

of corporate securities. In this respect trading followed the mixed pattern that developed in mid-1951. The long climb of the Canadian dollar on the exchange markets had a strong influence on transactions in government bonds and over this period more than offset, for non-resident investors, the effect of declining bond prices. Proceeds from new issues of Canadian securities sold to non-residents, mainly corporate and provincial issues, aggregated \$319,000,000, while retirements totalled \$89,000,000. Transactions in foreign securities led to a small outflow of capital as a result of financing of the International Bank for Reconstruction and Development but, on the whole, Canadians showed little interest in foreign issues during 1952.

Among other capital movements in 1952 were repayments of \$56,000,000 on Canadian loans to the United Kingdom and other governments, a reduction of \$66,000,000 in Canadian dollar holdings of foreigners, an increase of \$80,000,000 in official holdings of gold and U.S. dollars and a decrease of \$43,000,000 in official holdings of sterling. But the most spectacular change in the capital account in 1952 occurred in the category of "other capital movements" which showed an outflow of \$497,000,000 compared with an inflow of \$128,000,000 in 1951. The dominant inflows of capital for long-term investment in Canada coinciding with a surplus in the current account forced the exchange value of the Canadian dollar to a high of 104.3 cents in U.S. funds in August and September 1952. This high value influenced the equilibrating outflows through which Canada's international accounts were brought into balance. In addition to the heavy repatriation of government bonds and of Canadian dollar balances of non-residents already mentioned, there were very substantial increases in private and chartered bank balances and other short-term funds abroad, and decreases in accounts payable from the high levels established during 1950 and increased through the period of credit stringency in 1951.

1.—Current Account between Canada and All Countries, 1928-52

(Net Credits +; Net Debits -)
(Millions of Canadian Dollars)

Year	Current Receipts	Current Expenditure	Net Balance on Current Account	Year	Current Receipts ¹	Current Expenditure ²	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.....	3,748	3,661	+87	-38	+49
1934....	1,020	952	+68	1948.....	4,147	3,673	+474	-23	+451
1935....	1,145	1,020	+125	1949.....	4,089	3,906	+183	-6	+177
1936....	1,430	1,186	+244	1950.....	4,297	4,569	-272	-62	-334
1937....	1,593	1,413	+180	1951.....	5,311	5,674	-363	-154	-517
1938....	1,361	1,261	+100	1952.....	5,859	5,495	+364	-213	+151
1939....	1,457	1,331	+126						
1940....	1,776	1,627	+149						
1941....	2,458	1,967	+491						

¹ Includes Mutual Aid exports.

² Excludes Mutual Aid offsets.