

actions directly rising from Canada's growing indebtedness to other countries. Interest and dividends paid to non-resident investors at \$586 million in 1958 were at about the same level as in 1957 and much higher than in any earlier year. After allowing for receipts by Canadians from investments abroad, net payments of interest and dividends amounted to \$420 million, which were also higher than in any year before 1957.

In addition, there were net miscellaneous income remittances of \$16 million and payments by foreign-controlled subsidiaries to home offices for head office expenses and other business services well in excess of \$100 million. Other parts of the deficit arise from the travel of Canadians abroad, payments for freight and shipping, personal remittances, migrants' transfers, other business services, official contributions, and other expenditures by the Canadian Government abroad.

The rise in payments to other countries for services has been widely distributed internationally. In the decade between 1949 and 1958 net payments for non-merchandise transactions have risen from \$116 million to \$915 million. A little less than one-half of this rise has occurred in transactions with the United States, which rose from net payments of \$223 million in 1949 to \$606 million in 1958. With overseas countries there has been a rise in net payments of \$416 million during the same period, from a surplus of \$107 million to a deficit of \$309 million. Contributing to the rising deficit with overseas countries have been higher payments on most accounts, including travel, transportation, interest and dividends, military expenditures, personal remittances, official contributions, and business services. Growing contacts between Canada and the United Kingdom and Western Europe, particularly in the spheres of personal and business relationships and defence, have all contributed to this rising level of Canadian payments.

The deficit of \$309 million from non-merchandise transactions with overseas countries was large enough to offset most of the export surplus of \$358 million from overseas merchandise trade in 1958. The resulting current surplus of only \$49 million with overseas countries contrasts with the large surplus which used to be typical of transactions with this group of countries.

RISING INDEBTEDNESS

Capital inflows in long-term forms for investment in Canada continued to be large enough in 1958 to finance the current deficit, although these were some 10 per cent less than in the previous year. The effects of these inflows and of earnings on non-resident investments retained in Canada were to raise the amount of long-term non-resident investments in Canada by 9 per cent to a new record of \$19.1 billion. This total is more than

twice the value of this group of investments in 1951. Since 1954 there has been a rise of \$6.6 billion, which amounts to over one-half of the value of non-resident investments in Canada in that year.

The principal source of the capital inflows has been the United States and investments owned in that country made up most of the rise and some 77 per cent of the accumulated total. At the same time, investments from the United Kingdom and other countries have also shown a sharp rise and are now greater in total than ever before.

FOREIGN CONTROL

A supplement to the report brings up to the end of 1957 ratios of foreign ownership and control of selected Canadian industries. New ratios available for the first time show the effects of the intense industrial expansion in 1956-57. In the two years non-resident investment in Canadian manufacturing industries rose from 47 per cent to half of the total, and the proportion controlled by non-residents from 52 per cent to 56 per cent. Non-resident ownership of the petroleum and natural gas industry rose slightly to 64 per cent, but control fell from 79 per cent to 76 per cent reflecting the expansion of Canadian-controlled elements in the natural gas industry. Non-resident ownership of mining rose over the two years to 56 per cent, and non-resident control rose from 57 per cent to 61 per cent.

When railways, other utilities, merchandising and construction are added to these industries, non-resident ownership in the group as a whole has risen in the two years by 3 points to 35 per cent. Between 1948 and 1955 the ratio had remained unchanged at 32 per cent, although there was increasing ownership of manufacturing, petroleum and mining, offset by decreasing ownership of the other categories. The ratio of non-resident control of these industries as a group also rose 3 points to 33 per cent. Although foreign ownership of these Canadian industries is now relatively somewhat smaller than thirty years ago, the proportion of them controlled by non-residents has almost doubled.

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UNIVERSITY SALARIES - 1959-60

Median salaries of full-time teaching staff at the four Canadian universities (British Columbia, Alberta, Toronto and McGill) with over 5,000 enrolment (if students at affiliated institutions are excluded) showed another marked increase for 1959-60 over earlier years, according to a Dominion Bureau of Statistics advance release. The 1959-60 median for deans was \$15,875 (up 28.3 per cent over 1956-57), for professors \$12,175 (39.6 per cent), for associate professors \$9,141 (35.9 per cent), for assistant professors \$7,251 (31.8 per cent), and for instructors and