

67-201  
1926/1936  
(ABBREV.)  
c. 1

Published by Authority of the HON. W. D. EULER, M.P.,  
Minister of Trade and Commerce

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

---

Dominion Statistician:	R. H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Internal Trade Branch	H. Marshall, B.A., F.S.S.

---

THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS

A report on the Canadian Balance of International Payments between 1926 and 1936 has been recently issued by the Dominion Bureau of Statistics. An abbreviated statement of these statistics is presented now to reveal in outline the more outstanding features of Canada's commercial and financial transactions during the period and particularly in 1936. It is by means of this annual investigation of the balance of payments in the Dominion Bureau of Statistics that it is possible to discover the principal characteristics of Canada's economic contacts with the rest of the world. One of the outstanding facts disclosed by this investigation is that although during the decade between 1927 and 1936, Canadian governments and corporations received from the sale of new issues of bonds abroad the impressive total of \$1,979 million, the amount paid out during the period to investors in other countries for the redemption of Canadian bonds was \$1,802 million. In effect, the net amount realized through the flotation of new issues abroad was therefore only \$177 million as the payments for the retirement of indebtedness abroad was almost as great as the receipts from the sale of the new bonds. At the same time large sums were remitted from Canada for the purchase of American, Latin-American, and other foreign securities, for the repurchase of Canadian securities, and in connection with capital repayments and other financial transactions of trust companies, international branch plants, etc.

Canada's international accounts in 1936 are particularly impressive. There was an unusually large credit balance from the trade in goods, gold and services with other countries. That is the receipts from exports of merchandise, the sale of gold, and the tourist trade were much more than sufficient to make payments of such current obligations as interest and dividends to investors residing outside of the country. These surplus credits derived from the export of goods and services were employed for the transfer of capital from Canada, for it is by means of the exchange of goods and services that capital is transferred between nations. The large outflow of capital from Canada during 1936 was principally for the retirement of indebtedness abroad and for the transfer of capital funds from Canada in connection with the operations of insurance companies, international "branch plants," etc. The volume of the retirements of Canadian bonds owned outside of Canada was particularly impressive. In addition to the substantial amount of these obligations maturing during the year, there were a large number of issues called for redemption by Canadian corporations which took advantage of the favourable conditions to reduce their obligations outside of Canada.

But to see how these results were achieved and to appreciate their magnitude and variety, it is necessary to inspect these international transactions in more detail. This may be conveniently done by presenting these facts in the form of two statements. The first of these shows the source of Canada's surplus receipts or credits from its trade in goods, gold and services, and the second statement shows the principal movements of capital between Canada and other countries during 1936.





Statement I. Current Account of Canada's Trade in Goods,  
Gold and Services with Other Countries, 1936.

(In millions of dollars)

	Gross Value of Transactions	Net Receipts (Credits)	Net Payments (Debits)
Canada sold merchandise to other countries valued at .....	947.9		
Canada bought merchandise from other countries valued at .....	625.7	322.2	-
Gold sold to other countries was valued at ...	132.0		
Gold received from other countries was valued at .....	1.0	131.0	-
Expenditures in Canada of tourists from other countries .....	255.8		
Expenditures of Canadian tourists in other countries .....	99.8	156.0	-
Interest and dividends received from other countries .....	76.2		
Interest and dividends paid to other countries	310.0	-	233.8
Receipts from other countries for transportation of freight .....	80.2		
Payments to other countries for transportation of freight .....	98.0	-	17.8
Receipts from other countries for other trade and service transactions .....	21.7		
Payments to other countries for other trade and service transactions .....	55.7		34.0
Grand Total Receipts or Credits above .....	1,513.8		
Grand Total Payments or Debits above .....	1,190.2		
Net Receipts (Credits) .....	323.6		

This statement reveals that Canada's surplus receipts or credits in 1936 from its trade with other countries in goods, gold and services amounted to over \$323 million. If the estimates of the values of the transactions shown above were exactly accurate and if there were no omissions, this amount of surplus receipts from other countries would represent the net outward movement of capital from Canada during the year. That is if Canada had such a credit balance from its trade in commodities and services, this surplus must represent the net amount of payments made in Canada's capital transactions with other countries during the year. But perfect accuracy in these estimates of course appears unattainable when one considers the extent of Canada's boundaries and the multiplicity of elusive commercial and financial transactions with other nations. So in order to appraise the accuracy of these estimates and to throw light on the nature of the movements of capital, a special examination of the known capital movements during the year has been made and is presented in Statement 2.





Statement 2. Movements of Capital between Canada  
and Other Countries, 1936.

