



## DOMINION BUREAU OF STATISTICS

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THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

THIRD QUARTER, 1960

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In the third quarter there was a sharp contraction in the deficit from international transactions in goods and services between Canada and other countries. At \$114 million this was less than one-quarter of the size in the previous quarter and only a little more than one-third of the deficit in the same quarter last year, and less than in any third quarter since 1955. Contributing to this result was the unusual appearance of a surplus of \$89 million on commodity account, together with some contraction of the deficit from non-merchandise transactions to \$203 million.

In the first three quarters of 1960 the current imbalance was \$894 million compared with \$1,153 million in the same period last year. This contraction in deficit was due to the rise of over \$300 million in merchandise exports overseas. Merchandise imports were slightly more and there was a further rise in the deficit from non-merchandise transactions to \$764 million which made up over 85 per cent of the total deficit in the three quarters. In comparison with 1958 the deficit on merchandise account this year was about the same, although both exports and imports were substantially higher, but the deficit from non-merchandise transactions was 10 per cent higher.

Contrasting high demands from overseas and reduced demands from the United States were an outstanding feature of the period. At the same time Canadian demands, as reflected in imports, were again less than in preceding quarters. And there appeared to be no longer the influence of accumulating inventories that had been a factor affecting imports in earlier periods.

#### Export balance on merchandise trade in quarter

Merchandise exports were higher than ever before in the third quarter due to strong demands from overseas countries and were only exceeded in the fourth quarter of 1959. At the same time imports in the third quarter were less than in the third quarter of either 1959, 1957, or 1956, although still above the level in 1958 or in this period prior to 1956. The level of exports to overseas countries in the third quarter was higher than in previous quarters having risen during the year and stood some 11 per cent above the previous record level in the fourth quarter of 1959. On the other hand exports to the United States in the third quarter were down by relatively more than this. The effect of these divergent trends was to produce an export balance of \$89 million in the third quarter which compares with an import balance of \$81 million in the same period of 1959.

This change further led to a contraction in the cumulative negative balance in the nine months to \$130 million from \$419 million last year. Exports in the three quarters were substantially higher while imports were up only slightly.

The substantial rise in exports between the nine months of 1959 and 1960 from \$3,703 million to \$4,007 million was in response to strong demands originating in the United Kingdom, Western Europe, some other countries in the Sterling Area (notably Australia), and Japan. The rise in shipments to overseas countries was over 22 per cent in contrast to a total value to the United States which was slightly less than in 1959. Increases covered a wide range of commodities. These were chiefly industrial materials and the main exceptions were Canadian products from the farm and the sea. With an increase of over \$60 million, copper and products represented the largest gain in value among commodity groups; and gains of between \$30 million and \$40 million occurred in the shipments of each of the following: newsprint; nickel; aluminum and products; and plastics, synthetic rubber and other chemicals. Smaller but still sizable increases were recorded in the exports of synthetic fibre and products, lumber and timber, wood pulp, iron ore, pig iron and primary steel, rolling mill products, fabricated steel products including non-farm machinery, engines and boilers, cars and automobile parts, electrical apparatus, asbestos and products and crude petroleum.

Reductions in exports of wheat and other grains exceeded \$40 million between the first three quarters of 1959 and 1960; and shipments of uranium and farm implements each declined between \$20 million and \$30 million. Exports of cattle, fish and fishery products were also lower.

There was a small net increase in the imports for the nine months of 1960 to \$4,137 million. This was about the magnitude of the total in the same period of 1956, but a little less than in 1957, and much more than in 1958. This level in 1960 appears to have been a reflection of the hesitant state of business activity in Canada, including a lack of vigour in investment by business in inventories, plants and equipment. Changes in imports from the previous year were generally offsetting and of fairly moderate magnitudes distributed among a variety of commodities. On the basis of incomplete trade returns for the month of September, increased imports during the first nine months of 1960 were indicated in fruits and vegetables, cotton and products, wool and products, bauxite and alumina, aircraft, engines and parts, automobiles, trucks and parts and non-farm machinery. Imports of farm implements were substantially lower in the period under review, while those of the following commodities and commodity groups were moderately lower; sugar, petroleum products, other iron and steel products and electrical equipment.

