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CANADA



THE CANADIAN BALANCE
OF
INTERNATIONAL PAYMENTS, 1956
AND
INTERNATIONAL INVESTMENT POSITION

DOMINION BUREAU OF STATISTICS

International Trade Division

Balance of Payments Section

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THE CANADIAN BALANCE

OF

INTERNATIONAL PAYMENTS, 1956

Summary

The continuation of strong expansionary forces in the Canadian economy from 1955 into 1956 was accompanied by an unprecedented growth in the deficit on Canada's international current account. The deficit of \$1,372 million incurred in 1956 from transactions in goods and services with other countries was almost double the deficit of \$698 million in 1955 and three times that of a year earlier.

Over 75 per cent or \$500 million of the \$674 million increase in 1956 was related to a larger imbalance on merchandise trade. This growth in the importance of the trade deficit in the total deficit reflects new high levels of trading activity, and in particular the large increase in imports. The substantial gains in almost every phase of the economy during 1956 exerted further pressures on Canada's productive capacity, and shortfalls in the face of these demands were met for the most part with imported goods. Industrial machinery and equipment, and construction materials were a prominent feature of this growth, and were imported in substantial quantity particularly from the United States. The overall picture was one of general gains in most import categories of consumer and industrial goods from a majority of countries.

The increase in exports was less pronounced, although still substantial, and a considerable part was due to the growth in grain exports. At the same

time, the intensive resource development program of the past few years made further contributions to the Canadian export potential. With both export and import prices some 2 to 3 per cent above the 1955 averages, there was only a marginally favourable movement in the terms of trade, and volume changes in imports and exports were only slightly less than the corresponding value changes.

Receipts and payments in 1956 for non-merchandise transactions increased by some 6 and 12 per cent, or \$100 million and \$200 million respectively in 1956. The resultant deficit of \$638 million established a new peak, although its share in the total deficit contracted as the relative importance of merchandise trade in the total rapidly rose. The overall expansionary influences of a fast growing economy were evinced by increased payments for the whole range of "invisible" imports. On the other hand, there were similar, if less dynamic forces tending to increase "invisible" receipts. However, with the exception of gold production available for export, each category of the non-merchandise account continued in deficit, and in almost every case, the deficit was significantly larger.

As in 1955, the growth in the deficit with the United States in 1956, accounted for some 85 to 90 per cent of the total increase. A substantial decline in the surplus with the United Kingdom accounted for the rest of the deterioration in 1956.

STATEMENT 1. Summary of the Balance of Payments between Canada and All Countries, 1951-1956
(Millions of dollars)

| Account | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | Change in 1956 |
|---|--------------|--------------|--------------|--------------|--------------|----------------|-------------------|
| Merchandise exports (adjusted) | 3,950 | 4,339 | 4,152 | 3,929 | 4,332 | 4,833 | + 501 |
| Merchandise imports (adjusted) | 4,097 | 3,850 | 4,210 | 3,916 | 4,543 | 5,567 | + 1,024 |
| Balance on merchandise trade | - 147 | + 489 | - 58 | + 13 | - 211 | - 734 | - 523 |
| Other current receipts | 1,216 | 1,319 | 1,339 | 1,307 | 1,518 | 1,604 | + 86 |
| Other current payments | 1,586 | 1,644 | 1,724 | 1,752 | 2,005 | 2,242 | + 237 |
| Balance on non-merchandise transactions | - 370 | - 325 | - 385 | - 445 | - 487 | - 638 | - 151 |
| Current account balance | 517 | + 164 | - 443 | - 432 | - 698 | - 1,372 | - 674 |
| Direct investment in Canada | + 309 | + 346 | + 426 | + 392 | + 417 | + 595 | + 178 |
| Net new issues of Canadian securities | + 227 | + 227 | + 189 | + 128 | - 18 | + 541 | + 559 |
| Net trade in outstanding Canadian securities | + 38 | - 94 | - 31 | + 63 | - 27 | + 207 | + 234 |
| All other capital movements | - 57 | - 643 | - 141 | - 151 | + 326 | + 29 | - 297 |
| Net capital movement | + 517 | - 164 | + 443 | + 432 | + 698 | + 1,372 | + 674 |

Note: Mutual Aid to NATO Countries is not included in either current receipts or payments.

Canada's contribution of Mutual Aid to NATO countries was \$157 million in 1956, bringing the total contribution from 1950 to date to over \$1,300 million. These unilateral transactions, as measured for balance of payments, include shipments of equipment and supplies, and the provision of training for European aircrews.

The record imbalance on current account was financed by a greatly enlarged inflow of capital. This was accompanied by the strengthening during the year in the exchange value of the Canadian dollar. Inflows of capital of a long-term type in 1956 were more than three times the amount in 1955. These capital inflows in long-term forms were sufficient to finance almost all of the current deficit, in contrast to the previous year when a considerable amount was financed by short-term inflows. In 1956 monetary pressures and shortages of capital in Canada had important effects upon inflows of long-term capital from abroad. The accompanying rise in interest rates in Canada contributed to a heavy volume of borrowing abroad by Canadian provincial and municipal governments and corporations, through the sale of new issues of Canadian securities at more favourable terms than were available in Canada. This borrowing along with further enlarged inflows of capital for direct investment by foreign firms and for outstanding Canadian stocks helped bring about an unprecedented rise in non-resident investments in Canada and the rise in the net in-

