(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 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Continued

By Area(1) - Not Seasonally Adjusted

| 1972                |    | 1973  |       |     |    | 1971          | 1972 | 1973 | Line<br>No. |
|---------------------|----|-------|-------|-----|----|---------------|------|------|-------------|
| III                 | IV | I     | II    | III | IV |               |      |      |             |
| millions of dollars |    |       |       |     |    |               |      |      |             |
|                     |    | 260   | 353   |     |    |               |      |      | 25          |
|                     |    | 80    | 117   |     |    |               |      |      | 26          |
|                     |    | 340   | 470   |     |    |               |      |      | 27          |
|                     |    | 331   | 367   |     |    |               |      |      | 28          |
|                     |    | 164   | 175   |     |    |               |      |      | 29          |
|                     |    | 495   | 542   |     |    |               |      |      | 30          |
|                     |    | - 71  | - 14  |     |    |               |      |      | 31          |
|                     |    | - 84  | - 58  |     |    |               |      |      | 32          |
|                     |    | - 155 | - 72  |     |    |               |      |      | 33          |
|                     |    | 317   | 445   |     |    |               |      |      | 34          |
|                     |    | 31    | 42    |     |    |               |      |      | 35          |
|                     |    | 348   | 487   |     |    |               |      |      | 36          |
|                     |    | 251   | 271   |     |    |               |      |      | 37          |
|                     |    | 22    | 26    |     |    |               |      |      | 38          |
|                     |    | 273   | 297   |     |    |               |      |      | 39          |
|                     |    | + 66  | + 174 |     |    |               |      |      | 40          |
|                     |    | + 9   | + 16  |     |    |               |      |      | 41          |
| not available       |    | + 75  | + 190 |     |    | not available |      |      | 42          |
|                     |    | 162   | 159   |     |    |               |      |      | 43          |
|                     |    | 44    | 54    |     |    |               |      |      | 44          |
|                     |    | 206   | 213   |     |    |               |      |      | 45          |
|                     |    | 187   | 202   |     |    |               |      |      | 46          |
|                     |    | 81    | 90    |     |    |               |      |      | 47          |
|                     |    | 268   | 292   |     |    |               |      |      | 48          |
|                     |    | - 25  | - 43  |     |    |               |      |      | 49          |
|                     |    | - 37  | - 36  |     |    |               |      |      | 50          |
|                     |    | - 62  | - 79  |     |    |               |      |      | 51          |
|                     |    | 485   | 601   |     |    |               |      |      | 52          |
|                     |    | 174   | 221   |     |    |               |      |      | 53          |
|                     |    | 659   | 822   |     |    |               |      |      | 54          |
|                     |    | 503   | 559   |     |    |               |      |      | 55          |
|                     |    | 242   | 210   |     |    |               |      |      | 56          |
|                     |    | 745   | 769   |     |    |               |      |      | 57          |
|                     |    | - 18  | + 42  |     |    |               |      |      | 58          |
|                     |    | - 68  | + 11  |     |    |               |      |      | 59          |
|                     |    | - 86  | + 53  |     |    |               |      |      | 60          |

See footnotes at end of table.

TABLE 3. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

By Area(1) - Not Seasonally Adjusted

| Line No. | Item                                       | 1971                |       |       |       | 1972  |       |
|----------|--|---------------------|-------|-------|-------|-------|-------|
|          |  | I                   | II    | II    | IV    | I     | II    |
|          |  | millions of dollars |       |       |       |       |       |
|          | <u>Rest of the Sterling Area</u>           |                     |       |       |       |       |       |
| 61       | Merchandise exports (adjusted) .....       | 172                 | 178   | 174   | 188   | 138   | 155   |
| 62       | Non-merchandise receipts .....             | 80                  | 90    | 95    | 103   | 86    | 93    |
| 63       | Total current receipts .....               | 252                 | 268   | 269   | 291   | 224   | 248   |
| 64       | Merchandise imports (adjusted) .....       | 99                  | 167   | 167   | 193   | 153   | 196   |
| 65       | Non-merchandise payments .....             | 73                  | 69    | 87    | 114   | 81    | 80    |
| 66       | Total current payments .....               | 172                 | 236   | 254   | 307   | 234   | 276   |
|          | Balance                                    |                     |       |       |       |       |       |
| 67       | Merchandise trade .....                    | + 73                | + 11  | + 7   | - 5   | - 15  | - 41  |
| 68       | Non-merchandise transactions .....         | + 7                 | + 21  | + 8   | - 11  | + 5   | + 13  |
| 69       | Current account balance .....              | + 80                | + 32  | + 15  | - 16  | - 10  | - 28  |
|          | <u>Other OECD (Europe)(5)</u>              |                     |       |       |       |       |       |
| 70       | Merchandise exports(adjusted) .....        | 386                 | 411   | 363   | 401   | 294   | 390   |
| 71       | Non-merchandise receipts .....             | 102                 | 119   | 117   | 110   | 94    | 127   |
| 72       | Total current receipts .....               | 488                 | 530   | 480   | 511   | 388   | 517   |
| 73       | Merchandise imports(adjusted) .....        | 275                 | 346   | 335   | 388   | 360   | 435   |
| 74       | Non-merchandise payments .....             | 204                 | 211   | 269   | 203   | 211   | 226   |
| 75       | Total current payments .....               | 479                 | 557   | 604   | 591   | 571   | 661   |
|          | Balance                                    |                     |       |       |       |       |       |
| 76       | Merchandise trade .....                    | + 111               | + 65  | + 28  | + 13  | - 66  | - 45  |
| 77       | Non-merchandise transactions .....         | - 102               | - 92  | - 152 | - 93  | - 117 | - 99  |
| 78       | Current account balance .....              | + 9                 | - 27  | - 124 | - 80  | - 183 | - 144 |
|          | <u>Other</u>                               |                     |       |       |       |       |       |
| 79       | Merchandise exports(adjusted) .....        | 451                 | 521   | 614   | 606   | 458   | 666   |
| 80       | Non-merchandise receipts .....             | 103                 | 109   | 127   | 119   | 95    | 134   |
| 81       | Total current receipts .....               | 554                 | 630   | 741   | 725   | 553   | 800   |
| 82       | Merchandise imports(adjusted) .....        | 363                 | 454   | 470   | 568   | 558   | 619   |
| 83       | Non-merchandise payments .....             | 130                 | 145   | 176   | 158   | 142   | 155   |
| 84       | Total current payments .....               | 493                 | 599   | 646   | 726   | 700   | 774   |
|          | Balance                                    |                     |       |       |       |       |       |
| 85       | Merchandise trade .....                    | + 88                | + 67  | + 144 | + 38  | - 100 | + 47  |
| 86       | Non-merchandise transactions .....         | - 27                | - 36  | - 49  | - 39  | - 47  | - 21  |
| 87       | Current account balance .....              | + 61                | + 31  | + 95  | - 1   | - 147 | + 26  |
|          | <u>All Countries</u>                       |                     |       |       |       |       |       |
| 88       | Merchandise exports(adjusted) .....        | 4,094               | 4,697 | 4,369 | 4,767 | 4,409 | 5,390 |
| 89       | Non-merchandise receipts(6) .....          | 1,018               | 1,295 | 1,606 | 1,266 | 1,001 | 1,335 |
| 90       | Total current receipts .....               | 5,112               | 5,992 | 5,975 | 6,033 | 5,410 | 6,725 |
| 91       | Merchandise imports(adjusted) .....        | 3,398               | 4,123 | 3,747 | 4,260 | 4,187 | 4,971 |
| 92       | Non-merchandise payments(6) .....          | 1,591               | 1,783 | 1,955 | 1,977 | 1,706 | 1,886 |
| 93       | Total current payments .....               | 4,989               | 5,906 | 5,702 | 6,237 | 5,893 | 6,857 |
|          | Balance                                    |                     |       |       |       |       |       |
| 94       | Merchandise trade .....                    | + 696               | + 574 | + 622 | + 507 | + 222 | + 419 |
| 95       | Non-merchandise transactions .....         | - 573               | - 488 | - 349 | - 711 | - 705 | - 551 |
| 96       | Current account balance .....              | + 123               | + 86  | + 273 | - 204 | - 483 | - 132 |
|          | Capital movements                          |                     |       |       |       |       |       |
| 97       | In long-term forms .....                   | + 302               | + 26  | + 64  | + 100 | + 323 | + 636 |
| 98       | In short-term forms .....                  | - 377               | - 105 | - 195 | + 684 | + 223 | - 182 |
| 99       | Total net capital balance .....            | - 75                | - 79  | - 131 | + 784 | + 546 | + 454 |
| 100      | Allocation of Special Drawing Rights ..... | + 119               | -     | -     | -     | + 117 | -     |
| 101      | Net official monetary movements .....      | + 167               | + 7   | + 142 | + 580 | + 180 | + 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<br>quarters<br>ended<br>III 1973 | Line<br>No. |
|---------------------|-------|---------------|-------|-----|----|---------|---------|---------------------------------------|-------------|
| III                 | IV    | I             | II    | III | IV |         |         |                                       |             |
| millions of dollars |       |               |       |     |    |         |         |                                       |             |
| 156                 | 188   |               |       |     |    | 712     | 637     |                                       | 61          |
| 157                 | 149   |               |       |     |    | 368     | 435     |                                       | 62          |
| 263                 | 337   |               |       |     |    | 1,080   | 1,072   |                                       | 63          |
| 196                 | 231   |               |       |     |    | 626     | 776     |                                       | 64          |
| 92                  | 90    |               |       |     |    | 343     | 343     |                                       | 65          |
| 288                 | 321   |               |       |     |    | 969     | 1,119   |                                       | 66          |
| - 40                | - 43  |               |       |     |    | + 86    | - 139   |                                       | 67          |
| + 15                | + 59  |               |       |     |    | + 25    | + 92    |                                       | 68          |
| - 25                | + 16  |               |       |     |    | + 111   | - 47    |                                       | 69          |
| 348                 | 470   |               |       |     |    | 1,561   | 1,502   |                                       | 70          |
| 127                 | 124   |               |       |     |    | 448     | 472     |                                       | 71          |
| 475                 | 594   |               |       |     |    | 2,009   | 1,974   |                                       | 72          |
| 439                 | 427   |               |       |     |    | 1,344   | 1,661   |                                       | 73          |
| 274                 | 231   |               |       |     |    | 887     | 942     |                                       | 74          |
| 713                 | 658   |               |       |     |    | 2,231   | 2,603   |                                       | 75          |
|                     |       | not available |       |     |    |         |         | not<br>available                      |             |
| - 91                | + 43  |               |       |     |    | + 217   | - 159   |                                       | 76          |
| - 147               | - 107 |               |       |     |    | - 439   | - 470   |                                       | 77          |
| - 238               | - 64  |               |       |     |    | - 222   | - 629   |                                       | 78          |
| 571                 | 797   |               |       |     |    | 2,192   | 2,592   |                                       | 79          |
| 193                 | 128   |               |       |     |    | 458     | 550     |                                       | 80          |
| 864                 | 925   |               |       |     |    | 2,650   | 3,142   |                                       | 81          |
| 613                 | 608   |               |       |     |    | 1,855   | 2,398   |                                       | 82          |
| 127                 | 160   |               |       |     |    | 609     | 634     |                                       | 83          |
| 790                 | 768   |               |       |     |    | 2,464   | 3,032   |                                       | 84          |
| + 58                | + 189 |               |       |     |    | + 337   | + 194   |                                       | 85          |
| + 10                | - 32  |               |       |     |    | - 151   | - 84    |                                       | 86          |
| + 74                | + 157 |               |       |     |    | + 186   | + 110   |                                       | 87          |
| 4,553               | 5,713 | 5,654         | 6,471 |     |    | 17,927  | 20,065  | 22,391                                | 88          |
| 1,632               | 1,325 | 1,143         | 1,482 |     |    | 5,185   | 5,293   | 5,582                                 | 89          |
| 5,185               | 7,038 | 6,797         | 7,953 |     |    | 23,112  | 25,358  | 27,973                                | 90          |
| 1,345               | 5,062 | 5,272         | 6,039 |     |    | 15,528  | 18,565  | 20,718                                | 91          |
| 1,937               | 1,944 | 1,971         | 2,051 |     |    | 7,306   | 7,473   | 7,903                                 | 92          |
| 6,282               | 7,006 | 7,243         | 8,090 |     |    | 22,834  | 26,038  | 28,621                                | 93          |
| + 208               | + 651 | + 382         | + 432 |     |    | + 2,399 | + 1,500 | + 1,673                               | 94          |
| - 305               | - 619 | - 828         | - 569 |     |    | - 2,121 | - 2,180 | - 2,321                               | 95          |
| - 97                | + 32  | - 446         | - 137 |     |    | + 278   | - 680   | - 648                                 | 96          |
| + 269               | + 560 | + 200         | + 230 |     |    | + 492   | + 1,788 | + 1,259                               | 97          |
| - 169               | - 761 | + 164         | - 200 |     |    | + 7     | - 889   | - 966                                 | 98          |
| + 100               | - 201 | + 364         | + 30  |     |    | + 499   | + 899   | + 293                                 | 99          |
| -                   | -     | -             | -     |     |    | + 119   | + 117   | -                                     | 100         |
| + 3                 | - 169 | - 82          | - 107 |     |    | + 896   | + 336   | - 355                                 | 101         |