#### Deficit from services and other non-merchandise items

The deficit from services and other non-merchandise transactions for the nine months of 1960 was estimated at \$764 million, up \$30 million over the deficit for the same months of 1959. This increment was more moderate than that of \$41 million between the first three quarters of 1958 and 1959, \$80 million and \$169 million between the corresponding periods of the two preceding contiguous years. The non-merchandise deficit accounted for about 85 per cent of the current account imbalance in the period under review, slightly more than in 1958 (when the merchandise trade balance stood at about the same level), and for less than the two-thirds which it represented in 1959.

The \$30 million rise in the deficit from "invisible" transactions in the nine months was attributable to larger deficits in the income and government accounts, migrants' funds and business services, offset in part by lower deficits in the travel and freight accounts and miscellaneous income and a higher value of gold production available for export. Much the same pattern of trends as this was also evident in the third quarter, although more accentuated in that period for seasonal and special reasons. As a result the size of the deficit was reduced moderately in the third quarter from the level in that period last year.

During the nine months' period the deficit arising from the income account remained the most important single source of the negative balance from all non-merchandise transactions. In the first nine months of 1960, the income account deficit of \$350 million represented 46 per cent, slightly more than in the two preceding years, but a smaller share than in 1957. A small decline in receipts of interest and dividends together with a larger gain in payments accounted for the spread of \$21 million in the income account deficit. Higher interest receipts on official and funded debt were more than counterbalanced by lower dividend receipts from subsidiaries abroad of some Canadian manufacturers. Payments of interest, which were markedly higher in each of the three quarters of 1960, arising in particular from large issues in 1959 of provincial and municipal bonds in the United States, and larger dividends paid by public companies to non-residents, were in part offset by lower dividend remittances by subsidiaries in Canada to their non-resident parents.

A reduction in official contributions, due mainly to the absence in 1960 of relief shipments of wheat to some Asian countries and also to reduced shipments under the Colombo Plan, was generally offset by higher payments on government account for military expenditures (including the NATO infrastructure programme) and also a non-recurring real estate transaction. An enlarged deficit from migrants' funds and inheritances accompanied fewer immigrants with lower per capita funds and an estimated larger flow of emigrants during the three quarters of 1960. In association with the expansion in total export and import trade between the nine months of 1959 and 1960, both receipts and payments for freight and shipping services showed increases: the former more than the latter, with the ensuing small cut in the deficit. Provisional estimates of travel receipts also indicate a larger gain than payments. A fall in the deficit in the miscellaneous income account took place owing to lower remittances of interest on non-resident holdings of treasury bills and other assets, combined with extraordinary receipts from financial settlements between associated companies in Canada and the United States.

#### Transactions by areas

The sharp improvement of \$259 million in the current account balance in the nine months of 1960 is the result of a turn-around of \$107 million in the balance with the United Kingdom from a negligible deficit to a surplus, a reduction of \$163 million in the deficit with Other Countries and a minor deterioration in the balance with the United States. Within the Other Countries group, the surplus with the Rest of the Sterling Area grew moderately, while the deficit with the other OEEC and with "other countries" was each reduced between \$70 million and \$80 million.

In transactions with the United States, exports dipped slightly from \$2,311 million to \$2,303 million, imports increased from \$2,789 million to \$2,804 million, and the balance on non-merchandise trade improved from a deficit of \$462 million to \$450 million between the nine months of 1959 and 1960. The minor decline in the exports total to the United States embodied changes of fairly sizable proportions in some individual commodities. Exports of copper and products advanced more than \$28 million, and less substantial gains of over \$10 million were recorded in each of the following groups: wood pulp and newsprint; iron ore and rolling mill products; engines, boilers and non-farm machinery; crude petroleum; and radio, telegraph and other electrical apparatus. Exports of farm implements, aluminum and products, nickel and products and uranium each fell more than \$15 million. Shipments of cattle and lumber declined more moderately.

A sharp drop of some \$40 million to \$50 million occurred in the imports of iron and products, including items such as tractors and parts, automobiles and parts, and a smaller decline in commodities within the group of non-metallic minerals and products. Imports of fibres, textiles and products, principally cotton, gained between \$20 million and \$30 million, and lesser increases were indicated in purchases of agricultural and chemical products. A decline in the deficit on travel account together with smaller reductions for freight and miscellaneous income was in part offset by increases in the deficit for migrants' funds, business services and a decline in the surplus on government account.