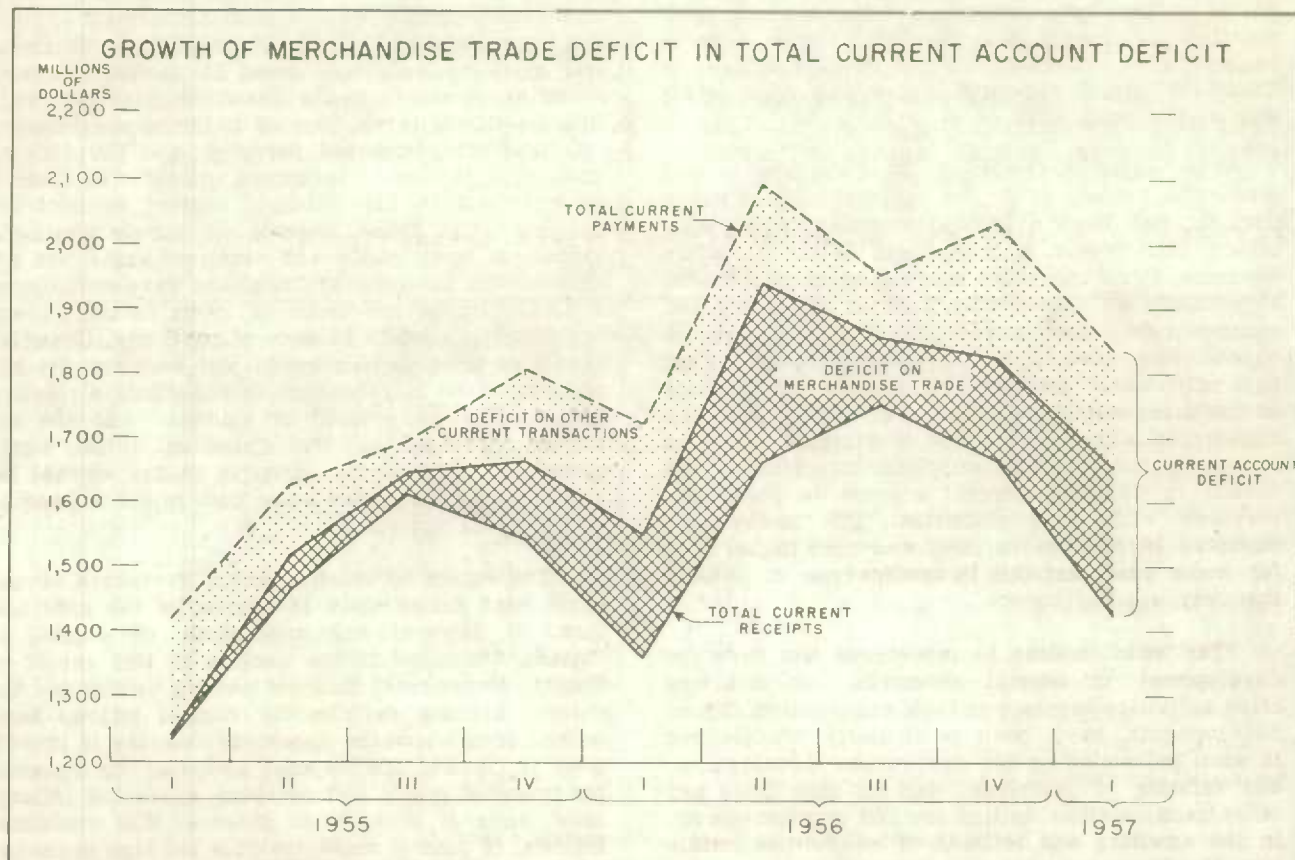
debtedness to other countries described in the final section of this report.

The use of foreign resources contributed about one-third of the financing of net investment in Canada in 1956, and direct foreign financing amounted to an even larger portion.

Factors Relating to Recent Imbalance

The pattern shown in the Canadian balance of international payments in 1956 exhibited in a more accentuated form many of the characteristics which emerged earlier in the 1950's. The degree of imbalance was the most outstanding feature in 1956 and in absolute terms exceeded by far the disequilibrium in earlier years. In relative terms too, the imbalance which occurred in 1956 was greater than in any but a few most exceptional periods, the most recent of which was 1930. Another record development in 1956 was the size of the inflow of capital in long-term forms. But comparisons with earlier years may not be carried far as accompanying conditions in different periods have varied greatly.

The great enlargement in the current account deficit in the year was caused chiefly by a more than tripling in the size of the deficit on commodity trade with the greater expansion in imports than in exports. This was a type of imbalance that first



became prominent in the latter half of 1955 following a period of a relatively small amount of imbalance on commodity account. In addition, there was a further large growth in the deficit from non-commodity transactions, the group which has been rising steadily during most of the 1950's and which has constituted most of the current deficits until 1956. Leading contributors to the growth in this latter imbalance have been net remittances of income, and payments for travel, transportation and a great variety of business services.

Most of the inflows of capital for long-term investment have taken the broad forms of inflows for direct investment in business enterprises controlled abroad and inflows into Canadian securities. In 1956 there were sharp increases in both these types of capital investment and the inflows from security transactions became the largest source, in contrast to earlier years when the major source was the direct investment type of inflow. The largest single change in inflow was a fourfold rise in new issues of Canadian securities sold abroad.

A factor with far-reaching consequences underlying this imbalance in Canada's international accounts has been, of course, the high rate of growth in the Canadian economy and the strong pressures of demand for goods, services, and capital from non-resident sources accompanying the high levels of economic activity. The need for external resources has been particularly evident in the demands arising from investment activity which have contributed directly and indirectly to a rise in imports; this rise outpaced the large expansion in Canada's export capacity which has been under way at the same time.

The rapid development of Canada's natural resources, much of it by capital from outside Canada, has been a leading stimulus to the sustained high levels of investment in the Canadian economy. For some years the proportion of national expenditure on construction and on machinery and equipment has been exceptionally high, and these expenditures rose rapidly by 24 per cent in 1956 to a point where they represented some 26 per cent of the gross national expenditure. This in turn has contributed widely to the use of external resources to supplement Canadian supplies, so enlarging the deficit in Canada's current account in goods and services with other countries. The increase in business inventories in 1956 was also higher than for some years and this is another type of demand that may absorb imports.

The main impetus to investment has been the development of natural resources, utilities and other activities required in their exploitation. These developments have been particularly conspicuous in such industries as the exploration, development, and refining of petroleum, and in pipe lines and other transportation, in iron ore and uranium mining, in the smelting and refining of non-ferrous metals like aluminum and nickel, and in other mining, the pulp and paper industry, chemicals, and the hydro-

electric power required by so many of these industries. In most of these areas of development, enterprises under non-resident ownership and control have been prominent, and external sources of capital have played an important part in the original decisions to invest in or expand the Canadian branch or subsidiary, and in the financing. Non-resident sources of financing in many of these industries are not confined to capital inflows into Canada. Earnings accruing to non-residents or other internal sources within the Canadian branch or subsidiary such as depreciation allowances, have also contributed major elements to the financing of investment. Borrowing in Canada may also play a part and usually the equity and subsequent claims to residual earnings remain in non-resident hands.

