

INDEXES OF OUTPUT PER PERSON EMPLOYED,  
COMMERCIAL INDUSTRIES, 1946-66  
(1949 = 100)



#### Section 4.—Canadian Balance of International Payments\*

Canada's total commercial and financial transactions with residents of other countries are presented in summary form in statements of the Canadian balance of international payments. The current account shows separately the principal types of transactions in goods and services with non-residents. The capital account provides a distribution of capital movements into direct and portfolio investments and into long-term and short-term forms. The difference between the current account balance and the balance of these capital movements in an accounting period is reflected in the change in the official holdings of gold, foreign exchange, and Canada's net International Monetary Fund position.

During the past decade, a wide degree of imbalance has characterized Canada's international payments. Large current account deficits have customarily been associated with periods of Canadian prosperity. High levels of investment, rising personal consumption and the growth in government expenditures, including defence outlays abroad, have contributed to the deficits. These large current deficits, which reached a peak of \$1,487,000,000 in 1959, have reflected and been financed by substantial inflows of capital. Following this record high level, the imbalances in current transactions narrowed in successive years to \$424,000,000 in 1964 but widened in 1965 to \$1,130,000,000 as a result of a sharp contraction in the merchandise surplus. At \$1,137,000,000, the current account deficit was practically unchanged in 1966.

\* More detailed information is given in DBS annual report *Canadian Balance of International Payments and International Investment Position* (Catalogue No. 67-201), in the *Quarterly Estimates of the Canadian Balance of International Payments* (Catalogue No. 67-001) and in the *Canadian Balance of International Payments: A Compendium of Statistics from 1946 to 1965* (Catalogue No. 67-505 Occasional).