(4) Includes Australia, Austria, Finland, Greece, Iceland, New Zealand, 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 withholding tax which is not allocated on a bilateral basis.



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

Current Account - Not Seasonally Adjusted

| Line No. | 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) .....         | 2,768               | 3,206 | 2,878 | 3,211 |
|          |                            |           | Service receipts                                |                     |       |       |       |
| 2        | 51506                      | 4         | Travel .....                                    | 103                 | 253   | 576   | 160   |
| 3        | 51508                      | 5         | Interest and dividends .....                    | 97                  | 82    | 82    | 102   |
| 4        | 51512                      | 6         | Freight and shipping .....                      | 144                 | 179   | 167   | 180   |
| 5        | 51516                      | (part)11  | Other service receipts .....                    | 155                 | 172   | 158   | 175   |
| 6        | 51502                      |           | Total service receipts .....                    | 499                 | 686   | 983   | 617   |
| 7        | 51503                      |           | Sub-totals, exports of goods and services ..... | 3,267               | 3,892 | 3,861 | 3,828 |
|          |                            |           | Transfer receipts                               |                     |       |       |       |
| 8        | 51515                      | 7         | Inheritances and immigrants' funds ...          | 36                  | 42    | 54    | 49    |
| 9        | 51518                      | (part)11  | Personal and institutional remittances(2) ..... | 28                  | 30    | 31    | 30    |
| 10       | 51525                      | 12        | Total current receipts .....                    | 3,331               | 3,964 | 3,946 | 3,907 |
|          |                            | B         | <u>Current payments</u>                         |                     |       |       |       |
| 11       | 51526                      | 1         | Merchandise imports (adjusted)(1) .....         | 2,488               | 2,941 | 2,559 | 2,880 |
|          |                            |           | Service payments                                |                     |       |       |       |
| 12       | 51531                      | 4         | Travel .....                                    | 216                 | 234   | 291   | 157   |
| 13       | 51533                      | 5         | Interest and dividends .....                    | 308                 | 308   | 306   | 522   |
| 14       | 51537                      | 6         | Freight and shipping .....                      | 121                 | 163   | 161   | 157   |
| 15       | 51545                      | (part)11  | Other service payments .....                    | 323                 | 376   | 373   | 400   |
| 16       | 51544                      |           | Total service payments .....                    | 968                 | 1,081 | 1,131 | 1,236 |
| 17       | 51541                      |           | Sub-totals, imports of goods and services ..... | 3,456               | 4,022 | 3,690 | 4,116 |
|          |                            |           | Transfer payments                               |                     |       |       |       |
| 18       | 51540                      | 7         | Inheritances and emigrants' funds ....          | 24                  | 28    | 29    | 24    |
| 19       | 51547                      | (part)11  | Personal and institutional remittances(2) ..... | 13                  | 14    | 14    | 14    |
| 20       | 51542                      | 9         | Official contributions .....                    | -                   | -     | -     | -     |
| 21       | 51550                      | 12        | Total current payments .....                    | 3,493               | 4,064 | 3,733 | 4,154 |
|          |                            | C         | <u>Current account balance</u>                  |                     |       |       |       |
| 22       | 51551                      | 1         | Merchandise trade .....                         | + 280               | + 265 | + 319 | + 331 |
|          |                            |           | Service transactions                            |                     |       |       |       |
| 23       |                            |           | Travel .....                                    | - 113               | + 19  | + 285 | + 3   |
| 24       |                            |           | Interest and dividends .....                    | - 211               | - 226 | - 224 | - 420 |
| 25       |                            |           | Freight and shipping .....                      | + 23                | + 16  | + 6   | + 23  |
| 26       |                            |           | Other service transactions .....                | - 168               | - 204 | - 215 | - 225 |
| 27       | 51556                      |           | Balance on service transactions ....            | - 469               | - 395 | - 148 | - 619 |
| 28       | 51558                      |           | Balance on goods and services ....              | - 189               | - 130 | + 171 | - 288 |
| 29       | 51557                      |           | Net transfers .....                             | + 27                | + 30  | + 42  | + 41  |
| 30       | 51555                      | 4         | Total current account balance ..                | - 162               | - 100 | + 213 | - 247 |

(1) Trade of Canada figures with certain valuation, coverage 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.<br>No. | Cansim D<br>Numbers<br>Annual | Line<br>No. |
|---------------------|-------|-------|-------|-------|-------|-----|----|--------------|-------------------------------|-------------|
| I                   | II    | III   | IV    | I     | II    | III | IV |              |                               |             |
| millions of dollars |       |       |       |       |       |     |    |              |                               |             |
| 3,258               | 3,754 | 3,102 | 3,877 | 4,067 | 4,556 |     |    | A<br>1       | 51001                         | 1           |
| 87                  | 241   | 543   | 152   | 96    | 269   |     |    | 4            | 51006                         | 2           |
| 87                  | 91    | 85    | 98    | 99    | 96    |     |    | 5            | 51008                         | 3           |
| 159                 | 194   | 170   | 196   | 183   | 217   |     |    | 6            | 51012                         | 4           |
| 165                 | 173   | 153   | 167   | 162   | 164   |     |    | (part) 11    | 51016                         | 5           |
| 498                 | 699   | 951   | 613   | 540   | 746   |     |    |              | 51002                         | 6           |
| 3,756               | 4,453 | 4,053 | 4,490 | 4,607 | 5,302 |     |    |              | 51003                         | 7           |
| 36                  | 42    | 53    | 37    | 26    | 32    |     |    | 7            | 51015                         | 8           |
| 30                  | 32    | 32    | 35    | 30    | 30    |     |    | (part) 11    | 51018                         | 9           |
| 3,822               | 4,527 | 4,138 | 4,562 | 4,663 | 5,364 |     |    | 12           | 51025                         | 10          |
| 2,886               | 3,455 | 2,898 | 3,544 | 3,748 | 4,378 |     |    | B<br>1       | 51026                         | 11          |
| 129                 | 235   | 300   | 155   | 277   | 278   |     |    | 4            | 51031                         | 12          |
| 312                 | 309   | 277   | 443   | 365   | 360   |     |    | 5            | 51033                         | 13          |
| 140                 | 186   | 174   | 189   | 163   | 200   |     |    | 6            | 51037                         | 14          |
| 358                 | 404   | 375   | 407   | 390   | 428   |     |    | (part) 11    | 51045                         | 15          |
| 1,039               | 1,134 | 1,126 | 1,194 | 1,195 | 1,266 |     |    |              | 51044                         | 16          |
| 3,925               | 4,589 | 4,024 | 4,738 | 4,943 | 5,644 |     |    |              | 51041                         | 17          |
| 28                  | 35    | 26    | 19    | 35    | 36    |     |    | 7            | 51040                         | 18          |
| 15                  | 15    | 15    | 15    | 16    | 16    |     |    | (part) 11    | 51047                         | 19          |
| -                   | -     | -     | -     | -     | -     |     |    | 9            | 51042                         | 20          |
| 3,968               | 4,639 | 4,065 | 4,772 | 4,994 | 5,696 |     |    | 12           | 51050                         | 21          |
| + 372               | + 299 | + 204 | + 333 | + 319 | + 178 |     |    | C<br>1       | 51051                         | 22          |
| - 142               | + 6   | + 243 | - 3   | - 181 | - 9   |     |    |              |                               | 23          |
| - 225               | - 218 | - 192 | - 345 | - 266 | - 264 |     |    |              |                               | 24          |
| + 19                | + 8   | - 4   | + 7   | + 20  | + 17  |     |    |              |                               | 25          |
| - 193               | - 231 | - 222 | - 240 | - 228 | - 264 |     |    |              |                               | 26          |
| - 541               | - 435 | - 175 | - 581 | - 655 | - 520 |     |    |              | 51056                         | 27          |
| - 169               | - 136 | + 29  | - 248 | - 336 | - 342 |     |    |              | 51058                         | 28          |
| + 23                | + 24  | + 44  | + 38  | + 5   | + 10  |     |    |              | 51057                         | 29          |
| - 146               | - 112 | + 73  | - 210 | - 331 | - 332 |     |    | 4            | 51055                         | 30          |