#### Summary of Current Transactions with the

##### United States, United Kingdom and Other Countries, 1959 and 1960

##### and Change between the Periods

(millions of dollars)

	<u>All Countries</u>			<u>United States</u>			<u>United Kingdom</u>			<u>Other Countries</u>		
	1959	1960	Change	1959	1960	Change	1959	1960	Change	1959	1960	Change
<u>Third quarter</u>												
Merchandise exports (adjusted)	1,286	1,400	+ 114	806	769	- 37	189	243	+ 54	291	388	+ 97
Merchandise imports (adjusted)	1,367	1,311	- 56	884	855	- 29	156	131	- 25	327	325	- 2
Balance on merchandise trade	- 81	+ 89	+ 170	- 78	- 86	- 8	+ 33	+112	+ 79	- 36	+ 63	+ 99
Balance on non-merchandise trade	-224	-203	+ 21	-105	- 76	+ 29	- 53	- 55	- 2	- 66	- 72	- 6
Current account balance	-305	-114	+ 191	-183	-162	+ 21	- 20	+ 57	+ 77	-102	- 9	+ 93
<u>January to September</u>												
Merchandise exports (adjusted)	3,703	4,007	+ 304	2,311	2,303	- 8	554	683	+ 129	838	1,021	+ 183
Merchandise imports (adjusted)	4,122	4,137	+ 15	2,789	2,804	+ 15	438	445	+ 7	895	888	- 7
Balance on merchandise trade	-419	-130	+ 289	-478	-501	- 23	+116	+238	+ 122	- 57	+133	+ 190
Balance on non-merchandise trade	-734	-764	- 30	-462	-450	+ 12	-118	-133	- 15	-154	-181	- 27
Current account balance	-1,153	-894	+ 259	-940	-951	- 11	- 2	+105	+ 107	-211	- 48	+ 163

The marked improvement in the current account balance with the United Kingdom between the three quarters of 1959 and 1960 was the outcome of a sharp gain of nearly \$130 million in merchandise exports, a negligible rise in imports and a moderate increase in the deficit on non-merchandise transactions. A preponderant portion of the export gains was concentrated in the commodity groups: wood, wood products and paper (\$40 million), iron and its products (\$33 million) and non-ferrous metals and products (\$49 million). Within these groups, advances of over \$20 million each were noted in shipments of lumber, nickel, iron and primary and semi-finished steel, and gains of between \$10 million and \$20 million in copper, wood pulp and newsprint. Much more moderate declines in exports covered wheat, canned salmon and uranium.

A substantial rise of over \$30 million occurred in imports of iron and products (principally automobiles) while imports of all other commodity groups appeared to have fallen, but less than \$10 million in each case. All the items among "invisible" transactions with the United Kingdom, with the exception of the migrants' funds, contributed to the moderate rise in the deficit from this source.

There was a decline of \$163 million in the current account deficit with Other Countries in the nine months' period. Transactions with the Rest of the Sterling Area contributed \$14 million towards this reduction through a slightly larger increase in merchandise exports than in imports together with a decline in the deficit on non-merchandise transactions. Exports of wood pulp and newsprint, automobiles and parts and aluminum were larger, while shipments of wheat were down substantially. Imports of fibres, non-ferrous and non-metallic minerals were higher; and as referred to above, official contributions to this area were considerably smaller, and except also for a decline of a fair size in dividend receipts, changes in other non-merchandise transactions were minor.

In transactions with the other OEEC countries, merchandise exports grew \$107 million during the first nine months of 1960, as compared with only a marginal gain in imports, while a deterioration of \$24 million took place in the deficit on non-merchandise trade. Non-ferrous metals including aluminum, nickel and copper, iron ore and some chemical products were prominent among increased exports, while many small and offsetting changes among the commodity groups resulted in a small net increase in imports. Except for minor reductions in the deficit on freight and miscellaneous income accounts, other transactions resulted in larger deficits, in particular on travel and government account, due in part to higher NATO military expenditures.

The deficit balance on merchandise trade with "other countries" improved by \$83 million with a \$42 million increase in exports and a fall of \$41 million in imports. Canadian exports to Japan grew by \$28 million during the three quarters of 1960 and exports advanced more moderately to Argentina, Mexico, Brazil, Czechoslovakia, Yugoslavia, and Communist China, while smaller shipments went to Venezuela, Cuba, Peru, and the U.S.S.R. Imports were lower from the Netherlands Antilles and from Latin American countries, including Mexico, El Salvador, Cuba and Venezuela, while imports from Iran, Japan and Ecuador were higher. Minor negative changes in the balance on "invisible" transactions with the "other countries" contributed to the development of a \$11 million deficit from this group of items.

