

Organization of the Balance of Payments Accounts

Acknowledgments

Mr. Bower Carty gave generously of his time and invaluable expertise on the Balance of Payments. K. Lal, Director of the Input-Output Division and Albert Meguerditchian, Acting Director of Balance of Payments Division and Paul Paradis, Chief of International Travel, also assisted me. Many members of the Balance of Payments Division answered innumerable questions and I would like to thank them: Mr. Carmel Spiteri, Chief of the Current Account Section, Lucie Laliberté, John Motala, Jeff Allen, Brian Glabb and Paul Weiser. Any errors of fact or interpretation in this report are my own responsibility.

In the Canadian Balance of Payments nomenclature, the services account comprises travel, interest and dividends, freight and shipping, other service receipts. This nomenclature is at variance with National Income and Expenditure Accounts nomenclature which classifies interest and dividends as primary factor income flows (i.e. return on investment or capital). Furthermore the Balance of Payments category "other service receipts" includes some elements which are investment earnings and some which are taxes. For these reasons it is useful to think of invisible transactions as consisting of the three