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

TABLE 4. CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES, 1961-1969 - Continued

Capital Account(3) - Not Seasonally Adjusted

| Line No. | Cansim D Numbers Quarterly | Acct. No. | Item  | 1971                |       |       |         |
|----------|----------------------------|-----------|---|---------------------|-------|-------|---------|
|          |                            |           |   | I                   | II    | III   | IV      |
|          |                            |           |   | millions of dollars |       |       |         |
|          |                            | D         |   |                     |       |       |         |
|          |                            |           | Direct investment(4)  |                     |       |       |         |
| 31       | 51560                      | 1         | In Canada .....   | + 202               | + 80  | + 106 | + 171   |
| 32       | 51564                      | 2         | Abroad .....  | - 48                | - 34  | - 11  | - 18    |
|          |                            |           | Portfolio transactions  |                     |       |       |         |
|          |                            |           | Canadian securities   |                     |       |       |         |
| 33       | 51568                      | 3.1       | Outstanding bonds .....   | - 15                | - 23  | - 16  | - 18    |
| 34       | 51576                      | 3.2       | Outstanding stocks .....  | - 17                | - 9   | - 9   | - 6     |
| 35       | 51584                      | 4         | New issues .....  | + 215               | + 333 | + 161 | + 176   |
| 36       | 51592                      | 5         | Retirements .....   | - 85                | - 265 | - 97  | - 185   |
|          |                            |           | Foreign securities  |                     |       |       |         |
| 37       | 51600                      | 6         | Outstanding issues .....  | + 54                | + 91  | + 74  | + 52    |
| 38       | 51608                      | 7         | New issues .....  | - 8                 | - 8   | - 5   | - 4     |
| 39       | 51616                      | 8         | Retirements .....   | + 1                 | + 1   | + 2   | + 2     |
|          |                            |           | 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 .....                                      | - 38                | -     | - 17  | - 37    |
| 45       | 51687                      | E 1       | Balance of capital movements in long-term forms (lines 31-44) .....             | + 261               | + 165 | + 188 | + 157   |
|          |                            |           | Resident holdings of foreign currencies:  |                     |       |       |         |
| 46       | 51659                      | D 17.1a   | Chartered bank net foreign currency position with non-residents .....           | + 672               | + 84  | + 334 | + 435   |
| 47       | 51660                      | 17.1b     | Non-bank holdings of foreign currencies abroad                                  | + 88                | - 50  | + 84  | - 13    |
|          |                            |           | Non-resident holdings of Canadian   |                     |       |       |         |
| 48       | 51652                      | 14.1      | Dollar deposits .....   | + 35                | - 15  | - 25  | + 27    |
| 49       | 51654                      | 14.2      | Government demand liabilities .....   | -                   | -     | -     | -       |
| 50       | 51656                      | 14.3      | Treasury bills .....  | -                   | -     | + 2   | - 2     |
| 51       | 51667                      | 17.2a     | Commercial paper .....  | - 23                | + 24  | + 24  | + 28    |
| 52       | 51668                      | 17.3      | Finance company paper .....   | - 39                | + 23  | - 6   | + 58    |
| 53       | 51669                      | 17.2b     | Other short-term paper .....  | - 42                | - 3   | + 7   | + 114   |
| 54       | 51676                      | 17.4      | Other finance company obligations .....   | - 4                 | - 6   | - 5   | - 10    |
| 55       | 51686                      | 17.5      | Other short-term capital transactions(5) .....                                  | - 580               | - 121 | - 567 | + 254   |
| 56       | 51688                      | E 2       | Balance of capital movements in short-term forms (lines 46-55) .....            | + 107               | - 64  | - 152 | + 891   |
| 57       | 51689                      | E 3       | Total net capital balance .....   | + 368               | + 101 | + 36  | + 1,048 |
| 58       | 51690                      |           | Total current and capital account balance                                       | + 206               | + 1   | + 249 | + 801   |

(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, QUARTERLY - Concluded

Capital Account(3) - Not Seasonally Adjusted

| 1971                |         |       |       | 1973  |       |     |    | Acct.<br>No. | Cansim<br>D<br>Numbers<br>Annual | Line<br>No. |
|---------------------|---------|-------|-------|-------|-------|-----|----|--------------|----------------------------------|-------------|
| I                   | II      | III   | IV    | I     | II    | III | IV |              |                                  |             |
| millions of dollars |         |       |       |       |       |     |    |              |                                  |             |
|                     |         |       |       |       |       |     |    | D            |                                  |             |
| + 214               | + 156   | + 89  | + 103 | + 15  | + 187 |     |    | 1            | 51060                            | 31          |
| - 51                | - 57    | + 1   | - 23  | - 28  | - 67  |     |    | 2            | 51064                            | 32          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| - 13                | - 6     | + 19  | - 4   | - 8   | - 5   |     |    | 3.1          | 51068                            | 33          |
| - 24                | - 6     | - 81  | - 36  | - 68  | - 83  |     |    | 3.2          | 51076                            | 34          |
| + 262               | + 430   | + 76  | + 348 | + 182 | + 297 |     |    | 4            | 51084                            | 35          |
| - 84                | - 93    | - 90  | - 139 | - 89  | - 108 |     |    | 5            | 51092                            | 36          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| + 76                | + 87    | + 87  | + 21  | - 14  | + 77  |     |    | 6            | 51100                            | 37          |
| - 2                 | - 5     | - 3   | - 2   | - 1   | - 1   |     |    | 7            | 51108                            | 38          |
| + 1                 | + 1     | + 1   | + 1   | + 1   | + 2   |     |    | 8            | 51116                            | 39          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| -                   | -       | -     | -     | -     | -     |     |    | 9            | 51124                            | 40          |
| -                   | -       | -     | -     | -     | -     |     |    | 10           | 51127                            | 41          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| -                   | -       | -     | -     | + 1   | -     |     |    | 11           | 51130                            | 42          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| -                   | - 2     | -     | - 4   | - 3   | -     |     |    | 12           | 51132                            | 43          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| + 1                 | + 25    | + 32  | + 32  | + 63  | + 74  |     |    | 13           | 51150                            | 44          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| + 380               | + 530   | + 131 | + 297 | + 51  | + 373 |     |    | E 1          | 51187                            | 45          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| + 271               | - 312   | + 435 | - 132 | + 572 | - 560 |     |    | D 17.1a      | 51159                            | 46          |
| + 9                 | - 46    | - 10  | - 24  | + 37  | + 15  |     |    | 17.1b        | 51160                            | 47          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| + 29                | - 38    | + 47  | - 31  | + 13  | - 29  |     |    | 14.1         | 51152                            | 48          |
| -                   | -       | -     | -     | -     | -     |     |    | 14.2         | 51154                            | 49          |
| -                   | -       | - 1   | -     | + 7   | - 2   |     |    | 14.3         | 51156                            | 50          |
| - 17                | - 84    | + 13  | - 30  | + 66  | - 38  |     |    | 17.2a        | 51167                            | 51          |
| + 106               | - 21    | - 120 | - 17  | + 36  | + 24  |     |    | 17.3         | 51168                            | 52          |
| + 165               | - 150   | - 53  | + 21  | + 222 | - 143 |     |    | 17.2b        | 51169                            | 53          |
| - 12                | - 41    | + 20  | + 5   | + 10  | - 6   |     |    | 17.4         | 51176                            | 54          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| - 529               | - 387   | + 410 | - 786 | - 183 | + 79  |     |    | 17.5         | 51186                            | 55          |
|                     |         |       |       |       |       |     |    |              |                                  |             |
| + 22                | - 1,079 | + 741 | - 994 | + 780 | - 660 |     |    | E 2          | 51188                            | 56          |
| + 402               | - 549   | + 872 | - 697 | + 831 | - 287 |     |    | E 3          | 51189                            | 57          |
| + 256               | - 661   | + 945 | - 907 | + 500 | - 619 |     |    |              | 51190                            | 58          |

(3) 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<br>(including re-exports)                               | 4,075 | 4,629 | 4,348 | 4,753 | 4,415 | 5,343 | 4,490 | 5,729 | 5,578 | 6,420 |     |    | 17,805 | 19,977 |      |
| Adjustments:  |       |       |       |       |       |       |       |       |       |       |     |    |        |        |      |
| Gold .....  | + 26  | + 26  | + 20  | + 27  | + 36  | + 36  | + 29  | + 30  | + 43  | + 32  |     |    | + 99   | + 131  |      |
| Wheat .....   | - 18  | + 37  | - 5   | - 18  | + 5   | + 12  | + 38  | - 44  | + 20  | + 10  |     |    | - 4    | + 11   |      |
| Aircraft and other<br>adjustments .....   | + 11  | + 5   | + 6   | + 5   | - 47  | - 1   | - 4   | - 2   | + 13  | + 9   |     |    | + 27   | - 54   |      |
| Equals merchandise<br>exports adjusted to<br>balance of payments<br>basis ..... | 4,094 | 4,697 | 4,369 | 4,767 | 4,409 | 5,390 | 4,553 | 5,713 | 5,654 | 6,471 |     |    | 17,927 | 20,065 |      |
| Trade of Canada IMPORTS   | 3,429 | 4,103 | 3,766 | 4,313 | 4,226 | 5,018 | 4,354 | 5,064 | 5,250 | 6,067 |     |    | 15,611 | 18,662 |      |
| Adjustments:  |       |       |       |       |       |       |       |       |       |       |     |    |        |        |      |
| Automotive products ..  | - 25  | - 1   | - 3   | - 50  | - 40  | - 38  | - 7   | -     | - 9   | -     |     |    | - 79   | - 85   |      |
| Aircraft and other<br>equipment .....   | + 2   | + 29  | - 7   | + 5   | + 7   | -     | + 5   | -     | + 37  | - 20  |     |    | + 29   | + 12   |      |
| Gold .....  | + 1   | + 1   | + 1   | + 2   | + 5   | + 3   | + 3   | + 9   | + 6   | + 5   |     |    | + 5    | + 20   |      |
| Other adjustments ....  | - 9   | - 9   | - 10  | - 10  | - 11  | - 12  | - 10  | - 11  | - 12  | - 13  |     |    | - 38   | - 44   |      |
| Equals merchandise<br>imports adjusted to<br>balance of payments<br>basis ..... | 3,398 | 4,123 | 3,747 | 4,260 | 4,187 | 4,971 | 4,345 | 5,062 | 5,272 | 6,039 |     |    | 15,528 | 18,565 |      |
| Trade balance on balance<br>of payments basis ....                              | + 696 | + 574 | + 622 | + 507 | + 222 | + 419 | + 208 | + 651 | + 382 | + 432 |     |    | +2,399 | +1,500 |      |