#### Capital movements

Two features stand out in the capital account. The first is the continuing inflow to Canada of capital for direct investment in foreign-controlled enterprises at a substantial level. The second is a sharp decline in capital imported through transactions in portfolio securities. Demands for capital by borrowers who have tended to make use of markets both in Canada and abroad were smaller than in recent quarters. Movements in interest and exchange differentials are not sufficiently clear to establish whether a disinclination to borrow in foreign currency also played a part in the change.

Capital movements in such long-term forms as direct investment, portfolio security transactions, and long-term Government investment, led to a net capital inflow of \$146 million in the third quarter. This was the lowest figure since the final quarter of 1955. It has already been noted that the current account deficit in the quarter was also the lowest since 1955. The reduced inflow in long-term forms in the third quarter as presently recorded exceeds by 28 per cent the current account deficit. This is a wider margin that has been the case in all but one of the quarters during the past five years in which the inflows in long-term forms were greater than the deficit. Over the first nine months of 1960 these inflows have been equivalent to 85 per cent of the deficit.

Geographically about three-fifths of the net capital import in long-term forms during the third quarter came from the United States, with much the larger part of the remainder coming from continental Europe. In the nine months of 1960 about four-fifths came from the United States.

Net inflows of foreign capital for direct investment in foreign-controlled enterprises in Canada continued at a high level in the third quarter. The estimate of \$165 million was somewhat higher than for the second quarter and more than twice the size for the corresponding quarter of 1959. In the three quarters of 1960 the net inflow has been slightly larger than for the whole of 1959. Statistically significant parts of the inflows in both the third quarter and in the nine months financed the acquisition of existing Canadian-owned enterprises and facilities, although they did not make up as large a part of the total as in 1959.

About two-thirds of the net movement in the third quarter represented investment in petroleum, natural gas, and mining, while the balance went largely into manufacturing and finance.

Geographically it would appear from the data presently available that about two-thirds of the net inflow of foreign direct investment capital in the third quarter was from the United States, with somewhat less than half the remainder coming from the United Kingdom and the rest from other countries in Western Europe.

Transfers of Canadian capital for direct investment abroad are estimated to have amounted to \$25 million in the third quarter. This is a somewhat higher level than in recent quarters and includes larger transfers than usual to the United States.

~~1959~~ 1960 Transactions in Canadian portfolio securities led to a net capital outflow of \$3 million in the third quarter of 1959 in contrast to an inflow of \$97 million in the second quarter and even larger amounts for the three preceding quarters. The result in the third quarter reflected repatriation of foreign-held Canadian securities through the repurchase by Canadians of \$9 million of outstanding issues and the retirement by debtors of \$22 million, against which must be placed sales to non-residents of new issues of Canadian securities for \$28 million.

Contributing to the change were net repurchases of \$18 million of outstanding Canadian bonds and debentures compared with net sales of \$16 million a quarter earlier. There were net sales of \$9 million of outstanding Canadian stocks but this amount was \$15 million below the total for the second quarter. The proceeds of new issues of Canadian securities sold to non-

residents were \$28 million in contrast with \$124 million in the second quarter. There were substantial declines in sales to non-residents of new provincial, municipal and corporate issues. On the other hand retirements of foreign-held Canadian issues were also smaller, amounting to \$22 million in the third quarter compared with \$67 million in the second. The absence of retirements of foreign-held Government of Canada issues and smaller retirements of provincial, municipal and corporate issues all contributed to the change.

The small repurchase balance from Canadian security transactions in the third quarter followed a series of substantial sales balances or capital inflows, but it may be recalled that as recently as five years ago there were quarters in which net outflows occurred. At that time the interest rates in both Canada and the United States were lower, and the differentials on long-term Government securities in the two countries were much smaller, although those on long-term industrial bonds were somewhat higher.