(In millions of dollars)

	Total Transactions	Net Receipts (Credits)	Net Payments (Debits)
Receipts from the sale of new issues of Canadian securities outside of Canada .....	106.1	106.1	-
Payments for the retirement of Canadian securities owned outside of Canada .....	270.0	-	270.0
Receipts from the sale of other securities to other countries .....	422.5		
Payments for the purchase of other securities from other countries .....	414.7	7.8	-
Remittances to insurance companies in Canada ...	19.0		
Remittances by insurance companies in Canada to other countries .....	45.0	-	26.0
Decline in estimated net assets of Canadian banks outside of Canada .....	2.6	2.6	-
Other capital movements--Net payments in operations of international branch plants, etc. ..	74.2	-	74.2
Total Outward Movement of Capital above .....	803.9		
Total Inward Movement of Capital above .....	550.2		
Net Outward Movement (Net Payments) .....	253.7		

As this statement shows, the payments made by Canada in 1936 in connection with capital transactions exceeded receipts by over \$253 million.

In Statement 3 there are shown the net credits and debits arising from Canada's transactions with other countries during the decade between 1927 and 1936, and consequently shows in synoptic form the changes that have taken place in Canada's commercial and financial relations with the rest of the world during this period. More detailed information on these transactions is available in the report issued recently on the Canadian Balance of International Payments, 1926-1936.





# SUMMARY STATEMENT

Statement 3.

## Canadian Balance of International Payments, 1927-1936

(In millions of dollars)

Net Receipts or Credits (+): Net Payments or Debits (-).

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	Net Total 10 years (1927-1936)
<u>Current Account of Goods, Gold and Services</u>											
1. Merchandise .....	+ 138.9	+ 131.0	- 131.3	- 122.1	- 17.4	+ 73.7	+ 146.6	+ 148.1	+ 192.7	+ 322.2	+ 882.4
2. Gold .....	+ 25.5	+ 89.2	+ 74.5	+ 2.7	+ 90.1	+ 73.1	+ 87.8	+ 109.6	+ 116.7	+ 131.0	+ 800.2
3. Tourist trade .....	+ 129.8	+ 167.7	+ 187.8	+ 178.8	+ 174.4	+ 155.0	+ 66.2	+ 82.4	+ 123.2	+ 156.0	+ 1,421.3
4. Interest and dividends .....	- 210.8	- 221.0	- 260.1	- 288.6	- 279.8	- 261.8	- 224.3	- 211.6	- 208.6	- 233.8	- 2,400.4
5. Freight .....	- 12.2	- 19.4	- 39.1	- 32.2	- 24.6	- 27.9	- 22.1	- 27.9	- 14.1	- 17.8	- 237.3
6. Miscellaneous services, etc. ....	- 8.0	- 15.8	- 27.6	- 25.1	- 21.0	- 34.4	- 34.2	- 25.8	- 29.0	- 34.0	- 254.9
7. (a) Net receipts or credits .....	63.2	131.7					20.0	74.8	180.9	323.6	211.3
(b) Net payments or debits .....			195.8	286.5	78.3	32.3					
<u>Capital Account</u>											
8. New issues and retirements of Canadian securities .....	+ 140.6	+ 7.3	+ 132.6	+ 290.3	+ 9.3	- 1.0	- 26.1	- 58.0	- 154.4	- 163.9	+ 176.7
9. Other security transactions .....	- 184.0	- 188.0	- 105.0	- 13.0	- 24.0	- 16.0	+ 51.0	+ 8.9	+ 71.0	+ 7.8	- 391.3
10. Other capital movements .....	+ 39.2	+ 98.7	+ 126.3	+ 38.0	+ 61.8	+ 5.6	- 51.4	- 66.7	- 70.1	- 97.6	+ 83.8
11. (a) Net inward capital movement			153.9	315.3	47.1						
(b) Net outward capital movement	4.2	82.0				11.4	26.5	115.8	153.5	253.7	130.8
12. Residual item (1) .....	- 59.0	- 49.7	+ 41.9	- 28.8	+ 31.2	+ 33.7	+ 6.5	+ 41.0	- 27.4	- 69.9	- 80.5

(1) Item 7 minus item 12.



1010739531

TABLE 1. Summary of the results of the 1981 Census of Canada, by province and territory									
Province or Territory	Total population	Male	Female	Population 15 years and over	Male	Female	Population 65 years and over	Male	Female
Alberta	2,411,000	1,205,000	1,206,000	1,500,000	750,000	750,000	300,000	150,000	150,000
Saskatchewan	950,000	475,000	475,000	600,000	300,000	300,000	150,000	75,000	75,000
Manitoba	1,200,000	600,000	600,000	750,000	375,000	375,000	250,000	125,000	125,000
Ontario	10,000,000	5,000,000	5,000,000	6,000,000	3,000,000	3,000,000	1,500,000	750,000	750,000
Quebec	6,000,000	3,000,000	3,000,000	3,500,000	1,750,000	1,750,000	1,000,000	500,000	500,000
Atlantic Provinces	3,000,000	1,500,000	1,500,000	1,800,000	900,000	900,000	600,000	300,000	300,000
Total Canada	24,000,000	12,000,000	12,000,000	14,000,000	7,000,000	7,000,000	4,000,000	2,000,000	2,000,000