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 |     |     |     |      |     |     |     |      |     |     |    |      |       |       |
| Receipts        |                     |     |     |     |      |     |     |     |      |     |     |    |      |       |       |
| Interest .....  | 57                  | 57  | 57  | 79  | 55   | 58  | 60  | 82  | 61   | 67  |     |    |      | 250   | 255   |
| Dividends ..... | 83                  | 69  | 55  | 101 | 66   | 75  | 129 | 102 | 98   | 89  |     |    |      | 308   | 372   |
| Totals .....    | 140                 | 126 | 112 | 180 | 121  | 133 | 189 | 184 | 159  | 156 |     |    |      | 558   | 627   |
| Payments        |                     |     |     |     |      |     |     |     |      |     |     |    |      |       |       |
| Interest .....  | 195                 | 202 | 196 | 192 | 204  | 212 | 203 | 228 | 221  | 252 |     |    |      | 785   | 847   |
| Dividends ..... | 185                 | 165 | 177 | 387 | 179  | 155 | 148 | 287 | 228  | 186 |     |    |      | 914   | 769   |
| Totals .....    | 380                 | 367 | 373 | 579 | 383  | 367 | 351 | 515 | 449  | 438 |     |    |      | 1,699 | 1,616 |

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 .....                  | 36   | 46  | 42  | 57  | 49   | 51  | 44  | 47  | 41   | 42  |     |    | 181   | 191   |      |
| Miscellaneous income(1) .....                  | 91   | 99  | 109 | 99  | 81   | 71  | 77  | 88  | 96   | 95  |     |    | 398   | 317   |      |
| Business services and other transactions ..... | 180  | 190 | 182 | 193 | 193  | 204 | 196 | 210 | 204  | 209 |     |    | 745   | 803   |      |
| Totals .....                                   | 307  | 335 | 333 | 349 | 323  | 326 | 317 | 345 | 341  | 346 |     |    | 1,324 | 1,311 |      |
| <u>Payments</u>                                |      |     |     |     |      |     |     |     |      |     |     |    |       |       |      |
| Government transactions .....                  | 62   | 47  | 49  | 48  | 66   | 51  | 49  | 56  | 66   | 56  |     |    | 206   | 222   |      |
| Miscellaneous income(1) .....                  | 132  | 140 | 138 | 145 | 131  | 138 | 128 | 139 | 133  | 147 |     |    | 555   | 536   |      |
| Business services and other transactions ..... | 278  | 339 | 339 | 359 | 315  | 372 | 350 | 379 | 347  | 386 |     |    | 1,315 | 1,416 |      |
| Totals .....                                   | 472  | 526 | 526 | 552 | 512  | 561 | 527 | 574 | 546  | 589 |     |    | 2,076 | 2,174 |      |

(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   | 21 |     |    | 93   | 75   |      |
| Africa .....                             | 2                   | 6  | 13  | 13 | 13   | 12 | 11  | 17 | 12   | 17 |     |    | 34   | 53   |      |
| Western Hemisphere .....                 | 3                   | 3  | 4   | 2  | 3    | 3  | 3   | 6  | 5    | 4  |     |    | 12   | 15   |      |
| Other .....                              | -                   | -  | -   | -  | -    | -  | -   | -  | 5    | -  |     |    | -    | -    |      |
| <u>International investment agencies</u> |                     |    |     |    |      |    |     |    |      |    |     |    |      |      |      |
| Global .....                             | -                   | -  | -   | 50 | -    | 16 | -   | 54 | 1    | -  |     |    | 50   | 70   |      |
| Western Hemisphere .....                 | 1                   | 2  | -   | -  | 1    | 33 | 2   | -  | 1    | -  |     |    | 3    | 36   |      |
| Asia .....                               | -                   | -  | -   | -  | -    | -  | -   | -  | -    | -  |     |    | -    | -    |      |
| Totals .....                             | 24                  | 37 | 46  | 85 | 32   | 84 | 38  | 95 | 39   | 42 |     |    | 192  | 249  |      |



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 .....          | 496   | 56                  | 114                      | 71   | 16     | 25    | 214                         | 271          | 225               | 407                    | 89      |
| 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 .....            | 156   | 33                  | 24                       | 15   | 3      | 3     | 78                          | 86           | 70                | 119                    | 37      |
| 1973 I .....        | 102   | 5                   | 24                       | 15   | 2      | 8     | 48                          | 43           | 59                | 78                     | 24      |
| II .....            | 140   | 10                  | 14                       | 15   | 6      | 4     | 91                          | 99           | 41                | 126                    | 14      |
| III .....           |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| IV .....            |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| Credits repaid      |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| 1971 .....          | 190   | 2                   | 41                       | 26   | 2      | 2     | 117                         | 137          | 53                | 129                    | 61      |
| 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 .....            | 51    | 1                   | 13                       | 10   | 2      | 1     | 24                          | 38           | 13                | 37                     | 14      |
| III .....           |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| IV .....            |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| Credits extended    |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| 1971 .....          | + 230 | + 21                | + 68                     | + 48 | + 9    | + 29  | + 55                        | + 118        | + 112             | + 168                  | + 62    |
| 1972 .....          | + 251 | + 56                | + 67                     | + 22 | + 11   | + 20  | + 75                        | + 94         | + 157             | + 241                  | + 10    |
| 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 .....            | + 61  | + 33                | + 13                     | + 1  | + 1    | + 1   | + 12                        | + 7          | + 54              | + 45                   | + 16    |
| 1973 I .....        | + 23  | + 4                 | + 6                      | + 6  | + 1    | + 7   | - 1                         | - 14         | + 37              | + 18                   | + 5     |
| II .....            | + 89  | + 9                 | + 1                      | + 5  | + 4    | + 3   | + 67                        | + 61         | + 28              | + 89                   | -       |
| III .....           |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| IV .....            |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| Credits outstanding |       |                     |                          |      |        |       |                             |              |                   |                        |         |
| June 30, 1973 ..... | 1,221 | 94                  | 331                      | 535  | 28     | 170   | 63                          | 480          | 741               | 946                    | 275     |

(1) Medium and long-term.

Note: Credits extended represent a capital outflow.

TABLE 10. Foreign Currency Assets and Liabilities of Head Offices and Branches in Canada of the Canadian Chartered Banks

|                                | Net transactions    |         |       |       |       |       |       |         |     |    | Amount<br>out-<br>stand-<br>ing<br>June 30,<br>1973 |
|--------------------------------|---------------------|---------|-------|-------|-------|-------|-------|---------|-----|----|---|
|                                | 1971                | 1972    | 1972  |       |       |       | 1973  |         |     |    |   |
|                                |                     |         | I     | II    | III   | IV    | I     | II      | III | IV |   |
|                                | millions of dollars |         |       |       |       |       |       |         |     |    |   |
| Assets with residents of:      |                     |         |       |       |       |       |       |         |     |    |   |
| United States .....            | - 933               | - 87    | - 141 | + 244 | - 141 | - 49  | - 145 | + 421   |     |    | 2,309   |
| Other countries .....          | + 319               | + 1,288 | + 241 | + 156 | + 338 | + 553 | + 49  | + 703   |     |    | 6,915   |
| Total non-resident .....       | - 614               | + 1,201 | + 100 | + 400 | + 197 | + 504 | - 96  | + 1,124 |     |    | 9,224   |
| Canada .....                   | - 43                | - 100   | - 13  | - 121 | + 35  | - 1   | + 91  | - 27    |     |    | 1,112   |
| Totals .....                   | - 657               | + 1,101 | + 87  | + 279 | + 232 | + 503 | - 5   | + 1,097 |     |    | 10,336  |
| Liabilities with residents of: |                     |         |       |       |       |       |       |         |     |    |   |
| United States .....            | + 592               | + 175   | + 130 | - 68  | + 294 | - 181 | + 427 | - 139   |     |    | 1,845   |
| Other countries .....          | + 198               | + 1,663 | + 428 | + 974 | + 43  | + 218 | - 202 | + 1,095 |     |    | 7,463   |
| Total non-resident .....       | + 790               | + 1,838 | + 558 | + 906 | + 337 | + 37  | + 225 | + 956   |     |    | 9,308   |
| Canada - swapped deposits ..   | - 951               | - 472   | - 237 | - 222 | - 67  | + 54  | + 82  | + 198   |     |    | 537   |
| - other .....                  | - 519               | + 383   | + 34  | + 22  | - 25  | + 352 | - 39  | + 212   |     |    | 1,529   |
| Total Canada .....             | - 1,470             | - 89    | - 203 | - 200 | - 92  | + 406 | + 43  | + 410   |     |    | 2,066   |
| Totals .....                   | - 680               | + 1,749 | + 355 | + 706 | + 245 | + 443 | + 268 | + 1,366 |     |    | 11,374  |
| Net assets with residents of:  |                     |         |       |       |       |       |       |         |     |    |   |
| United States .....            | - 1,525             | - 262   | - 271 | + 312 | - 435 | + 132 | - 572 | + 560   |     |    | + 464   |
| Other countries .....          | + 121               | - 375   | - 187 | - 818 | + 295 | + 335 | + 251 | - 392   |     |    | - 548   |
| Total non-resident(a) ....     | - 1,404             | - 637   | - 458 | - 506 | - 140 | + 467 | - 321 | + 168   |     |    | - 84  |
| Canada .....                   | + 1,427             | - 11    | + 190 | + 79  | + 127 | - 407 | + 48  | - 437   |     |    | - 954   |
| Totals .....                   | + 23                | - 648   | - 268 | - 427 | - 13  | + 60  | - 273 | - 269   |     |    | - 1,038   |

Note: This table shows the foreign currency banking operations (excluding gold) of the Canadian chartered banks. The effect on Canada's balance of payments is identified under the amounts opposite(a) which are shown in the main tables as item 017.1a. The transactions figures are based on data published monthly in the Bank of Canada Review, but have been adjusted so as to eliminate changes in value resulting from variations in exchange rates.