The change in these capital inflows in the third quarter may be associated in part with lower demands in the Canadian capital market which tend to be a seasonal characteristic of the quarter. In recent years Government of Canada direct and guaranteed borrowing has been largely from residents of Canada, while non-resident ownership has accounted for varying but substantial amounts of the net additions to outstanding provincial, municipal, corporate, and similar securities. In the third quarter of the year non-resident-owned holdings of the latter groups of securities fell by about \$5 million while resident-owned holdings rose by about \$268 million. Over the preceding year and a half non-resident-owned holdings of these securities rose on average about \$139 million per quarter, while resident-owned holdings rose by about \$253 million per quarter. In this period the net imports of capital from all transactions in all groups of Canadian portfolio securities averaged \$159 million per quarter. In the third quarter of 1960 the differential in yields on representative long-term Canadian and United States Government bonds continued to exceed 1 per cent, and over the third quarter, as a whole, did not differ greatly from the second. However, it may be that the interest differentials on industrial bonds are more relevant to international security movements at the present time and these differentials have declined sharply since early this year.

Transactions in foreign securities led to a net capital inflow of \$10 million in contrast with an outflow of \$4 million in the second quarter. Net sales of outstanding United States stocks and bonds, and retirements of Canadian-owned foreign securities accounted for the largest part of the change.

Turning to Government of Canada long-term investments abroad, no principal payments on loans to other governments fell due during the third quarter of 1960, but there was a further payment of \$1 million in foreign exchange made on Canada's capital subscription to the International Bank for Reconstruction and Development.

A sharp increase in Canadian dollar holdings of foreigners was recorded during the quarter. The capital inflow of \$36 million followed three quarters in which capital outflows totalling \$76 million occurred in the form of reductions in holdings of Canadian funds by non-residents. About two-thirds of the increased holdings were for account of residents of the United States.

Contributing to the change were net increases of more than \$25 million in non-resident holdings of Canadian treasury bills. There were gross sales during the quarter of nearly \$110 million, but offsetting repurchases or maturities absorbed \$85 million. Gross sales were of the order of \$45 million in July, \$35 million in August, and \$30 million in September. In late June and early July the interest differential in favour of Canadian treasury bills over United States treasury bills, after provision for protection through forward foreign exchange contracts, was approaching 1 per cent. This differential disappeared during the quarter. Total non-resident holdings at the end of the quarter were about \$75 million.

Canada's official holdings of gold and foreign exchange increased during the quarter, following decreases in the three preceding quarters. This growth in Canadian assets abroad represents an export of Canadian capital, amounting in the third quarter to \$40 million. Most of the movement reflected a net increase in Canada's holdings of gold and United States funds, as official holdings of other currencies are generally limited to working balances. In terms of United States dollars, official holdings of gold and United States funds increased from \$1,773.9 million at the beginning of the quarter to \$1,813.0 million at the end. There were increases totalling \$62.7 million in July and August, followed by a decrease of \$23.6 million in September.

All other capital movements were outward on balance in an amount of \$28 million. There was a substantial inward balance in the previous quarter. As always there was a wide variety of transactions included in the category, which also reflects the balancing item representing the difference between the current account balance and capital movements for which quarterly data have become available. The data suggest that there was a substantial rise in private holdings of foreign exchange, part of them in sterling, as mentioned in the next paragraph. There were net inflows of long-term capital and there appear also to have been further increases in Canada's net international accounts payable.

The other capital movements included an outflow tentatively placed at about \$40 million covering increased holdings of sterling by Canadian residents. A substantial part of this is in the form of United Kingdom treasury bills. Throughout most of the quarter interest and forward exchange rate differentials combined to make attractive the movement of funds from Canada to London on an interest arbitrage basis.

#### Exchange rate

Following the relatively sharp changes in the second quarter, the exchange rate showed greater stability in the third quarter. The noon average price for the United States dollar in the Canadian exchange rate was 97.35 cents, only slightly lower than the average of 97.49 cents in the second quarter. But the trading range of 1.69 cents between the high of 98.31 cents in early July and the low of 96.62 cents in mid-August was less than half the variation of 3.44 cents recorded in the second quarter. The closing quotation of 97.72 cents was 0.31 cents below the quotation at the end of the previous quarter.

