

surplus with the United Kingdom and Continental Europe, which had been \$359 million as recently as 1967, gave way to a small deficit in 1969, while the surplus with all other overseas countries, \$484 million in 1967, fell to less than \$200 million in 1969. In both cases, lower wheat shipments were partly responsible, but Canadian imports from these third countries have risen more sharply than imports from the United States. The non-merchandise balance with the rest of the world has also tended to deteriorate.

At the depressed levels of world wheat prices in 1969, both the volume and value of Canadian wheat exports were lower than they had been for several years; contracts announced since the start of the new crop year, however, imply some recovery in calendar 1970, which would be reflected in the trade balance with countries other than the United States. On the other hand, 1969 also saw the

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