TABLE 11. Transactions in Selected Money Market Instruments

|  | 1972                | 1972<br>IVQ | 1973  |       |       |       |      |
|--|---------------------|-------------|-------|-------|-------|-------|------|
|  |                     |             | IQ    | IIQ   | April | May   | June |
|  | millions of dollars |             |       |       |       |       |      |
| Canadian commercial paper:             |                     |             |       |       |       |       |      |
| Sales .....                            | 803                 | 260         | 465   | 405   | 149   | 141   | 115  |
| Purchases (including maturities) ..... | 922                 | 291         | 398   | 443   | 167   | 112   | 164  |
| Net .....                              | - 119               | - 31        | + 67  | - 38  | - 18  | + 29  | - 49 |
| Finance company paper:                 |                     |             |       |       |       |       |      |
| Sales .....                            | 2,799               | 576         | 1,100 | 1,358 | ..    | ..    | ..   |
| Purchases (including maturities) ..... | 2,849               | 592         | 1,065 | 1,335 | ..    | ..    | ..   |
| Net .....                              | - 50                | - 16        | + 35  | + 23  | ..    | ..    | ..   |
| Other Canadian short-term paper(1):    |                     |             |       |       |       |       |      |
| Sales .....                            | 2,049               | 656         | 1,569 | 1,181 | 326   | 458   | 397  |
| Purchases (including maturities) ..... | 2,066               | 656         | 1,346 | 1,322 | 387   | 571   | 364  |
| Net .....                              | - 17                | -           | + 223 | - 141 | - 61  | - 113 | + 33 |

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



TABLE 12. CANADA'S GENERAL ACCOUNT WITH THE INTERNATIONAL MONETARY FUND(1)

| Period          | Canadian assets                        |                       |                 | Canadian Liabilities<br>(equals IMF holdings of Canadian dollars) |                               |                             |   |                      |  |                           |       | Canada's<br>net<br>balance<br>with<br>IMF(2)            |       |
|-----------------|--|-----------------------|-----------------|---|-------------------------------|-----------------------------|---|----------------------|--|---------------------------|-------|---|-------|
|                 | Transactions                           |                       | Total<br>assets | Transactions  |                               |                             |   |                      |  | Total<br>liabil-<br>ities |       |   |       |
|                 | Subscrip-<br>tion to<br>IMF<br>(Quote) | Loans<br>under<br>GAB |                 | Subscrip-<br>tions and<br>loans                                   | Foreign<br>currencies         |                             | Canadian<br>dollars                       |                      | Sales by<br>Canada<br>of<br>Canadian<br>dollars<br>for gold<br>or SDRs |                           | Other |   |       |
|                 |  |                       |                 |   | Draw-<br>ings<br>by<br>Canada | Re-<br>pay-<br>ments<br>(-) | Drawings<br>by other<br>count-<br>ries(-) | Re-<br>pay-<br>ments |  |                           |       |   |       |
|                 |  |                       |                 |   |                               | millions of SDRs            |   |                      |  |                           |       | expressed in<br>millions of<br>United States<br>dollars |       |
| 1962-1963 ..... | 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   | 478.1 |
| 1970 .....      | 360.0                                  | 24.5                  | 1,220.0         | 294.5   |                               |                             | - 186.0                                   | 40.3                 | 45.2   | - 1.0(3)                  | 550.4 | 669.6   | 669.6 |
| 1971 .....      |  | - 120.0               | 1,100.0         | - 120.0   |                               |                             | - 85.6                                    | 351.3                | 66.3   | 5.0(5)                    | 767.4 | 332.6   | 332.6 |
| 1972 .....      |  |                       | 1,100.0         |   |                               |                             | - 79.9                                    | 93.9                 |  | 2.7(5)                    | 784.1 | 315.9   | 342.9 |
| 1973 .....      |  |                       |                 |   |                               |                             |   |                      |  |                           |       |   |       |
| 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 .....        |  |                       | 1,100.0         |   |                               |                             | - 17.2                                    | 13.3                 |  |                           | 797.9 | 302.1   | 328.0 |
| 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.

(6) 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 13. FOREIGN EXCHANGE RATES

| Period       | United States dollar in Canada(1) |       |        |                 |  | Other currencies in Canada(2) |                 |                   |                |                 |  |
|--------------|-----------------------------------|-------|--------|-----------------|--|-------------------------------|-----------------|-------------------|----------------|-----------------|--|
|              | Spot rates                        |       |        |                 | Premium<br>(+) or dis-<br>count (-)<br>on forward<br>U.S.<br>dollar(3) | Pound<br>sterling             | French<br>franc | Deutsche-<br>mark | Swiss<br>franc | Japanese<br>yen |  |
|              | High                              | Low   | Close  | Noon<br>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   | 241.19                        | 20.89           | 33.28             | 29.02          | .3574           |  |
| II .....     | 100.36                            | 99.50 | 99.82  | 99.98           | - 0.16   | 253.04                        | 22.60           | 36.63             | 31.72          | .3778           |  |
| III .....    |                                   |       |        |                 |  |                               |                 |                   |                |                 |  |
| IV .....     |                                   |       |        |                 |  |                               |                 |                   |                |                 |  |
| April .....  | 100.36                            | 99.84 | 100.36 | 100.06          | - 0.19   | 248.56                        | 21.98           | 35.29             | 30.89          | .3771           |  |
| May .....    | 100.36                            | 99.50 | 99.60  | 100.05          | - 0.15   | 253.11                        | 22.35           | 35.86             | 31.54          | .3781           |  |
| June .....   | 100.06                            | 99.56 | 99.82  | 99.83           | - 0.15   | 257.23                        | 23.48           | 38.74             | 32.74          | .3782           |  |

(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 rates shown.

TABLE 14. CANADA'S OFFICIAL INTERNATIONAL MONETARY ASSETS AND LIABILITIES

| Line 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 | + 180 | + 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 14. CANADA'S OFFICIAL INTERNATIONAL MONETARY ASSETS AND LIABILITIES

| 1972   |             | 1973        |             |     |    |             |              |             | Line<br>No. |
|--|-------------|-------------|-------------|-----|----|-------------|--------------|-------------|-------------|
| III  | IV          | I           | II          | III | IV | April       | May          | June        |             |
| millions of United States dollars at end of period |             |             |             |     |    |             |              |             |             |
| 4,536<br>16  | 4,355<br>13 | 4,294<br>11 | 4,177<br>14 |     |    | 4,226<br>14 | 4,179<br>106 | 4,177<br>14 | 1<br>2      |
| 834  | 834         | 834         | 834         |     |    | 834         | 834          | 834         | 3           |
| 505  | 505         | 505         | 507         |     |    | 507         | 507          | 507         | 4           |
| 330  | 343         | 324         | 328         |     |    | 326         | 324          | 328         | 5           |
| 6,221  | 6,050       | 5,968       | 5,860       |     |    | 5,907       | 5,950        | 5,860       | 6           |
| -  | -           | -           | -           |     |    | -           | -            | -           | 7           |
| -  | -           | -           | -           |     |    | -           | -            | -           | 8           |
| -  | -           | -           | -           |     |    | -           | -            | -           | 9           |
| -  | -           | -           | -           |     |    | -           | -            | -           | 10          |
| 6,221  | 6,050       | 5,968       | 5,860       |     |    | 5,907       | 5,950        | 5,860       | 11          |
| millions of Canadian dollars                       |             |             |             |     |    |             |              |             |             |
| + 3  | - 169       | - 82        | - 107       |     |    | - 60        | + 42         | - 89        | 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 15. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS.  
ANNUAL HISTORICAL SERIES

Current Account

| Line No. | Acct. No. | Item  | Between Canada and All countries |         |         |         |         |
|----------|-----------|---|----------------------------------|---------|---------|---------|---------|
|          |           |   | 1964                             | 1965    | 1966    | 1967    | 1968(1) |
|          |           |   | millions of dollars              |         |         |         |         |
|          | A         | <u>Current receipts</u>                         |                                  |         |         |         |         |
| 1        | 1         | Merchandise exports (adjusted)(2) .....         | 8,238                            | 8,745   | 10,326  | 11,338  | 13,660  |
|          |           | Service receipts                                |                                  |         |         |         |         |
| 2        | 3         | Gold production available for export .....      | 145                              | 138     | 127     | 112     | 33      |
| 3        | 4         | Travel .....                                    | 662                              | 747     | 840     | 1,318   | 978     |
| 4        | 5         | Interest and dividends .....                    | 332                              | 322     | 318     | 295     | 353     |
| 5        | 6         | Freight and shipping .....                      | 644                              | 668     | 758     | 830     | 891     |
| 6        | (part)11  | Other service receipts .....                    | 482                              | 562     | 676     | 770     | 840     |
| 7        |           | Total service receipts .....                    | 2,265                            | 2,437   | 2,719   | 3,325   | 3,095   |
| 8        |           | Sub-totals, exports of goods and services(3) .. | 10,503                           | 11,182  | 13,045  | 14,663  | 16,755  |
|          |           | Transfer receipts                               |                                  |         |         |         |         |
| 9        | 7         | Inheritances and immigrants' funds .....        | 169                              | 216     | 268     | 329     | 370     |
| 10       | (part)11  | Personal and institutional remittances(4) ..... | 75                               | 83      | 83      | 93      | 95      |
| 11       | ..        | Withholding tax (5) .....                       | 140                              | 167     | 204     | 218     | 209     |
| 12       | 12        | Total current receipts .....                    | 10,887                           | 11,648  | 13,600  | 15,303  | 17,429  |
|          | B         | <u>Current payments</u>                         |                                  |         |         |         |         |
| 13       | 1         | Merchandise imports (adjusted)(2) .....         | 7,537                            | 8,627   | 10,102  | 10,772  | 12,247  |
|          |           | Service payments                                |                                  |         |         |         |         |
| 14       | 4         | Travel .....                                    | 712                              | 796     | 900     | 895     | 1,008   |
| 15       | 5         | Interest and dividends .....                    | 1,010                            | 1,086   | 1,140   | 1,211   | 1,259   |
| 16       | 6         | Freight and shipping .....                      | 679                              | 761     | 823     | 861     | 931     |
| 17       | (part)11  | Other service payments .....                    | 835                              | 904     | 1,090   | 1,277   | 1,441   |
| 18       | ..        | Withholding tax(5) .....                        | 140                              | 167     | 204     | 218     | 209     |
| 19       |           | Total service payments .....                    | 3,376                            | 3,714   | 4,157   | 4,462   | 4,848   |
| 20       |           | Sub-totals, imports of goods and services(3) .. | 10,913                           | 12,341  | 14,259  | 15,234  | 17,095  |
|          |           | Transfer payments                               |                                  |         |         |         |         |
| 21       | 7         | Inheritances and emigrants' funds .....         | 201                              | 211     | 198     | 213     | 209     |
| 22       | (part)11  | Personal and institutional remittances(4) ..... | 128                              | 133     | 139     | 173     | 148     |
| 23       | 9         | Official contributions .....                    | 69                               | 93      | 166     | 182     | 133     |
| 24       | 12        | Total current payments .....                    | 11,311                           | 12,778  | 14,762  | 15,802  | 17,585  |
|          | C         | <u>Current account balance</u>                  |                                  |         |         |         |         |
| 25       | 1         | Merchandise trade .....                         | + 701                            | + 118   | + 224   | + 566   | + 1,413 |
|          |           | Service transactions                            |                                  |         |         |         |         |
| 26       |           | Gold production available for export .....      | + 145                            | + 138   | + 127   | + 112   | + 33    |
| 27       |           | Travel .....                                    | - 50                             | - 49    | - 60    | + 423   | - 30    |
| 28       |           | Interest and dividends .....                    | - 678                            | - 764   | - 822   | - 916   | - 906   |
| 29       |           | Freight and shipping .....                      | - 35                             | - 93    | - 65    | - 31    | - 40    |
| 30       |           | Other service transactions .....                | - 353                            | - 342   | - 414   | - 507   | - 601   |
| 31       |           | Withholding tax .....                           | - 140                            | - 167   | - 204   | - 218   | - 209   |
| 32       |           | Balance on service transactions .....           | - 1,111                          | - 1,277 | - 1,438 | - 1,137 | - 1,753 |
| 33       |           | Balance on goods and services .....             | - 410                            | - 1,159 | - 1,214 | - 571   | - 340   |
| 34       |           | Net transfers .....                             | - 14                             | + 29    | + 52    | + 72    | + 184   |
| 35       | 4         | Total current account balance .....             | - 424                            | - 1,130 | - 1,162 | - 499   | - 156   |