Summary of Capital Movements, 1959 and 1960

(millions of dollars)

	1 9 5 9		1 9 6 0		1 9 5 9		1 9 6 0	
	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	First nine months	First nine months	
Direct investment in Canada	+ 72	+ 181	+ 190	+ 155	+ 165	+ 319	+ 510	
Direct investment abroad	- 22	- 12	- 15	- 20	- 25	- 58	- 60	
Canadian securities:								
Trade in outstanding bonds	+ 33	+ 12	+ 20	+ 16	- 18	+ 81	+ 18	
Trade in outstanding stocks	+ 25	+ 19	+ 13	+ 24	+ 9	+ 90	+ 46	
New issues	+ 210	+ 197	+ 204	+ 124	+ 28	+ 507	+ 356	
Retirements	- 59	- 67	- 43	- 67	- 22	- 178	- 132	
Foreign securities	- 7	- 12	+ 14	- 4	+ 10	- 24	+ 20	
Official loan repayments (net)	-	+ 25	-	+ 7	-	+ 8	+ 7	
Subscriptions in gold and U.S. dollars to IBRD and IMF	-	- 59	-	-	- 1	-	- 1	
Canadian dollar holdings of foreigners	+ 22	- 44	- 22	- 10	+ 36	+ 56	+ 4	
Official holdings of gold and foreign exchange (increase, -)	- 3	+ 67	+ 11	+ 82	- 40	+ 3	+ 53	
Other capital movements	+ 34	- 31	- 57	+ 158	- 28	+ 349	+ 73	
Net capital movement financing current account	+ 305	+ 276	+ 315	+ 465	+ 114	+1,153	+ 894	

QUARTERLY ESTIMATES OF THE CANADIAN

Note: Data for 1960 are preliminary and

		1958		1959	
		III	IV	I	II
<b>A</b>	<b>Current Receipts</b>				
1	Merchandise exports (adjusted) .....	1,219	1,307	1,061	1,356
3	Gold production available for export .....	39	38	38	40
4	Travel expenditures .....	186	55	33	85
5	Interest and dividends .....	29	70	30	43
6	Freight and shipping .....	98	103	92	112
7	Inheritances and immigrants' funds .....	26	26	18	34
11	All other current receipts .....	87	101	93	95
12	<b>Total Current Receipts</b> .....	<b>1,684</b>	<b>1,700</b>	<b>1,365</b>	<b>1,765</b>
<b>B</b>	<b>Current Payments</b>				
1	Merchandise imports (adjusted) .....	1,202	1,349	1,215	1,540
4	Travel expenditures .....	191	111	118	141
5	Interest and dividends .....	151	199	141	151
6	Freight and shipping .....	127	124	95	130
7	Inheritances and emigrants' funds .....	39	41	31	39
9	Official contributions .....	12	11	9	21
11	All other current payments .....	169	166	171	176
12	<b>Total Current Payments</b> .....	<b>1,891</b>	<b>2,001</b>	<b>1,780</b>	<b>2,198</b>
	Balance on Merchandise Trade .....	+ 17	- 42	- 154	- 184
	Balance on Other Transactions, excluding B 9 .....	- 212	- 248	- 252	- 228
	Official Contributions .....	- 12	- 11	- 9	- 21
<b>C</b>	<b>Current Account Balance</b> .....	<b>- 207</b>	<b>- 301</b>	<b>- 415</b>	<b>- 433</b>
<b>D</b>	<b>Capital Account</b>				
	Direct Investment				
1	Direct investment in Canada .....	+ 103	+ 130	+ 85	+ 162
2	Direct investment abroad .....	+ 6	- 11	- 24	- 12
	Canadian Securities				
3a	Trade in outstanding bonds and debentures .....	- 7	+ 21	+ 33	+ 15
3b	Trade in outstanding common and preference stocks .....	+ 35	+ 33	+ 32	+ 33
4	New issues .....	+ 102	+ 101	+ 186	+ 111
5	Retirements .....	- 27	- 51	- 41	- 78
	Foreign Securities				
6	Trade in outstanding issues .....	+ 3	+ 7	- 5	- 12
7	New issues .....	- 2	- 4	- 3	- 2
8	Retirements .....	+ 2	+ 2	+ 3	+ 2
	Loans by Government of Canada				
9	Drawings .....	-	- 10	- 1	-
10,11	Repayments .....	+ 7	+ 33	-	+ 9
13	Subscriptions in gold and U.S. dollars to IBRD, IFC and IMF .....	-	-	-	-
14	Change in Canadian dollar holdings of foreigners .....	+ 90	- 9	- 12	+ 46
16	Change in official holdings of gold and foreign exchange (increase, minus) .....	+ 32	- 50	+ 49	- 43
17	Other capital movements .....	- 137	+ 109	+ 113	+ 202
<b>E</b>	<b>Net Capital Movement</b> .....	<b>+ 207</b>	<b>+ 301</b>	<b>+ 415</b>	<b>+ 433</b>

NOTES: Mutual Aid to NATO countries is not included in either current receipts or current payments.