Expansion, of course, has also been general in other branches of industry and business and in the investment of social capital as well. But the general atmosphere of growth so often initiated in the development of resources and further stimulated by the rapidly rising population, has been a factor tending to spread investment into secondary industry mainly to meet the needs of a rising Canadian market. The development of natural resources financed by non-residents on the other hand has more often been initiated in anticipation of the needs or prospects of export markets particularly in the United States.

The combined effects of the heavy investment at a time when there is a good climate for exports and the related high levels of employment, incomes, and consumption, have been in the direction of mounting pressures in the Canadian economy. This investment, of course, has led to the strong demands for imported goods and services, and the drawing upon real physical resources outside of Canada is reflected in the enlarged current account imbalance. The broad sources of supply available abroad of most goods and services which are accessible for purchase by Canadians have contributed a flexibility to the group of items in the current account of Canada's balance of payments. Canadian needs of most foreign goods and services are not in themselves large enough to constitute a relative supply problem outside of Canada. And the exchange premium on the Canadian dollar, again closely related to the strength of the capital inflows, has also played some part in the expansion of Canadian imports.

The extent to which financial resources abroad have been drawn upon is shown by the size and form of international movements of capital to Canada described in the section of this report on Capital Movements. Besides serving to finance the current account deficits the capital inflows have helped bring about the unprecedented rise in investment in Canada and so have added to the demands for imported goods and services which the inflows have made it possible to finance. The sustained inflows, of course, made possible the high exchange value of the Canadian dollar which also made it cheaper to import goods and services.

Some of the effects of the prolonged period of capital inflows upon Canada's investment position are described in the section dealing with Canada's International Investment Position. The amount of non-resident investment in Canada since 1950 has been growing at an unprecedented rate as external resources have been drawn upon. This has been particularly the case in the dynamic areas of Canadian development, mining, petroleum exploration and development, and manufacturing, where the ratios of non-resident ownership and control have been rising. In contrast the relative position of Canadian capital has been increasing in investments in utilities and in merchandising and, of course, in the broad areas of social capital and in ownership of agricultural, residential, and other property.

And it should be repeated that while the relative dependence upon foreign resources has risen in the recent period of accelerated development coinciding with the 1950's, this dependence is still relatively much less than in some earlier periods of accelerated development such as occurred in the years before the First Great War. But the ratios of the use of foreign resources and of direct financing which have appeared during the past year, or so seem to have exceeded corresponding ratios for any similar period in the interval with the exception of a brief period in 1929 and 1930.

Quarterly Developments

The expansion in business activity which was evident throughout 1955 continued in full strength into 1956, and brought with it record quarterly current account deficits. The annual deficit of \$1,372 million was almost double the deficit in 1955. The percentage increases of each quarter of 1956 as compared to the corresponding quarter of 1955 were 96, 167, 140, 40 per cent and the rise for 1956 in total was 97 per cent. In terms of absolute level and percentage increase, the deficit reached a peak of \$435 million in the second quarter of the year.

From the fourth quarter of 1955, the deficit in merchandise trade played a strategic role in creating the overall deficit. In the first quarter of 1956, the total deficit as compared to a year earlier had increased by \$178 million to \$363 million; the trade deficit increased by \$187 million. By the end of 1956 the predominance of the trade deficit had lessened somewhat as greater imbalance occurred in the "invisible" items.

The similarity of movement in the commodity deficit and the total deficit tends to conceal a variety of movements within individual components throughout the year. In the first quarter of 1956 as compared to the same quarter of 1955, merchandise exports rose moderately (9 per cent), but imports rose much more (28 per cent). In the second quarter both exports and imports experienced the largest quarterly advances for several years, and resulted in a record quarterly deficit. In the third and fourth quarters there was a falling off in the percentage gains over 1955, and the commodity deficit narrowed somewhat. This was mainly because the deficits in the latter part of 1955 were most abnormal for that period of the year. Accordingly the even larger deficits in the two final quarters of 1956 are indicative of the high degree of imbalance prevailing in a season when the more normal tendency has been for a surplus on commodity account.

Payments on non-merchandise account were larger in every quarter of 1956 compared to the same quarter of 1955, and net payments much higher in every quarter except the first. The component items with only minor exceptions, all showed consistent quarterly gains over the previous year. Receipts showed advances in each of the first three quarters of 1956, but fell off in the fourth quarter. This decline was primarily the result of smaller interest receipts as a result of the deferment of interest on the 1946 loan to the United Kingdom. In general, there were quarterly gains in immigrants' receipts, and revenue from freight and other services.

STATEMENT 2. Quarterly Current Account Balances between Canada and the Principal Countries and Areas, 1954-1956

(Millions of dollars)

| Country or Area | 1954 | | | | 1955 | | | | 1956 | | | |
|--|--------------|--------------|-------------|-------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
| | I | II | III | IV | I | II | III | IV | I | II | III | IV |
| United States | - 236 | - 285 | - 57 | - 229 | - 277 | - 280 | - 151 | - 327 | - 414 | - 527 | - 246 | - 453 |
| United Kingdom | + 23 | + 30 | + 68 | + 108 | + 71 | + 99 | + 68 | + 92 | + 68 | + 35 | + 69 | + 82 |
| Other sterling area | + 15 | + 12 | + 6 | + 11 | + 22 | + 13 | + 20 | + 5 | + 19 | + 19 | + 1 | + 11 |
| All other countries ¹ | + 21 | + 48 | + 3 | + 30 | - 1 | + 5 | - 22 | - 35 | - 36 | + 38 | - 28 | - 10 |
| All Countries | - 177 | - 195 | + 20 | - 80 | - 185 | - 163 | - 85 | - 265 | - 363 | - 435 | - 204 | - 370 |

1. Including other OEEC Countries.

Average export and import prices advanced by some 2 to 3 per cent from 1955 to 1956, and volume changes were only marginally less than the comparable value changes. Export prices rose slowly throughout 1956, with a gain of some 2½ per cent from the end of 1955. Import prices on the other hand rose early in the year, declined mid-year, and rose again in the last few months, to close the year relatively unchanged. The terms of trade in 1956 on average were fractionally more favourable than in 1955. As import prices fell during the second quarter the terms of trade moved in Canada's favour, but retracted somewhat as import prices rose again in the final months of 1956. Trends in prices of both exports and imports were affected by the weakening in the exchange rate for the United States dollar in Canada, which occurred in the latter part of the year. This had the effect of moderating increases in commodity prices when converted to Canadian dollars.

