

selling of commodities and services amounted to over \$4 billions as compared with \$2½ billions for the foreign trade in commodities alone, which means that the so-called "invisible" items of our international business accounted for nearly 40 p.c. of the aggregate for all items. Included in these "invisible" items 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 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 1927 to 1930 are presented in Table 23. 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 complete international transactions showed an excess of imports estimated at \$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, \$228 millions in 1926, \$137 millions in 1927 and \$201 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