A 1) Merchandise trade statistics are adjusted for use in this statement. Details of these adjustments are shown in the annual reports on B 1) "The Canadian Balance of International Payments".

A 11) This item includes government transactions n.o.p., personal and institutional remittances, miscellaneous income, insurance transactions, and business services.

# BALANCE OF INTERNATIONAL PAYMENTS

data for 1959 are subject to revision.

1959		1 9 6 0			Annual Totals			Four Quarters ending Sept. 30, 1960	
III	IV	I	II	III	1957	1958	1959		
(millions of dollars)									
1,286	1,450	1,284	1,323	1,400	4,894	4,887	5,153	5,457	A
33	37	43	35	42	147	160	148	157	1
214	61	39	95	227	363	349	393	422	3
40	70	35	37	36	154	168	183	178	4
105	113	99	110	111	445	401	422	433	5
33	24	18	29	32	124	97	109	103	6
104	96	90	100	101	388	375	388	387	7
									11
1,815	1,851	1,608	1,729	1,949	6,515	6,437	6,796	7,137	12
1,367	1,411	1,327	1,499	1,311	5,488	5,066	5,533	5,548	B
214	120	111	167	215	525	542	593	613	1
150	214	143	158	157	589	612	656	672	4
145	142	109	135	135	515	460	512	521	5
42	42	38	44	45	157	145	154	169	6
22	19	10	9	15	40	53	71	53	7
180	179	185	182	185	656	690	706	731	9
									11
2,120	2,127	1,923	2,194	2,063	7,970	7,568	8,225	8,307	12
- 81	+ 39	- 43	- 176	+ 89	- 594	- 179	- 380	- 91	
- 202	- 296	- 262	- 280	- 188	- 821	- 899	- 978	-1,026	
- 22	- 19	- 10	- 9	- 15	- 40	- 53	- 71	- 53	
- 305	- 276	- 315	- 465	- 114	-1,455	-1,131	-1,429	-1,170	C
									D
+ 72	+ 181	+ 190	+ 155	+ 165	+ 514	+ 420	+ 500	+ 691	1
- 22	- 12	- 15	- 20	- 25	- 68	- 48	- 70	- 72	2
+ 33	+ 12	+ 20	+ 16	- 18	- 45	-	+ 93	+ 30	3a
+ 25	+ 19	+ 13	+ 24	+ 9	+ 137	+ 88	+ 109	+ 65	3b
+ 210	+ 197	+ 204	+ 124	+ 28	+ 798	+ 677	+ 704	+ 553	4
- 59	- 67	- 43	- 67	- 22	- 133	- 158	- 245	- 199	5
- 8	- 8	+ 10	- 2	+ 5	+ 24	+ 13	- 33	+ 5	6
- 1	- 7	- 2	- 5	- 2	- 24	- 17	- 13	- 16	7
+ 2	+ 3	+ 6	+ 3	+ 7	+ 6	+ 7	+ 10	+ 19	8
-	-	-	-	-	-	- 34	- 1	-	9
-	+ 25	-	+ 7	-	+ 50	+ 64	+ 34	+ 32	10,11
-	- 59	-	-	- 1	-	-	- 59	- 60	13
+ 22	- 44	- 22	- 10	+ 36	- 35	+ 106	+ 12	- 40	14
- 3	+ 67	+ 11	+ 82	- 40	+ 105	- 109	+ 70	+ 120	16
+ 34	- 31	- 57	+ 158	- 28	+ 126	+ 122	+ 318	+ 42	17
+ 305	+ 276	+ 315	+ 465	+ 114	+1,455	+1,131	+1,429	+1,170	E

## NOTES:

D A minus sign indicates an outflow of capital from Canada.

D1,2 Exclusive of undistributed profits.

D17 This item includes mainly short-term capital movements in the form of changes in international open account commercial indebtedness, private and chartered bank holdings of exchange, and loans between private unrelated parties. It also includes the balancing item representing unrecorded capital movements and errors and omissions throughout the accounts.