The year 1956 began with a higher quarterly level of capital inflows in long-term forms than for any quarter in 1955. The effects of large outflows for direct investment abroad and for retirement of foreign-held Canadian securities were more than offset by a sharp increase in the sale to non-residents of new issues, influenced by the relatively large differential between interest rates in Canada and in the United States. Despite the growth in flows of long-term capital in the first quarter of the year, they fell far short of the current account deficit and there was a capital inflow of the order of \$200 million in short-term forms. This was the largest net movement of this character which has occurred since the beginning of official quarterly estimates in 1950. A large part of it is presumed to be related to the sharp growth in the rate of the commodity deficit over this period.

In the second quarter net outflows for direct investment abroad were abnormally low as Canadians disposed of some major holdings abroad. At the

same time retirements of foreign-held Canadian securities fell to more normal levels and inflows of foreign capital both for direct investment in Canada and for new issues of Canadian securities reached high levels. Movements in long-term forms more than doubled, and they covered an increased share of the current account deficit of record proportions incurred in this quarter.

The third quarter of the year witnessed some reduction in the rate of inflows in long-term forms, particularly as inflows of foreign direct investment capital were not maintained at the high level of the second quarter. But under seasonal influences the current account deficit fell sharply and there were capital outflows in short-term forms of more than \$100 million. In the final quarter of the year there were record inflows both for direct investment and new issues, and these, coupled with the normally heavy inflow covering repayments on Canadian loans to overseas governments, led to a net inflow in long-term forms slightly surpassing the previous record established in the third quarter of 1950 under quite different circumstances. The deficit on current account rose, of course, and the net outflow in short-term forms was smaller than in the third quarter.

These developments were accompanied by the marked shift in the exchange rate. The price of the United States dollar in Canada fell from 99 29/32 cents at the end of 1955 to 95 31/32 cents at the end of 1956. It moved through a high of 99.97 cents in February and a post-war record low of 95.66 cents in November, a trading range of 4.31 cents which was wider than for any year since 1952. In general, persistent strengthening of the Canadian dollar on the international exchange market was characteristic of 1956. The Canadian dollar had weakened through 1955 and the annual noon averages for the two years were not greatly different, 98.63 cents in 1955 compared with 98.41 in 1956.

STATEMENT 3. Foreign Exchange Rates: U.S. Dollar in Canada, 1955 and 1956

Quotations reported on transactions between banks in the exchange market

(Source: Bank of Canada)

| Quarter | 1955 | | | 1956 | | |
|---------------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | High | Low | Noon Average | High | Low | Noon Average |
| (Canadian cents per unit) | | | | | | |
| I | 99.06 | 96.47 | 97.60 | 99.97 | 99.81 | 99.88 |
| II | 98.97 | 98.19 | 98.54 | 99.87 | 98.00 | 99.12 |
| III | 99.00 | 98.22 | 98.58 | 98.44 | 97.44 | 98.03 |
| IV | 100.06 | 98.97 | 99.81 | 97.62 | 95.66 | 96.62 |
| Year | 100.06 | 96.47 | 98.63 | 99.97 | 95.66 | 98.41 |

Closing Quotations: 1955, 99.90625; 1956, 95.96875.

Bilateral Changes

In 1956 as in 1955, transactions with the United States played a dominant role in the increase of the current account deficit with all countries by \$674 million to \$1,372 million. Of this \$674 million increase from 1955 to 1956, \$605 million was with the United States; similarly of the \$940 million increase from 1954 to 1956, \$833 million was with that country. The resulting current deficit of \$1,640 million with the United States was far above any earlier year and compares with the previous peak of \$1,134 million in 1947.

The surplus with the United Kingdom fell by \$76 million in 1956 after a \$101 million gain in 1955. Balances with other overseas countries again showed divergent tendencies. Following a sharp decline in surplus from 1954 to 1955, the small 1955 surplus was maintained and slightly increased

in 1956. This small and relatively unchanged surplus was the net result of lower surpluses with the rest of the Sterling Area, and other OEEC countries, and a smaller deficit with all other countries.

The \$605 million growth in the deficit with the United States was related to both merchandise and non-merchandise items. Exports and imports of goods rose \$252 million and \$740 million respectively, and the trade deficit advanced by \$488 million to \$1,173 million. Receipts and payments for "invisibles" increased by \$46 million and \$163 million, and the deficit in "invisibles" advanced by \$117 million to \$467 million. The continuing high level of economic activity in the United States during 1956 and the consequent demand for raw materials was a main force behind the rise in exports of goods and services to that country. In addition there were marked gains in the export of some products which are in the process of development in Canada.

STATEMENT 4. Summary of Current Account Balances between Canada and the Principal Countries and Areas, 1947-1956
(Millions of dollars)

| Country or Area | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | Change in 1956 |
|----------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| United States | - 1,134 | - 393 | - 601 | - 400 | - 951 | - 849 | - 904 | - 807 | - 1,035 | - 1,640 | - 605 |
| United Kingdom | + 633 | + 486 | + 446 | + 24 | + 223 | + 388 | + 133 | + 229 | + 330 | + 254 | - 76 |
| Other sterling area | + 242 | + 129 | + 135 | - 23 | - 24 | + 114 | + 83 | + 44 | + 60 | + 50 | - 10 |
| Other OEEC countries | + 276 | + 226 | + 185 | + 108 | + 223 | + 332 | + 173 | + 93 | + 24 | + 12 | - 12 |
| All other countries | + 32 | + 3 | + 12 | - 43 | + 12 | + 179 | + 72 | + 9 | - 77 | - 48 | + 29 |
| All Countries | + 49 | + 451 | + 177 | - 334 | - 517 | + 164 | - 443 | - 432 | - 698 | - 1,372 | - 674 |

In the past, a large part of Canada's requirements for industrial machinery and equipment, and construction materials has been supplied from the United States. The pace of industrial growth and resource development in 1955 and 1956 resulted in a sharp expansion in Canadian import demands of this type. At the same time there has been a growth in payments by Canadians for non-merchandise items associated in part with this investment program; however the greatest increases in expenditures for "invisible" items arose from larger income payments, travel expenditures, and transportation costs. Non-merchandise payments to Canada by the United States were somewhat above the level of the previous year. This was primarily the result of increased military expenditure by the United States Government and larger freight receipts, but the effect of the gain in receipts was somewhat offset by declines in remittances of earnings to Canadian companies by branches and subsidiaries situated in the United States.