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

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

TABLE 15. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS,  
ANNUAL HISTORICAL SERIES

Current Account

| Between Canada and All Countries |         |         |         | Between Canada and the United States(1) |         |         |         |         |         |         |         |         | Acct. No. | Line No. |
|----------------------------------|---------|---------|---------|---|---------|---------|---------|---------|---------|---------|---------|---------|-----------|----------|
| 1969                             | 1970    | 1971    | 1972    | 1964                                    | 1965    | 1966    | 1967    | 1968(1) | 1969    | 1970    | 1971    | 1972    |           |          |
| millions of dollars              |         |         |         |   |         |         |         |         |         |         |         |         |           |          |
|                                  |         |         |         |   |         |         |         |         |         |         |         |         | A         |          |
| 15,339                           | 16,907  | 17,927  | 20,065  | 4,396                                   | 4,993   | 6,249   | 7,277   | 9,199   | 10,610  | 10,962  | 12,063  | 13,991  | 1         | 1        |
| ...                              | ...     | ...     | ...     | 145                                     | 138     | 127     | 112     | 33      | ...     | ...     | ...     | ...     | 3         | 2        |
| 1,074                            | 1,234   | 1,246   | 1,230   | 590                                     | 660     | 730     | 1,164   | 891     | 961     | 1,082   | 1,092   | 1,023   | 4         | 3        |
| 451                              | 528     | 558     | 627     | 190                                     | 204     | 194     | 176     | 231     | 260     | 336     | 363     | 361     | 5         | 4        |
| 935                              | 1,126   | 1,182   | 1,218   | 301                                     | 337     | 411     | 425     | 467     | 523     | 590     | 670     | 719     | 6         | 5        |
| 1,262                            | 1,376   | 1,324   | 1,311   | 308                                     | 353     | 429     | 491     | 573     | 743     | 766     | 660     | 658     | (part)11  | 6        |
| 3,722                            | 4,264   | 4,310   | 4,386   | 1,534                                   | 1,692   | 1,891   | 2,368   | 2,195   | 2,487   | 2,774   | 2,785   | 2,761   |           | 7        |
| 15,761                           | 21,171  | 22,237  | 24,451  | 5,930                                   | 6,685   | 8,140   | 9,645   | 11,394  | 13,097  | 13,736  | 14,848  | 16,752  |           | 8        |
| 365                              | 389     | 432     | 443     | 77                                      | 91      | 106     | 105     | 137     | 155     | 165     | 181     | 168     | 7         | 9        |
| 95                               | 107     | 165     | 176     | 51                                      | 56      | 55      | 57      | 54      | 54      | 66      | 119     | 129     | (part)11  | 10       |
| 234                              | 269     | 278     | 288     | ..                                      | ..      | ..      | ..      | ..      | ..      | ..      | ..      | ..      | ..        | 11       |
| 19,436                           | 21,936  | 23,112  | 25,358  | 6,058                                   | 6,832   | 8,301   | 9,807   | 11,585  | 13,306  | 13,967  | 15,148  | 17,049  | 12        |          |
|                                  |         |         |         |   |         |         |         |         |         |         |         |         | B         |          |
| 14,071                           | 13,859  | 15,528  | 18,565  | 5,204                                   | 6,034   | 7,242   | 7,846   | 8,867   | 10,127  | 9,828   | 10,868  | 12,783  | 1         | 13       |
| 1,332                            | 1,460   | 1,448   | 1,464   | 481                                     | 548     | 628     | 627     | 710     | 893     | 936     | 898     | 919     | 4         | 14       |
| 1,366                            | 1,550   | 1,699   | 1,616   | 850                                     | 906     | 985     | 1,058   | 1,074   | 1,143   | 1,306   | 1,444   | 1,341   | 5         | 15       |
| 996                              | 1,106   | 1,204   | 1,300   | 399                                     | 465     | 530     | 522     | 561     | 562     | 587     | 602     | 689     | 6         | 16       |
| 1,862                            | 1,998   | 2,076   | 2,174   | 561                                     | 615     | 756     | 893     | 984     | 1,242   | 1,313   | 1,472   | 1,544   | (part)11  | 17       |
| 234                              | 269     | 278     | 288     | ..                                      | ..      | ..      | ..      | ..      | ..      | ..      | ..      | ..      | ..        | 18       |
| 5,750                            | 6,383   | 6,705   | 6,842   | 2,291                                   | 2,534   | 2,899   | 3,100   | 3,329   | 3,840   | 4,142   | 4,416   | 4,493   | ..        | 19       |
| 19,321                           | 20,242  | 22,233  | 25,407  | 7,495                                   | 8,568   | 10,141  | 10,946  | 12,196  | 13,967  | 13,970  | 15,284  | 17,276  |           | 20       |
| 204                              | 199     | 185     | 182     | 157                                     | 160     | 145     | 156     | 145     | 127     | 114     | 105     | 108     | 7         | 21       |
| 204                              | 212     | 215     | 227     | 41                                      | 41      | 45      | 47      | 49      | 50      | 55      | 55      | 60      | (part)11  | 22       |
| 144                              | 201     | 201     | 222     | -                                       | -       | -       | -       | -       | -       | -       | -       | -       | 9         | 23       |
| 20,373                           | 20,854  | 22,834  | 26,038  | 7,693                                   | 8,769   | 10,331  | 11,149  | 12,390  | 14,144  | 14,139  | 15,444  | 17,444  | 12        | 24       |
|                                  |         |         |         |   |         |         |         |         |         |         |         |         | C         |          |
| + 365                            | + 3,048 | + 2,399 | + 1,500 | - 808                                   | - 1,041 | - 993   | - 569   | + 332   | + 483   | + 1,134 | + 1,195 | + 1,208 | 1         | 25       |
| ...                              | ...     | ...     | ...     | + 145                                   | + 138   | + 127   | + 112   | + 33    | ...     | ...     | ...     | ...     |           | 26       |
| - 218                            | - 226   | - 202   | - 234   | + 109                                   | + 112   | + 102   | + 537   | + 181   | + 68    | + 146   | + 194   | + 104   |           | 27       |
| - 915                            | - 1,022 | - 1,141 | - 989   | - 660                                   | - 702   | - 791   | - 882   | - 843   | - 883   | - 970   | - 1,081 | - 980   |           | 28       |
| - 61                             | + 20    | - 22    | - 82    | - 98                                    | - 128   | - 119   | - 97    | - 94    | - 39    | + 3     | + 68    | + 30    |           | 29       |
| - 600                            | - 622   | - 752   | - 863   | - 253                                   | - 262   | - 327   | - 402   | - 411   | - 499   | - 547   | - 812   | - 886   |           | 30       |
| - 234                            | - 269   | - 278   | - 288   | ..                                      | ..      | ..      | ..      | ..      | ..      | ..      | ..      | ..      |           | 31       |
| - 2,028                          | - 2,119 | - 2,395 | - 2,456 | - 757                                   | - 842   | - 1,008 | - 732   | - 1,134 | - 1,353 | - 1,368 | - 1,631 | - 1,732 |           | 32       |
| - 1,060                          | + 929   | + 4     | - 956   | - 1,565                                 | - 1,883 | - 2,001 | - 1,301 | - 802   | - 870   | - 234   | - 436   | - 524   |           | 33       |
| + 143                            | + 153   | + 274   | + 276   | - 70                                    | - 54    | - 29    | - 41    | - 3     | + 32    | + 62    | + 140   | + 129   |           | 34       |
| - 917                            | + 1,082 | + 278   | - 680   | - 1,635                                 | - 1,937 | - 2,030 | - 1,342 | - 805   | - 838   | - 172   | - 296   | - 395   | 4         | 35       |

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

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

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

TABLE 15. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS.  
ANNUAL HISTORICAL SERIES - Concluded

