

as the non-resident investor added to his stake in Canadian growth. The largest factor in the increase, however, has been the voracious demands in the Canadian capital market, some of which have been diverted to foreign capital markets through the sale to non-residents of new issues of Canadian bonds and debentures. Corporation, provincial governments and municipalities have all been important borrowers abroad in recent years.

During this period of large deficits on current account there has been a tendency for a declining proportion to be financed by foreign direct and portfolio investments in Canadian establishments, and larger parts by increases in the net external debt of Canadian governments—federal, provincial and municipal—and in other net external liabilities, mainly short-term in Canada.

Comments and statistics on the effects of the unprecedented capital inflows of recent years upon the ownership of investments in Canada will be found in the Section on Canada's International Investment Position in Chapter XXIII.

1.—Current Account Transactions between Canada and All Countries, 1940-59

(Millions of dollars)

Year	Current Receipts ¹	Current Payments ²	Net Balance including Mutual Aid Exports	Wartime Grants and Mutual Aid	Net Balance on Current Account indicating Net Movement of Capital
1940.....	1,776	1,627	+149	—	+149
1941.....	2,458	1,967	+491	—	+491
1942.....	3,376	2,275	+1,101	-1,002	+99
1943.....	4,064	2,858	+1,206	-518	+688
1944.....	4,557	3,539	+1,018	-960	+58
1945.....	4,456	2,910	+1,546	-858	+688
1946.....	3,365	2,905	+460	-97	+363
1947.....	3,748	3,699	+49	—	+49
1948.....	4,147	3,696	+451	—	+451
1949.....	4,089	3,912	+177	—	+177
1950.....	4,297	4,574	-277	-57	-334
1951.....	5,311	5,683	-372	-145	-517
1952.....	5,858	5,494	+364	-200	+164
1953.....	5,737	5,934	-197	-246	-443
1954.....	5,520	5,668	-148	-284	-432
1955.....	6,072	6,548	-476	-222	-698
1956.....	6,621	7,830	-1,209	-157	-1,366
1957.....	6,622	7,970	-1,348	-107	-1,455
1958.....	6,579	7,568	-899	-142	-1,131
1959 ^p	6,859	8,225	-1,366	-63	-1,429

¹ Includes Mutual Aid exports.

² Excludes Mutual Aid offsets.

2.—Geographical Distribution of the Balance on Current Account between Canada and Other Countries, 1940-59

Note.—In the years 1942-46 balances include exports of currently produced goods provided as Mutual Aid or Official Contributions. (See also Table 1.)

(Millions of Canadian dollars)

Year	United States ¹	United Kingdom ²	Other Overseas Countries ³	All Countries	Year	United States ¹	United Kingdom ²	Other Overseas Countries ³	All Countries
1940.....	-292	+343	+98	+149	1950.....	-400	+24	+42	-334
1941.....	-318	+734	+75	+491	1951.....	-951	+223	+211	-517
1942.....	-180	+1,223	+58	+1,101	1952.....	-849	+388	+625	+164
1943.....	-19	+1,149	+76	+1,206	1953.....	-904	+133	+328	-443
1944.....	+31	+746	+241	+1,018	1954.....	-807	+229	+146	-432
1945.....	+36	+747	+763	+1,546	1955.....	-1,035	+330	+7	-698
1946.....	-607	+500	+567	+460	1956.....	-1,639	+252	+21	-1,366
1947.....	-1,134	+633	+550	+49	1957.....	-1,579	+118	+6	-1,455
1948.....	-393	+486	+358	+451	1958.....	-1,176	+104	-59	-1,131
1949.....	-601	+446	+332	+177	1959 ^p	-1,215	+47	-261	-1,429

¹ Includes all net exports of non-monetary gold.

² Excludes wheat exports diverted to other overseas countries.

³ Includes estimated value of wheat sold in European countries.