The decline of the surplus with the United Kingdom in 1956 was the result of a relatively larger increase in payments to that country, reinforced by a decline in receipts for "invisible"

items. There was a marked falling off of exports of lumber to the United Kingdom, and a substantial increase in imports of electrical and industrial equipment. The major change in the non-merchandise account was a decline in receipts of income which came about as a result of the deferment of interest on the 1946 loan to the United Kingdom.

The \$7 million increase in the surplus with overseas countries (excluding the United Kingdom) conceals a \$22 million drop in the surplus with other Sterling Area and OEEC countries and a \$29 million drop in the deficit with all other countries.

The surplus with the Sterling Area (excluding the United Kingdom) declined to \$50 million in 1956 as compared to much larger ones in the post-war years. Exports remained relatively unchanged in total, while imports largely from Jamaica increased somewhat in 1956. The small decline in the surplus from non-merchandise items reflected larger Colombo Plan expenditures in 1956.

Both exports to and imports from OEEC countries increased by some \$100 million, leaving the trade deficit relatively unchanged. This was partial-

by a result of the extraordinary need of grain in Europe, and continued pressure on resources in Canada and overseas for a variety of commodities. Relatively larger payments for "invisible" items reflected the combined effects of increased receipts for shipping services and of migrants' funds; these were more than offset by larger expenditures in travel abroad by Canadians, and larger defense expenditures in connection with Canada's participation in NATO defence.

Exports to all other countries rose by over \$100 million, and imports by under \$100 million, decreasing the deficit on trade to \$72 million in 1956. There were gains in exports to several Latin American countries and Japan; imports increased from Mexico and Venezuela, Japan and the Netherlands Antilles and some Middle Eastern countries. The increase in the surplus for non-merchandise items related largely to rising receipts for freight and shipping services associated with higher costs, and larger volumes of exports.

The net inflow of capital from the United States in 1956 amounted to \$936 million compared with \$425 million in 1955. It was equivalent to 68 per cent of the current account deficit with all countries and to 57 per cent of the current account deficit with the United States itself. These proportions compared with 61 and 41 per cent respectively for 1955. The net inflow of United Kingdom capital was \$294 million compared with \$199 million in 1955, and the inflow from other overseas countries was

\$142 million compared with \$74 million in the earlier year. Comment on the parts of these inflows taking long-term forms will be found in the summary of capital movements.

While Canada's current account surplus with overseas countries as a whole fell by \$69 million, mainly as the result of the reduced surplus with the United Kingdom, net capital inflows from overseas countries rose by \$163 million, of which increase \$95 million was from the United Kingdom and \$68 million from other overseas countries. As a consequence exchange transfers from overseas countries increased from \$610 million in 1955 to \$704 million in 1956. The total of \$548 million from the United Kingdom was \$19 million higher than in the preceding year, and the total of \$156 million with other overseas countries represented an increase of \$75 million. These multilateral settlements were higher than for any earlier year except 1947 and 1951. In the latter year exchange transfers available in the United States account from transactions with overseas countries totalled more than \$1,000 million.

Major Components of the Current Account

Merchandise Trade

As has been pointed out above, the growth of the merchandise trade deficits in 1955 and 1956 played an extraordinarily important role in the overall advance in the balance of payments deficits. Some 84 per cent in 1955 and 78 per cent in 1956

STATEMENT 5. Prices, Physical Volume and Terms of Trade of Domestic Exports and Imports, 1950-1956
(1948=100)

| Year and Quarter | Price Indexes | | Terms of Trade | Volume Indexes | |
|------------------|---------------|---------|----------------|----------------|---------|
| | Exports | Imports | | Exports | Imports |
| 1950 | 108.3 | 110.3 | 98.2 | 93.6 | 109.2 |
| 1951 | 123.0 | 126.2 | 97.5 | 103.5 | 122.7 |
| 1952 | 121.8 | 110.4 | 110.3 | 114.9 | 138.0 |
| 1953 | 118.3 | 109.4 | 108.1 | 113.2 | 151.0 |
| 1954 | 115.1 | 109.5 | 105.1 | 109.6 | 141.0 |
| 1955 | 117.7 | 110.5 | 106.5 | 118.3 | 160.3 |
| 1956 | 121.3 | 113.0 | 107.3 | 128.4 | 190.0 |
| 1955 I | 115.7 | 109.6 | 105.4 | 106.9 | 135.9 |
| II | 117.8 | 110.1 | 106.9 | 119.3 | 166.2 |
| III | 118.2 | 109.9 | 107.4 | 122.6 | 165.8 |
| IV | 119.2 | 112.8 | 105.6 | 124.0 | 172.3 |
| 1956 I | 120.0 | 113.8 | 105.4 | 112.2 | 168.9 |
| II | 121.8 | 113.4 | 107.4 | 131.9 | 208.6 |
| III | 121.7 | 112.2 | 108.5 | 133.4 | 186.4 |
| IV | 122.3 | 113.0 | 108.2 | 135.2 | 195.5 |

Note: Indexes indicate movements in unadjusted trade data.

of the increase in the deficit was related to increased net payments for commodities. But while the commodity trade deficit represented some 30 per cent of the total deficit in 1955, by 1956 the trade deficit was almost 53 per cent of the whole. The \$523 million increase in the trade deficit in 1956 resulted from an increase in the deficit with the United States and a decline in the surplus with the United Kingdom; only slightly offset by an increased surplus with all other countries. Exports which had risen by more than 10 per cent in 1955 rose almost 12 per cent in 1956, while imports increased some 22 per cent in 1956 following a rise of 16 per cent in 1955.

Exports

A large part of the increase in exports in 1956 was related to clearances of wheat and exports of other grains, which were particularly high to Eastern and Western European countries who were experiencing severe shortages in 1956, and to the United Kingdom. Exports of grain alone accounted for some \$200 million of the \$500 million increase in exports but were less than in earlier peak years of 1952 and 1953. Major advances in other commodities were to the United States, Western Europe and Japan, and consisted mostly of industrial materials and primary products.

