are: tourist expenditures, dealt with in the preceding section; receipts and payments of interest; receipts and payments in freight charges, in remittances of immigrants and emigrants, in charitable and missionary contributions, etc.; and, as a supplementary item evening up accounts, the borrowings and lendings of capital. Many of these items can be only approximately estimated, especially for a country like Canada, lying along a land frontier of some 4,000 miles with the United States, with business relationships and family relationships very closely knit together.

Nevertheless, it has been considered well worth while to make as close an estimate as possible of the balance of the international payments of the Dominion for 1920 and subsequent years, and the figures for the years 1926 to 1929 are presented in Table 37. It is expected that with greater experience the technique may be improved, and the margin of error reduced to the minimum.

In 1920 the Dominion's commodity balance of trade was "unfavourable" to the extent of about \$24 millions. When the totality of transactions in 1920 is taken into account as far as possible, the excess on the import side of our account was \$268 millions, while in 1921 and 1922 the excesses on the same side were \$137 millions and \$68 millions respectively. (A chief reason for the "adverse" balance in these years was that we were then being repaid amounts advanced to the United Kingdom during the war, there being a net withdrawal from the United Kingdom of \$104 millions in 1920, \$128 millions in 1921 and \$84 millions in 1922.)

In 1923 there was a change, with a surplus of \$45 millions shown on the export side, in spite of further repayments of \$52 millions by the United Kingdom. The surplus was \$108 millions in 1924, \$277 millions in 1925, \$173 millions in 1926, \$51 millions in 1927 and \$164 millions in 1928. In these years Canadian insurance companies were purchasing large amounts of foreign securities, Canadians were making additional further direct investments, principally in South America and the United States, and we were buying back from abroad our own securities or purchasing foreign securities, principally on the New York stock exchange. In addition, the Canadian banks increased very largely the sums of money they had abroad on call.

These exports were the result of abundant funds accumulating in the Dominion owing to three causes. In the first place there had come into the country during the war about \$1,250 millions through the purchase of our commodities at high prices; this was seeking an investment outlet. In the second place, the large investment of United States capital in the Dominion from 1914 to 1920 was now increasing the nation's output. In the third place, successive large harvests were a foundation of prosperity. These factors, combined, caused an unprecedented accumulation of savings which was used by financial institutions and individuals not only to finance domestic capital needs, but also to avail themselves of opportunities for profitable investment abroad. The prolonged and extravagant "bull" market in the New York and other United States' stock exchanges culminating in the early summer of 1929 and the high interest rates prevailing in those markets attracted enormous sums to the United States from other countries, including Canada. Thus from 1923 to 1928 we had on balance an export of capital to our credit, though at the same time other countries, particularly the United States, continued to invest large sums in the Dominion. The year 1929 appears to have shown a reversal of the net outward capital movement which has been characteristic of Canadian international transactions for the