

The Budget—Appendix

During 1947 the Canadian Government financed the purchase by overseas countries of goods and services in Canada to a value of \$563 million (apart from official contributions such as UNRRA) while other capital transactions resulted in additional net lending abroad of some \$228 million. Since there was only a small current account surplus (see table 13) out of which to finance this lending, reserves of gold and U.S. dollars required to be drawn down to the extent of \$743 million.

TABLE 14

SUMMARY OF CANADA'S NET BALANCE OF INTERNATIONAL PAYMENTS ON CURRENT ACCOUNT AND RELATED CHANGES ON CAPITAL ACCOUNT

	1939	1944	1946	Preliminary 1947
(MILLIONS OF DOLLARS)				
UNITED STATES AND OTHER NON-EMPIRE COUNTRIES				
<i>Net balance on current account—</i>				
U.S.A.....	-116	+ 31	-613	-1,138
Other.....	+ 66	+108	+398	+ 351
Total (including Mutual Aid, UNRRA and Military Relief).....	- 50	+139	-215	- 787
<i>Related Changes on Capital Account—</i>				
Net New Issues (+) or Retirements (-) of Canadian Securities.....	+ 24	- 74	-238	-231
Net Sales (+) or Purchases (-) of Outstanding Securities.....	+ 87	+225	+274	+ 4
Export Credits and Interim Advances.....			-210	-140
Other Net Capital Movements.....	-164	+ 77	+ 77	- 54
Mutual Aid, UNRRA, Military Relief.....	-	-126	- 92	- 38
Special Receipts of Convertible Exchange from Sterling Area.....	+ 2	+ 55	+150	+505
Decrease (+) or Increase (-) in Canadian holdings of gold and U.S. Dollars.....	(1)	-278	+251	+743
Balancing Item ⁽²⁾	+101	- 18	+ 3	- 2
Total.....	+ 50	-139	+215	+787

(1) Included with "other net capital movements".

(2) Includes multilateral settlements (in 1939) and errors and omissions in all years.

	1939	1944	1946	Preliminary 1947
(MILLIONS OF DOLLARS)				
UNITED KINGDOM AND EMPIRE COUNTRIES				
<i>Net balance on current account—</i>				
United Kingdom.....	+137	+746	+500	+632
Other Empire Countries ⁽¹⁾	+ 39	+133	+169	+240
Total (including Mutual Aid).....	+176	+879	+669	+872
<i>Related Changes on Capital Account—</i>				
Net New Issues (+) or Retirements (-) of Canadian Securities.....	-120	- 34	- 77	- 41
Net Sales (+) or Purchases (-) of Outstanding Securities.....	- 5	- 27	- 54	- 9
Loans and Interim Advances.....			-652	-423
Repayments on 1942 U.K. Loan.....		+ 57	+89	+104
Other Net Capital Movements.....	+ 42	+ 2	+164	
Mutual Aid.....		-834	- 5	
Special Receipts of Convertible Exchange.....	- 2	- 55	-150	-505
Decrease (+) or Increase (-) in Canadian holdings of £ Sterling.....		+ 4	+ 15	- 1
Balancing Item ⁽²⁾	- 91	+ 8	+ 1	+ 3
Total.....	-176	-879	-669	-872

(1) Other Sterling Area countries are included with Other Empire countries for 1944, 1946 and 1947.

(2) Includes multilateral settlements (in 1939), and errors and omissions in all years.