Capital Account(6)

| Line No. | Acct. No. | Item   | Between Canada and All Countries |         |         |         |         |
|----------|-----------|--|----------------------------------|---------|---------|---------|---------|
|          |           |  | 1964                             | 1965    | 1966    | 1967    | 1968(1) |
|          |           |  | millions of dollars              |         |         |         |         |
|          | D         | Direct investment(7)   |                                  |         |         |         |         |
| 36       | 1         | In Canada .....  | + 270                            | + 535   | + 790   | + 691   | + 590   |
| 37       | 2         | Abroad .....   | - 95                             | - 125   | - 5     | - 125   | - 225   |
|          |           | Portfolio transactions   |                                  |         |         |         |         |
|          |           | Canadian securities  |                                  |         |         |         |         |
| 38       | 3.1       | Outstanding bonds .....  | + 77                             | + 55    | - 104   | - 57    | - 70    |
| 39       | 3.2       | Outstanding stocks .....   | - 98                             | - 274   | - 136   | + 12    | + 114   |
| 40       | 4         | New issues .....   | + 1,100                          | + 1,240 | + 1,465 | + 1,307 | + 1,917 |
| 41       | 5         | Retirements .....  | - 382                            | - 390   | - 499   | - 357   | - 431   |
|          |           | Foreign securities   |                                  |         |         |         |         |
| 42       | 6         | Outstanding issues .....   | - 31                             | - 53    | - 361   | - 382   | - 420   |
| 43       | 7         | New issues .....   | - 31                             | - 57    | - 57    | - 65    | - 77    |
| 44       | 8         | Retirements .....  | + 10                             | + 25    | + 17    | + 15    | + 30    |
|          |           | Loans and subscriptions - Government of Canada   |                                  |         |         |         |         |
| 45       | 9         | Advances .....   | - 10                             | - 14    | - 35    | - 38    | - 78    |
| 46       | 10        | Repayments .....   | + 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<br>Government of Canada .....                                   | - 164                            | - 187   | - 41    | + 107   | + 29    |
| 49       | 13        | Other long-term capital transactions .....   | + 40                             | + 36    | + 138   | + 229   | + 197   |
| 50       | E 1       | Balance of capital movements in long-term forms<br>(lines 36-49) .....   | + 750                            | + 833   | + 1,228 | + 1,415 | + 1,669 |
| 51       | D 17.1a   | Resident holdings of foreign currencies:<br>Chartered bank net foreign currency position with<br>non-residents ..... | - 303                            | + 426   | - 467   | - 384   | - 488   |
| 52       | 17.1b     | Non-bank holdings of foreign currencies abroad .....   | - 27                             | - 11    | - 53    | + 22    | + 39    |
|          |           | Non-resident holdings of Canadian:   |                                  |         |         |         |         |
| 53       | 14.1      | Dollar deposits .....  | + 28                             | + 31    | + 11    | + 24    | + 72    |
| 54       | 14.2      | Government demand liabilities .....  | -                                | + 2     | + 5     | - 4     | + 21    |
| 55       | 14.3      | Treasury bills .....   | - 16                             | + 12    | - 15    | + 4     | + 48    |
| 56       | 17.2a     | Commercial paper .....   | - 11                             | - 15    | + 16    | - 11    | + 2     |
| 57       | 17.3      | Finance company paper .....  | + 196                            | - 162   | - 1     | - 64    | - 132   |
| 58       | 17.2b     | Other short-term paper .....   | -                                | + 25    | - 12    | + 24    | - 2     |
| 59       | 17.4      | Other finance company obligations .....  | + 52                             | + 209   | + 154   | + 35    | + 24    |
| 60       | 17.5      | Other short-term capital transactions(8) .....   | + 119                            | - 62    | - 63    | - 542   | - 748   |
| 61       | E 2       | Balance of capital movements in short-term forms<br>(lines 51-60) .....  | + 38                             | + 455   | - 425   | - 896   | - 1,164 |
| 62       | E 3       | Total net capital balance .....  | + 788                            | + 1,288 | + 803   | + 519   | + 505   |
| 63       | G         | Balance settled by exchange transfers .....  | -                                | -       | -       | -       | -       |
| 64       | ..        | Allocation of Special Drawing Rights .....   | ...                              | ...     | ...     | ...     | ...     |
|          | H         | Net official monetary movements(9):  |                                  |         |         |         |         |
| 65       | 4         | Official international reserves .....  | + 297                            | + 158   | - 360   | + 17    | + 350   |
| 66       | 5         | Official monetary liabilities .....  | + 67                             | -       | + 1     | + 3     | - 1     |
| 67       | 6         | Net official monetary movements .....  | + 364                            | + 158   | - 359   | + 20    | + 349   |

(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 15. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS,  
ANNUAL HISTORICAL SERIES - Concluded

Capital Account(6)

| Between Canada and All Countries |         |         |         | Between Canada and the United States |         |         |         |         |         |         |         |         | Acct. No. | Line No. |  |
|----------------------------------|---------|---------|---------|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|----------|--|
| 1969                             | 1970    | 1971    | 1972    | 1964                                 | 1965    | 1966    | 1967    | 1968(1) | 1969    | 1970    | 1971    | 1972    |           |          |  |
| millions of dollars              |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           | D        |  |
| + 720                            | + 835   | + 880   | + 680   | + 188                                | + 421   | + 718   | + 575   | + 354   | + 564   | + 575   | + 559   | + 562   | 1         | 36       |  |
| - 370                            | - 295   | - 220   | - 385   | - 35                                 | - 24    | + 87    | - 72    | - 108   | - 287   | - 238   | - 111   | - 130   | 2         | 37       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| + 2                              | - 39    | - 94    | + 293   | + 38                                 | + 21    | - 72    | - 63    | - 67    | - 27    | - 69    | - 72    | - 4     | 3.1       | 38       |  |
| + 53                             | - 145   | - 144   | - 63    | - 52                                 | - 195   | - 95    | + 77    | + 104   | + 2     | - 79    | - 41    | - 147   | 3.2       | 39       |  |
| + 2,089                          | + 1,227 | + 1,186 | + 1,816 | + 1,040                              | + 1,200 | + 1,409 | + 1,239 | + 1,391 | + 1,502 | + 1,026 | + 885   | + 1,116 | 4         | 40       |  |
| - 440                            | - 552   | - 826   | - 542   | - 300                                | - 330   | - 456   | - 301   | - 376   | - 382   | - 395   | - 632   | - 406   | 5         | 41       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| - 112                            | + 98    | + 259   | + 302   | - 26                                 | - 49    | - 344   | - 355   | - 402   | + 112   | + 81    | + 271   | + 271   | 6         | 42       |  |
| - 47                             | - 34    | - 67    | - 57    | - 20                                 | - 28    | - 33    | - 38    | - 46    | - 30    | - 20    | - 25    | - 12    | 7         | 43       |  |
| + 37                             | + 10    | + 12    | + 9     | + 5                                  | + 5     | + 6     | + 8     | + 16    | + 7     | + 5     | + 6     | + 4     | 8         | 44       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| - 89                             | - 144   | - 192   | - 249   | -                                    | -       | -       | -       | -       | -       | -       | -       | -       | 9         | 45       |  |
| + 22                             | + 36    | + 36    | + 37    | -                                    | -       | -       | -       | -       | -       | -       | -       | -       | 10        | 46       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| + 32                             | + 31    | + 24    | -       | + 54                                 | + 32    | + 32    | + 44    | + 88    | + 32    | + 31    | + 24    | -       | 11        | 47       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| - 12                             | - 129   | - 230   | - 251   | + 9                                  | -       | + 25    | + 7     | + 8     | + 3     | + 1     | - 1     | - 6     | 12        | 48       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| + 228                            | - 147   | - 132   | + 198   | + 42                                 | + 21    | + 116   | + 196   | + 189   | + 173   | - 94    | - 92    | + 90    | 13        | 49       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| + 2,337                          | + 752   | + 492   | + 1,788 | + 943                                | + 1,074 | + 1,393 | + 1,317 | + 1,151 | + 1,669 | + 824   | + 771   | + 1,338 | E 1       | 50       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| - 506                            | - 122   | + 1,404 | + 637   | + 288                                | - 520   | - 517   | - 197   | - 464   | - 477   | + 55    | + 1,525 | + 262   | D 17.1a   | 51       |  |
| - 928                            | - 97    | - 561   | - 171   | + 11                                 | - 20    | + 20    | - 69    | - 20    | - 146   | + 43    | + 109   | - 71    | 17.1b     | 52       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| + 52                             | + 26    | + 92    | + 136   | + 34                                 | + 5     | + 17    | + 3     | + 24    | + 31    | + 44    | + 22    | + 7     | 14.1      | 53       |  |
| - 34                             | - 8     | + 50    | + 27    | - 2                                  | - 2     | - 1     | -       | -       | -       | -       | -       | -       | 14.2      | 54       |  |
| + 28                             | - 73    | - 3     | + 23    | - 16                                 | + 7     | - 1     | - 4     | - 3     | + 3     | - 4     | -       | - 1     | 14.3      | 55       |  |
| + 39                             | + 52    | + 52    | - 119   | - 11                                 | - 15    | + 3     | - 4     | + 1     | + 42    | + 50    | + 53    | - 118   | 17.2a     | 56       |  |
| + 177                            | + 193   | - 39    | - 50    | + 196                                | - 208   | - 33    | - 67    | - 62    | + 190   | + 116   | + 36    | - 52    | 17.3      | 57       |  |
| - 3                              | + 49    | + 75    | - 17    | -                                    | + 13    | - 1     | + 7     | + 10    | -       | + 48    | + 76    | - 17    | 17.2b     | 58       |  |
| + 116                            | - 103   | - 29    | - 21    | + 52                                 | + 205   | + 152   | + 32    | + 22    | + 113   | - 105   | - 25    | - 28    | 17.4      | 59       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| - 296                            | - 221   | - 1,034 | - 1,334 | + 141                                | - 102   | - 112   | - 467   | - 872   | - 221   | - 203   | - 1,014 | - 1,292 | 17.5      | 60       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| - 1,355                          | - 304   | + 7     | - 889   | + 693                                | - 637   | - 473   | - 766   | - 1,364 | - 465   | + 44    | + 782   | - 1,310 | E 2       | 61       |  |
| + 982                            | + 448   | + 499   | + 899   | + 1,636                              | + 437   | + 920   | + 551   | - 213   | + 1,204 | + 868   | + 1,553 | + 28    | E 3       | 62       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| -                                | -       | -       | -       | + 27                                 | + 1,543 | + 626   | + 771   | + 1,499 | - 578   | + 756   | - 198   | -       | G         | 63       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| ...                              | + 133   | + 119   | + 117   | -                                    | -       | -       | -       | -       | -       | -       | -       | -       | H         | 64       |  |
|                                  |         |         |         |                                      |         |         |         |         |         |         |         |         |           |          |  |
| + 65                             | + 1,662 | + 896   | + 336   | + 28                                 | + 43    | - 484   | - 20    | + 483   | - 212   | + 1,452 | + 1,059 | -       | 4         | 65       |  |
| -                                | + 1     | -       | -       | -                                    | -       | -       | -       | - 2     | -       | -       | -       | -       | 5         | 66       |  |
| + 65                             | + 1,663 | + 896   | + 336   | + 28                                 | + 43    | - 484   | - 20    | + 481   | - 212   | + 1,452 | + 1,059 | -       | 6         | 67       |  |

(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 14.

