

failures was 76 in 1959 as compared with 106 and liabilities rose from \$5,429,000 to \$7,071,000. The Atlantic Provinces had 46 bankruptcies in 1960 as compared with 36 in 1959 but liabilities declined from \$2,302,000 to \$1,909,000.

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BALANCE OF INTERNATIONAL PAYMENTS

There was a contraction in the imbalance in Canada's current transactions in goods and services with other countries in 1960 to \$1,270 million from a revised estimate of \$1,494 million in 1959, according to advance figures that will be contained in the fourth-quarter 1960 issue of "Quarterly Estimates of the Canadian Balance of International Payments", published by the Dominion Bureau of Statistics. At this level in 1960, the current account deficit was less than in any year in the past half decade except 1958.

Inflows for direct investment in foreign-controlled enterprises rose to new heights but there was a sharp contraction in inflows of portfolio capital. Inward movements in other short-term forms supplied a slightly higher proportion of the financing than in recent years.

DEBTS ABROAD

By the end of 1960 Canadian liabilities of all kinds to other countries, estimated at \$26.1 billion, exceeded the total of Canadian assets abroad of \$9.1 billion by \$17 billion, which compares with net international liabilities of \$15.5 billion at the end of 1959. The principal elements in the liabilities are the foreign long-term investments in Canada with a value estimated at \$22.3 billion in 1960 compared with \$20.8 billion in 1959. Direct investments in foreign-controlled enterprises amounting to \$12.8 billion make up more than half the total of foreign long-term investments in Canada.

The most important single change in the current account in 1960 was the rise in the value of Canadian exports. The increase in receipts from this source was entirely the result of general rises in Canadian exports to overseas countries, which rose by 20 per cent in the face of a contraction in exports to the United States. At the same time, imports of merchandise were slightly less both from the United States and overseas.

While there was, accordingly, a sharp decline in the deficit from merchandise trade to \$148 million, there continued to be a large deficit of \$1,122 million from non-merchandise transactions. The latter was at a higher level than ever but the rise of some 5 per cent from the previous year was more moderate than in earlier years. As has been the case over the years, the continued growth in imbalance was dispersed over most items and in 1960 the deficit from each of the non-merchandise items (except gold and official contributions) was

higher than ever before. One reason the increase was less pronounced than formerly lies in the unusually low level of dividend transfers by subsidiaries to parent companies in the final quarter of the year.

GENERAL BACKGROUND

The general economic background affecting the Canadian balance of payments for 1960 was one of divergent trends, overseas and in North America. These are exemplified by the strong demands for Canadian exports originating in the United Kingdom and other countries of Western Europe and elsewhere overseas, on the one hand, and the more hesitant economic conditions in the United States and Canada. The effect of the divergent economic trends was, of course, to increase exports to overseas at a time when Canadian exports to the United States were tending to lag and when Canadian imports were no longer showing the tendency to grow so evident during the past decade. Affecting the level of imports more specifically have been such important influences as a reduced scale of business investment in Canada and some reductions in business inventories during part of the year.

In the fourth quarter, following a fairly substantial dip in the current account deficit in the third quarter, the deficit again widened to \$318 million in the last quarter of 1960.

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GEOLOGICAL SURVEY FINDS, 1960

Geologists of the Geological Survey of Canada made a number of interesting finds in Eastern and Western Canada during the course of their field work in 1960. Mines and Technical Surveys Minister Paul Comtois said recently. The finds comprise: a magnetic anomaly with an intensity of more than 8,000 gammas above background in southern Mackenzie District in the Northwest Territories; seven large bodies of ultrabasic rocks, four of which contain chrysotile asbestos, in the Prince George area of central British Columbia; spodumene (a lithium mineral) and beryl (a beryllium mineral) in southwestern Nova Scotia; and lead and zinc on Cape Breton Island.

Accounts of the discoveries are contained in Geological Survey of Canada Information Circular No. 4, *Field Work 1960*, by Dr. C.S. Lord, Chief Geologist, and Dr. S.E. Jenness of the Survey staff.

The anomaly in southern District of Mackenzie is centred approximately at latitude 61°05'30", longitude 107°46'15". It follows a northeasterly trend and is about one and a half miles long and one mile wide. The bedrock geology of this region is shown on Geological Survey Preliminary Map 8-1959, entitled *Pen-ian Lake - Firedrake Lake, District of Mackenzie, Northwest Territories*.