Much of the strong upward trend in Canadian exports in recent years has been a reflection of the widespread growth which has been underway in the productive capacity of the country. Buoyant external demands for some of Canada's leading export staples have been characteristic of most of the period and wide fluctuations in these demands have been mainly confined to a relatively few commodities of which the best examples are wheat and, more recently, lumber. There has consequently been an increasing diversification in Canadian exports with the emergence of new industries which have added to the export staples. In addition to new products for export like iron ore, petroleum, uranium, and various other minerals and industrial materials, there have been general increases in the productive capacity of more traditional staples like pulp and paper and nickel, aluminum, and copper, to mention only a few.

The increases in exports of some of these commodities have been quite outstanding and were large enough to establish a new record in the value of total exports in 1956 well above the previous peak in 1952 when exports of grains were of unprecedented size. The gain in the value of export of commodities other than grains since 1952 has been over 22 per cent. But the rate of increase in this group of commodities in 1956 moderated, the rise being some 8 per cent compared with 14 per cent in 1955.

The sharp rise in exports of grains in 1956 led to particularly large rises in exports overseas. But almost 60 per cent of total exports continued to be

to the United States, the market which has been absorbing so much of the production of minerals, forest products, and other industrial materials, and the total to that country was higher than ever before. At the same time exports of industrial materials to overseas markets were also higher than in any earlier year. The chief exceptions to these upward trends in 1956 were construction materials like lumber and shingles and some types of agricultural implements and fertilizers.

Not far from one-half of the increase of over \$250 million in exports to the United States may be accounted for by the rise in exports of three commodities undergoing rapid development,—crude petroleum, uranium, and iron ore, which as a group almost doubled in value. A large part of the remainder of the increase can be accounted for by rises in pulp and paper and most non-ferrous metals. There were also gains in many other commodities exported to the United States, but offsetting much of these were some declines which appeared in lumber and other commodities already noted.

The value of exports to the United Kingdom also rose moderately to a level higher than in any year since World War II with post-war records in exports of non-ferrous metals and some other industrial materials along with larger sales of wheat and rising exports of newsprint. But lumber sales were considerably less than for several years.

Exports to other OEEC countries rose sharply and were higher than any post-war year except 1952, with the upturn in sales of grains and continuing rises in industrial materials such as non-ferrous metals and scrap iron and steel. There were larger exports to most European markets with a particularly sharp gain to Germany.

Exports to the rest of the Sterling Area were relatively unchanged in total in 1956, with declines to Australia and New Zealand and Ireland which were more than offset by increases elsewhere. There was likewise no general trend in the commodity composition of this group of countries. There were, for example, large unusual exports of aircraft to the Union of South Africa, but declines in lumber and other staples and in some products of secondary manufactures.

A gain of more than one-third in exports to all other countries at a level exceeded only in 1952 was chiefly due to the large sales of wheat to the countries of Eastern Europe which amounted to more than \$64 million. In addition there was a large increase in exports to Japan to \$128 million, chiefly in industrial materials but also partly in agricultural products. Exports to Latin America rose also and at \$176 million were some 10 per cent above the previous year, although much less than in the exceptional year 1952 when exports of automobiles to that group of countries were abnormally large.

Imports

Canadian imports have shown an exceptional facility to expand under prevailing pressures during recent years. An increase of 21 per cent in 1956 followed the rise of some 15 per cent between 1954 and 1955 bringing the total to a new level far above that of 1954 and about one-third above the previous peak in 1953. These rises in merchandise imports have been the principal form in which real external resources have been drawn upon, although the rate of increase in imports of services has also been very high. While in some cases the imports are of commodities not made in Canada, in many other instances the rises have apparently supplemented Canadian supplies in a period of exceptional demand. The principal source of external supply has, of course, continued to be the United States from which almost three-quarters of the total again came in 1956. The high rate of increase has been evident in imports from both the United States and overseas.

While the increases in imports have been widespread, there has been a concentration in groups of commodities directly related to the kinds of investment activity which have been so characteristic of Canadian industrial expansion and growth in recent years. Some of the more apparent of these are machinery and equipment for industry and mining and various kinds of construction materials, and these have been among the groups which have shown the most extensive rises. In addition, industrial materials have also shown striking gains with particularly high rates of increase in materials like steel which are employed in the manufacture of products used in investment in Canada. Although the greatest rises have been in commodities directly related to Canadian investment, there have been new records established in most other commodities as well. These include the many types of commodities whose importation is stimulated by the demands of consumers, and are made up of both end products and industrial materials used in the production of goods for consumers. Among other imports which have continued to grow are petroleum and products. And the rises in imports of many of these products may be directly related to the investment activity as well as to the higher levels of consumption.

The general features of the rises in imports with all countries described above tended also to be the pattern which appeared in increases from the principal countries of supply. Industrial countries like the United States, United Kingdom, and some of the countries of Western Europe were leading sources of production of industrial machinery and equipment, steel and other durable goods which constituted such a major part of Canada's increased imports in 1956. Not far from four-fifths of the increased imports from the United States were in the main groups of metals and products, and some of the sharpest rises were in items covering machinery and equipment and steel. Other increases from the United States were generally appreciable, although more moderate. In the case of only a few commodi-

ties were there either declines, as with aircraft, or relative stability, as with the total of textiles and fibres, where the diversion of purchases of raw cotton to Mexico offset rises in imports of fabrics and other products.

Likewise in the case of imports from overseas, particularly the United Kingdom and other OEEC countries, the principal increases were in metals and products. With imports from the United Kingdom the rise in total was at about the same rate as occurred with all countries. The largest gains from that source were iron and steel products, especially primary and secondary steel, pipe, and machinery. Textiles from the United Kingdom rose more than in the previous year but were still less than earlier peak levels in 1953. The highest rate of increase was in the total of imports from the other OEEC countries which went up by some 40 per cent with exceptionally big rises in purchases from Germany and Belgium. While increases in imports from Europe were general, including the considerable rise in textiles, there was a concentration in imports of metals and products from these countries as there had been from the United States and the United Kingdom. Among the exceptionally large gains were imports of rolling mill products from Belgium and machinery and automobiles from Germany.