Note: Cansim D numbers for these annual series are shown in Table 1 (Global) or Table 4 (United States).

TABLE 16. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

Current Account(1) - Not Seasonally Adjusted

| Line No.                         | Acct. No. | Item   | All Countries |         | United States |         |
|----------------------------------|-----------|--|---------------|---------|---------------|---------|
|                                  |           |  | 1970          | 1971    | 1970          | 1971    |
| millions of dollars              |           |  |               |         |               |         |
| A <u>Current receipts</u>        |           |  |               |         |               |         |
| 1                                | 1         | Merchandise exports (adjusted)(2) .....            | 16,907        | 17,927  | 10,962        | 12,063  |
| Service receipts                 |           |  |               |         |               |         |
| 2                                | 4         | Travel .....                                       | 1,234         | 1,246   | 1,082         | 1,092   |
| 3                                | 5         | Interest and dividends .....                       | 528           | 558     | 336           | 363     |
| 4                                | 6         | Freight and shipping .....                         | 1,126         | 1,182   | 590           | 670     |
| 5                                | (part)11  | Other service receipts .....                       | 1,376         | 1,324   | 766           | 660     |
| 6                                |           | Total service receipts .....                       | 4,264         | 4,310   | 2,774         | 2,785   |
| 7                                |           | Sub-totals, exports of goods and services(3) ..... | 21,172        | 22,237  | 13,736        | 14,848  |
| Transfer receipts                |           |  |               |         |               |         |
| 8                                | 7         | Inheritances and immigrants' funds .....           | 389           | 432     | 165           | 181     |
| 9                                | (part)11  | Personal and institutional remittances(4) .....    | 107           | 165     | 66            | 119     |
| 10                               | ..        | Withholding tax(5) .....                           | 269           | 278     | -             | -       |
| 11                               | 12        | Total current receipts .....                       | 21,936        | 23,112  | 13,967        | 15,148  |
| B <u>Current payments</u>        |           |  |               |         |               |         |
| 12                               | 1         | Merchandise imports (adjusted)(2) .....            | 13,859        | 15,528  | 9,828         | 10,868  |
| Service payments                 |           |  |               |         |               |         |
| 13                               | 4         | Travel .....                                       | 1,460         | 1,448   | 936           | 898     |
| 14                               | 5         | Interest and dividends .....                       | 1,550         | 1,699   | 1,306         | 1,444   |
| 15                               | 6         | Freight and shipping .....                         | 1,106         | 1,204   | 587           | 602     |
| 16                               | (part)11  | Other service payments .....                       | 1,998         | 2,076   | 1,313         | 1,472   |
| 17                               | ..        | Withholding tax(5) .....                           | 269           | 278     | -             | -       |
| 18                               |           | Total service payments .....                       | 6,383         | 6,705   | 4,142         | 4,416   |
| 19                               |           | Sub-totals, imports of goods and services(3) ..... | 20,242        | 22,233  | 13,970        | 15,284  |
| Transfer payments                |           |  |               |         |               |         |
| 20                               | 7         | Inheritances and emigrants' funds .....            | 199           | 185     | 114           | 105     |
| 21                               | (part)11  | Personal and institutional remittances(4) .....    | 212           | 215     | 55            | 55      |
| 22                               | 9         | Official contributions .....                       | 201           | 201     | -             | -       |
| 23                               | 12        | Total current payments .....                       | 20,854        | 22,834  | 14,139        | 15,444  |
| C <u>Current account balance</u> |           |  |               |         |               |         |
| 24                               | 1         | Merchandise trade .....                            | + 3,048       | + 2,399 | + 1,134       | + 1,195 |
| Service transactions             |           |  |               |         |               |         |
| 25                               |           | Travel .....                                       | - 226         | - 202   | + 146         | + 194   |
| 26                               |           | Interest and dividends .....                       | - 1,022       | - 1,141 | - 970         | - 1,081 |
| 27                               |           | Freight and shipping .....                         | + 20          | - 22    | + 3           | + 68    |
| 28                               |           | Other service transactions .....                   | - 622         | - 752   | - 547         | - 812   |
| 29                               |           | Withholding tax .....                              | - 269         | - 278   | -             | -       |
| 30                               |           | Balance on service transactions .....              | - 2,119       | - 2,395 | - 1,368       | - 1,631 |
| 31                               |           | Balance on goods and services .....                | + 929         | + 4     | - 234         | - 436   |
| 32                               |           | Net transfers .....                                | + 153         | + 274   | + 62          | + 140   |
| 33                               | 4         | Total current account balance .....                | + 1,082       | + 278   | - 172         | - 296   |

(1) Excludes offsetting entries for mutual aid to NATO; these amounts in 1970 and 1971 were \$13 million and \$14 million.

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

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

TABLE 16. CANADIAN BALANCE OF INTERNATIONAL PAYMENTS - Concluded

Capital Account(6) - Not Seasonally Adjusted

| United Kingdom      |       | Rest of the sterling area |       | Other OECD (Europe) |       | Other |       | Acct. No. | Line No. |
|---------------------|-------|---------------------------|-------|---------------------|-------|-------|-------|-----------|----------|
| 1970                | 1971  | 1970                      | 1971  | 1970                | 1971  | 1970  | 1971  |           |          |
| millions of dollars |       |                           |       |                     |       |       |       |           |          |
|                     |       |                           |       |                     |       |       |       | D         |          |
| + 26                | + 74  | + 2                       | - 1   | + 203               | + 174 | + 29  | + 74  | 1         | 34       |
| + 17                | - 13  | - 17                      | - 76  | - 59                | - 11  | + 2   | - 9   | 2         | 35       |
|                     |       |                           |       |                     |       |       |       |           |          |
| + 8                 | - 13  | -                         | -     | + 20                | - 12  | + 2   | + 3   | 3.1       | 36       |
| - 43                | - 98  | -                         | -     | - 26                | - 11  | + 3   | + 6   | 3.2       | 37       |
| + 123               | + 81  | -                         | -     | + 63                | + 213 | + 15  | + 7   | 4         | 38       |
| - 12                | - 49  | -                         | -     | - 125               | - 135 | - 20  | - 10  | 5         | 39       |
|                     |       |                           |       |                     |       |       |       |           |          |
| + 4                 | - 5   | -                         | -     | + 9                 | - 3   | + 4   | - 4   | 6         | 40       |
| -                   | -     | -                         | -     | -                   | - 1   | - 14  | - 41  | 7         | 41       |
| -                   | + 1   | -                         | -     | -                   | -     | + 5   | + 5   | 8         | 42       |
|                     |       |                           |       |                     |       |       |       |           |          |
| -                   | -     | - 104                     | - 114 | -                   | -     | - 40  | - 78  | 9         | 43       |
| + 20                | + 21  | -                         | -     | + 16                | + 15  | -     | -     | 10        | 44       |
|                     |       |                           |       |                     |       |       |       |           |          |
| -                   | -     | -                         | -     | -                   | -     | -     | -     | 11        | 45       |
|                     |       |                           |       |                     |       |       |       |           |          |
| -                   | - 7   | - 19                      | - 27  | - 11                | - 31  | - 100 | - 164 | 12        | 46       |
|                     |       |                           |       |                     |       |       |       |           |          |
| + 13                | + 29  | - 2                       | - 58  | - 67                | + 31  | - 2   | - 42  | 13        | 47       |
|                     |       |                           |       |                     |       |       |       |           |          |
| + 161               | + 21  | - 140                     | - 276 | + 23                | + 229 | - 116 | - 253 | E 1       | 48       |
|                     |       |                           |       |                     |       |       |       |           |          |
| - 108               | + 445 | - 243                     | - 351 | - 262               | - 64  | + 436 | - 151 | D 17.1a   | 49       |
| - 106               | - 657 | -                         | -     | - 34                | - 7   | -     | - 6   | 17.1b     | 50       |
|                     |       |                           |       |                     |       |       |       |           |          |
| - 31                | + 9   | + 4                       | + 12  | + 2                 | + 30  | + 7   | + 19  | 14.1      | 51       |
| -                   | -     | -                         | -     | -                   | -     | - 8   | + 50  | 14.2      | 52       |
| - 8                 | - 1   | -                         | - 4   | + 6                 | - 1   | - 67  | + 3   | 14.3      | 53       |
| + 1                 | - 1   | -                         | -     | + 1                 | -     | -     | -     | 17.2a     | 54       |
| + 15                | - 14  | -                         | -     | + 62                | - 101 | -     | + 40  | 17.3      | 55       |
| -                   | + 1   | -                         | -     | + 1                 | - 2   | -     | -     | 17.2b     | 56       |
| + 7                 | + 1   | -                         | -     | - 5                 | - 5   | -     | -     | 17.4      | 57       |
|                     |       |                           |       |                     |       |       |       |           |          |
| + 49                | - 33  | - 1                       | - 6   | + 3                 | + 41  | - 69  | - 22  | 17.5      | 58       |
|                     |       |                           |       |                     |       |       |       |           |          |
| - 181               | - 250 | - 240                     | - 349 | - 226               | - 109 | + 299 | - 67  | E 2       | 59       |
| - 20                | - 229 | - 380                     | - 625 | - 203               | + 120 | + 183 | - 320 | E 3       | 60       |
| - 779               | - 272 | + 256                     | + 514 | + 222               | + 103 | - 455 | - 147 | G         | 61       |
|                     |       |                           |       |                     |       |       |       |           |          |
| -                   | -     | -                         | -     | -                   | -     | + 133 | + 119 | ..        | 62       |
|                     |       |                           |       |                     |       |       |       |           |          |
| - 23                | - 2   | -                         | -     | -                   | + 1   | + 293 | - 162 | H 4       | 63       |
| -                   | -     | -                         | -     | -                   | -     | + 1   | -     | 5         | 64       |
| - 23                | - 2   | -                         | -     | -                   | + 1   | + 294 | - 162 | 6         | 65       |

(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 14.









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REFERENCE PUBLICATIONS

Catalogue  
number

Title

- 67-202 "Canada's International Investment Position, 1926 to 1967". (See note below).
- 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 1971".
- 67-001 "Quarterly Estimates of the Canadian Balance of International Payments", Second Quarter 1973 for revised bilateral data for 1971.
- 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: Recent releases concerning Canada's international investment position published only in the Statistics Canada Daily were:

"Foreign Direct Investment in Canada 1969", released July 31, 1973.

"Foreign Long-term Investment in Canada, 1969", released August 10, 1973.

"Canadian Direct Investment Abroad, 1970", released August 28, 1973.