

## NINE MONTHS' INTERNATIONAL ACCOUNTS

**\$386,000,000 DEFICIT:** Canada's current receipts from international transactions were \$4,108,000,000 in the first nine months of 1953, a decline of one per cent from the same period of 1952, according to the Dominion Bureau of Statistics. Current payments rose by 11 per cent to \$4,494,000,000. These opposite movements led to a deficit of \$386,000,000 from transactions in goods and services in the nine-month period of 1953, contrasting with a surplus of \$138,000,000 in the same period one year earlier. A small decrease in merchandise exports and a large increase in imports accounted for most of the change in the current account balance; the non-merchandise items contributed only \$41,000,000 to the deterioration in the balance.

## CURRENT DEFICIT

Almost all of the current deficit to the end of September this year was incurred in the first and second quarters of the year. The deficit of \$181,000,000 in the second quarter (and \$184,000,000 in the first) changed to a small deficit of \$21,000,000 in the third quarter of 1953. This improvement was mainly due to the decline in import volume from the second quarter level, which was partly a seasonal change, and to the usual third quarter rise in net receipts on travel account. The third quarter deficit of \$21,000,000 compares with a surplus of \$69,000,000 in the same quarter of 1952, reflecting the very high level of imports in 1953.

The immediate factors in the deficits can be indicated by comparing the quarterly totals with the levels one year earlier. In both the first and third quarters of 1953, payments for goods and services exceeded the corresponding 1952 levels by about 10 per cent, while in the second quarter the increase was 16 per cent. Current receipts during the first quarter of 1953 were lower than in the corresponding 1952 period. In the second quarter they were about level with the same quarter of 1952, and only in the third quarter did current receipts ex-

ceed (by about three per cent) the corresponding 1952 total.

Merchandise exports in the nine months of 1953 were \$3,106,000,000, down by \$75,000,000 from the 1952 period; almost all of this change was in the first quarter of 1953 compared to the same period of 1952. Merchandise imports in the nine-month period rose to \$3,217,000,000, an increase of \$408,000,000 over the same period of 1952. Almost half of the change was in the second quarter of 1953 compared to the same quarter of 1952, and the rest evenly divided between the first and third quarters.

## VISITORS' SPENDING

The deficit on non-merchandise transactions, which has been typical of recent years, widened to \$275,000,000 in the nine months of 1953, as compared to \$234,000,000 in the same months of 1952. This summer the level of expenditures in Canada by United States travellers has risen appreciably above that of the previous summer. An increase of some 10 per cent contrasts with the relative stability in the total of these expenditures between 1948 and 1952. A greater number of visitors and larger average expenditures both contributed to the increase. Nevertheless, the balance of receipts on travel account in the third quarter was about the same as last year as Canadian expenditures on travel outside of Canada continued to rise.

The net movement of capital into Canada for direct investment in foreign-controlled enterprises is tentatively estimated to have been \$90,000,000 in the third quarter of this year, a rate slightly higher than during the first half of the year. Although over the nine months of the year about 90 per cent of this direct investment inflow has been from the United States, in the third quarter there appears to have been a marked increase in the inflow from the United Kingdom and the share of United States capital in the total was closer to 80 per cent. Resource development continued to be the major field for new foreign investment in the nine months of the year.

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**SHIPS FOR FRANCE:** Four new construction minesweepers, all of them built in St. Lawrence river shipyards, are to sail this month to Halifax. Three of the ships are destined for ultimate delivery to France under the Mutual Aid agreement of the North Atlantic Treaty.

Altogether, six minesweepers have been assigned to Mutual Aid and all of them are to go to France. The other three are still under construction.

**AMMUNITION FOR FRANCE:** A shipment of 365½ tons of ammunition from reserve stores of the Royal Canadian Navy will be delivered this month to France under the Mutual Aid arrangement of the North Atlantic Treaty. Included in the shipment will be 20mm and 2-pounder cartridges and depth charges.

Previous shipments of ammunition from RCN stores have been made this year to Denmark, The Netherlands, France, Norway, Portugal and the United Kingdom.