Most imports from the rest of the Sterling Area were relatively stable, not rising as much in total as from elsewhere. There were increases in purchases chiefly from the British West Indies and Africa which were partly offset by declines from a few sources like India. The rise in imports from all other countries at a slightly higher rate than imports from all countries, was most concentrated in larger imports of crude petroleum from Venezuela and the Middle East, purchases of cottons from Mexico, and a sharp gain in imports of Japanese manufacturers in a wide range of items including textiles, other consumer goods and industrial materials.

As has been noted above, export and import prices rose on average by some 2 to 3 per cent from 1955 to 1956, so that the volume changes were only slightly less than the comparable value changes. There was no significant movement in the terms of trade for the year as a whole, although shifts throughout the year were indicated earlier.

Adjustments to commodity trade totals to bring them to balance of payments definitions are shown in statement 6. In line with increased flows of migrants and tourists, there were larger adjustments in 1956 for settlers' effects and tourists' imports and exports. The size of the adjustment connected with procurement for defence, particularly important in earlier years in imports, has been reduced to negligible proportions. But there were in 1956, as in 1955, appreciable deductions from imports of commodities on United States account for defence purposes.

STATEMENT 6. Adjustments to Merchandise Trade, 1955 and 1956
(Millions of dollars)

| Exports | 1955 | 1956 | Imports | 1955 | 1956 |
|---|----------------|----------------|--------------------------------------|----------------|----------------|
| Domestic exports in trade returns | 4,281.8 | 4,790.1 | Imports in trade returns | 4,712.4 | 5,705.4 |
| Exports of foreign produce | 69.5 | 73.4 | | | |
| Total exports | 4,351.3 | 4,863.5 | | | |
| Adjustments: | | | Adjustments: | | |
| Tourist exports | - 2.8 | - 3.0 | Tourist imports | - 71.4 | - 75.2 |
| Settlers' effects | - 21.9 | - 27.7 | Settlers' effects | - 25.6 | - 31.8 |
| Private donations | - 1.5 | - 1.6 | Advertising | - 7.4 | - 7.9 |
| Warehousing | + 4.2 | + 5.3 | Warehousing | + 11.3 | + 15.4 |
| All other adjustments | + 2.8 | - 3.1 | All other adjustments | - 76.7 | - 38.7 |
| Total adjustments | - 19.2 | - 30.1 | Total adjustments | - 169.2 | - 138.2 |
| Merchandise exports (adjusted) | 4,332.1 | 4,833.4 | Merchandise imports (adjusted) | 4,543.2 | 5,567.2 |
| (Table I, item A1) | | | (Table I, item B1) | | |

There was a slight decline in the value of new gold available for export from \$155 million in 1955 to \$150 million in 1956. Production of gold in Canada has been declining and a slightly lower average value of the United States dollar in Canada also served to reduce the Canadian dollar value of this item in 1956. The item however, does not precisely coincide with production as changes in stocks are excluded, such as those held in safe-keeping at the Mint for the account of mines. The item since November 1, 1951 has reflected the sale

of gold to the Exchange Fund by the Mint, a small amount exported in the form of concentrates, and sales abroad of commercial gold by producers. Also included since April, 1956 have been relatively small sales, by mines not receiving financial assistance from the Government, to non-residents or residents either for export of safe-keeping in Canada. The latter change followed removal of the remaining restrictions upon the sale of gold in Canada or elsewhere announced by the Minister of Finance in March, 1956.

STATEMENT 7. Major Components of Canada's Current Account with All Countries, 1951-1956
(Millions of dollars)

| Account | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | Change in 1956 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Merchandise exports (adjusted) | 3,950 | 4,339 | 4,152 | 3,929 | 4,332 | 4,833 | + 501 |
| Merchandise imports (adjusted) | 4,097 | 3,850 | 4,210 | 3,916 | 4,543 | 5,567 | + 1,024 |
| Balance on merchandise trade | - 147 | + 489 | - 58 | + 13 | - 211 | - 734 | - 523 |
| Gold production available for export | + 150 | + 150 | + 144 | + 155 | + 155 | + 150 | - 5 |
| Travel expenditures | - 6 | - 66 | - 63 | - 84 | - 121 | - 162 | - 41 |
| Interest and dividends | - 335 | - 268 | - 239 | - 276 | - 323 | - 390 | - 67 |
| Freight and shipping | - 3 | + 8 | - 56 | - 43 | - 17 | - 48 | - 31 |
| Inheritances and migrants' funds | + 7 | - 9 | - | - 5 | - 19 | - 14 | + 5 |
| All other current transactions | - 183 | - 140 | - 171 | - 192 | - 162 | - 174 | - 12 |
| Balance on non-merchandise transactions | - 370 | - 325 | - 385 | - 445 | - 487 | - 638 | - 151 |
| Current account balance | - 517 | + 164 | - 443 | - 432 | - 698 | - 1,372 | - 674 |

Note: Mutual Aid to NATO countries is not included in either current receipts or payments.

Travel Expenditures

The deficit on travel account continued to increase in 1956 rising to \$162 million from \$121 million in 1955. While this was a more moderate rate of increase than in the previous year, the same underlying factors gave rise to the widening gap as Canadian expenditures on travel abroad rose more rapidly than expenditures in Canada of travellers from other countries.

The rise in Canadian expenditures abroad has been most pronounced in travel overseas. In 1956 Canadian expenditures on travel overseas at \$107 million were some three times as high as in 1951. This is a much greater rise than has occurred, for example, in United States travel expenditures overseas which have approximately doubled in the same period. And the number of Canadians travelling overseas is relatively greater than the number of residents of the United States travelling abroad, with the higher proportion of Canadians travelling across the Atlantic, particularly to the United Kingdom. For the same reason the average expenditures of Canadians overseas tends to be high as only a relatively small proportion of this overseas travel is to destinations close to Canada. Rising incomes and growing facilities for crossing the Atlantic as well as new opportunities for travelling elsewhere have been instrumental in making this extended travel possible, particularly for the many Canadians with close connections with European countries.

The total of \$107 million spent overseas by Canadians in 1956 compares with \$86 million in 1955, a rise of 24 per cent. Some three quarters of the total was spent in Europe or paid to European carriers. Of this total \$46 million was spent in the

United Kingdom and \$41 million in the other OEEC countries of Europe, with a larger rise occurring in the latter than in the former total. Expenditures in the rest of the Sterling Area remained close to \$8 million while travel elsewhere rose substantially with expenditures estimated at \$12 million.

