

States of \$560,000,000 in 1951 compared with \$960,000,000 in 1950 and only \$47,000,000 in 1949. Relatively more of the net inflow of capital in 1951 was in types of movement which usually represent long-term investment in Canada, such as direct investments and new issues of securities floated in the United States. Large declines occurred in inflows for the acquisition of outstanding domestic securities and short-term movements. Because of these capital inflows, and also because of such items as reinvested earnings which are not included in the balance of payments, the value of United States investment in Canada increased in 1950 by \$670,000,000, and a provisional estimate for 1951 indicates another increase of comparable size.

**Transactions with Other Countries.**—The current account surplus with non-sterling area OEEC\* countries, mainly in Western Europe, fell by \$78,000,000 to \$109,000,000 in 1950, but increased sharply to \$220,000,000 in 1951. The same trend was apparent in transactions with the remaining countries in this group—a surplus of \$15,000,000 in 1949 becoming a deficit of \$40,000,000 in 1950 and a surplus of \$20,000,000 in 1951.

A large part of the rise in exports in 1951 was in food and raw materials to the OEEC countries. About one-third of Canadian exports to Europe in 1951 consisted of wheat and flour. Imports from the European Continent showed a striking increase in rolling-mill products. An outstanding development in trade in 1951 was the rise in exports to Japan, which were three times the 1950 value. Trade with Latin America increased in both 1950 and 1951.

Capital transactions with other overseas countries in 1951 included receipt of \$20,000,000 principal on Canadian export credits. Net sales of outstanding Canadian securities were \$34,000,000 compared with \$1,000,000 in 1950 and were made mainly to Switzerland. In 1951 there was an outflow from Canada of \$16,000,000, principally in connection with Canadian enterprises in Latin America. In the same year, \$9,000,000 was received from those countries for direct investment in Canada.

\* Organization for European Economic Co-operation.

### 1.—Current Account between Canada and All Countries, 1928-51

(Net Credits=+; Net Debits=-)

(Millions of Canadian Dollars)

Year	Current Receipts	Current Expenditure	Net Balance on Current Account	Year	Current Receipts <sup>1</sup>	Current Expenditure <sup>2</sup>	Net Balance	Mutual Aid and Other Official Contributions in Current Account	Net Balance on Current Account
1928....	1,788	1,820	-32	1942....	3,376	2,275	+1,101	-1,002	+99
1929....	1,646	1,957	-311	1943....	4,064	2,858	+1,206	-518	+688
1930....	1,297	1,634	-337	1944....	4,557	3,539	+1,018	-960	+58
1931....	972	1,146	-174	1945....	4,456	2,910	+1,546	-858	+688
1932....	808	904	-96	1946....	3,365	2,905	+460	-97	+363
1933....	829	831	-2	1947....	3,746	3,661	+85	-38	+47
1934....	1,020	952	+68	1948....	4,147	3,676	+471	-19	+452
1935....	1,145	1,020	+125	1949....	4,077	3,890	+187	—	+187
1936....	1,430	1,186	+244	1950....	4,300	4,572	-272	-57	-329
1937....	1,593	1,413	+180	1951....	5,341	5,700	-359	-165	-524
1938....	1,361	1,261	+100						
1939....	1,457	1,331	+126						
1940....	1,776	1,627	+149						
1941....	2,458	1,967	+491						

<sup>1</sup> Includes Mutual Aid exports.

<sup>2</sup> Excludes Mutual Aid offsets.