Canadian expenditures in the United States also continued to rise but at a much more moderate rate than in the case of expenditures overseas, the rise being about 8 per cent to \$391 million. About one-half of the expenditures was by persons travelling by automobile and this group accounted for the greatest part of the rise, as has been the case for some years. In the period since 1951 more than two-thirds of the rise has been in the expenditures of travellers by car which have more than doubled. This is an even greater rise than has occurred in the ownership of passenger cars in Canada. Sharp increases have also been shown in expenditures of plane travellers which in 1956 were about three times the level in 1951.

In comparison with the rises in Canadian expenditures abroad the gain in non-resident travel expenditures in Canada was small in 1956. The increase of some \$8 million to a total of \$336 million was divided between the outlays by travellers from the United States and from overseas. Receipts from overseas visitors are relatively small and in 1956 continued to be subject to restrictions in many countries. The main feature of United States expenditures in Canada has been their relative stability for some years, but in both 1955 and 1956 the level was higher than ever before. Fluctuations have been comparatively small, apparently being affected by such variable factors as unfavourable weather and the premium on the Canadian dollar.

STATEMENT 8. Travel Expenditures between Canada and Other Countries, 1948-1956
(Millions of dollars)

| Year | Account with United States | | | Account with Overseas Countries | | | Account with All Countries | | |
|------------|-------------------------------|----------|-------|------------------------------------|----------|------|-------------------------------|----------|-------|
| | Receipts | Payments | Net | Receipts | Payments | Net | Receipts | Payments | Net |
| 1948 | 267 | 113 | + 154 | 12 | 21 | - 9 | 279 | 134 | + 145 |
| 1949 | 267 | 165 | + 102 | 18 | 28 | - 10 | 285 | 193 | + 92 |
| 1950 | 260 | 193 | + 67 | 15 | 33 | - 18 | 275 | 226 | + 49 |
| 1951 | 258 | 246 | + 12 | 16 | 34 | - 18 | 274 | 280 | - 6 |
| 1952 | 257 | 294 | - 37 | 18 | 47 | - 29 | 275 | 341 | - 66 |
| 1953 | 282 | 307 | - 25 | 20 | 58 | - 38 | 302 | 365 | - 63 |
| 1954 | 283 | 320 | - 37 | 22 | 69 | - 47 | 305 | 389 | - 84 |
| 1955 | 303 | 363 | - 60 | 25 | 86 | - 61 | 328 | 449 | - 121 |
| 1956 | 308 | 391 | - 83 | 28 | 107 | - 79 | 336 | 498 | - 162 |

Income Account

In 1956, and for the third year in a row, the deficit on income account increased. The gain was larger than in earlier years, and raised the total deficit to a post-war peak of \$390 million. The increase from 1954 to 1955 had come about as a result of a larger increase in income payments as compared to receipts; in 1956, on the other hand, the increased deficit was the result of a rise in payments accompanied and reinforced by a decline in receipts.

The \$47 million rise in payments of income was made up almost entirely of increased dividend payments and profit remittances. In spite of an increase in new bond issues sold abroad from \$100 million in 1955 to some \$600 million in 1956, (provincial and municipal government issues increased from \$50 million to \$350 million, and corporations excluding railways from \$50 million to \$250 million), the interest burden of these sales did not make itself felt until the last quarter of the year. However, this volume of new financing at greatly increased interest rates, will eventually effect a substantial rise in interest payments to non-residents, as will the recent heavy sale of outstanding bonds.

The post-war peak of the deficit in 1956 has been paralleled by a similar peak in dividend payments, although the increase in the latter was smaller in 1956 than in the year previous. The continued growth in dividend payments reflects increased earnings and a significant rise in non-resident participation in Canadian equity capital, both direct and portfolio. Branches and wholly

owned subsidiaries in Canada of non-resident companies remitted substantially larger amounts to their parents in 1956. This was particularly true of resource industries where the foreign interest is large, and some new companies which are beginning to operate at a profit. Dividends of public companies were higher in many instances, as was the degree of foreign ownership. These increases in dividend payments and profit remittances were effected in spite of the exceedingly heavy financial requirements of the investment programs both in Canada and abroad. It is of interest to note that if account were taken of the earnings of Canadian corporations which accrued to non-residents in 1956 but which were not paid out, the total income on foreign-owned investment in Canada would likely reach nearly a billion dollars.

Receipts of interest and dividends declined by \$20 million in 1956. The major factor contributing to this decline was the deferment of interest on the 1946 loan to the United Kingdom, which is discussed more fully elsewhere in this report. Increased income from official holdings of foreign exchange mitigated somewhat the effect of this decline.

In spite of small increases in receipts of dividends from concerns operating in Latin America, and from public United States companies in which Canadians have direct and portfolio interest, dividend receipts in total declined from \$106 million in 1955 to \$102 million in 1956. This decline was the result of smaller remittances by some branches and subsidiaries of Canadian corporations in the United States and overseas.

STATEMENT 9. Receipts and Payments of Interest and Dividends between Canada and Other Countries, 1950-1956
(Millions of dollars)

| Year | Account with United States | | | | | Account with United Kingdom | | | | | Account with All Countries | | | | |
|------------|----------------------------|----------------|---------------|----------------|------|-----------------------------|----------------|---------------|----------------|-----|----------------------------|----------------|---------------|----------------|------|
| | Receipts | | Payments | | Net | Receipts | | Payments | | Net | Receipts | | Payments | | Net |
| | Inter- est | Divi- dends | Inter- est | Divi- dends | | Inter- est | Divi- dends | Inter- est | Divi- dends | | Inter- est | Divi- dends | Inter- est | Divi- dends | |
| 1950 | 11 | 39 | 90 | 321 | -361 | 1 | 5 | 15 | 39 | -48 | 28 | 63 | 109 | 366 | -384 |
| 1951 | 15 | 42 | 95 | 287 | -325 | 24 | 6 | 15 | 42 | -27 | 54 | 61 | 114 | 336 | -335 |
| 1952 | 23 | 62 | 96 | 248 | -259 | 23 | 6 | 15 | 41 | -27 | 60 | 85 | 115 | 298 | -268 |
| 1953 | 24 | 77 | 101 | 233 | -233 | 24 | 4 | 16 | 41 | -29 | 63 | 102 | 121 | 283 | -239 |
| 1954 | 15 | 54 | 108 | 237 | -276 | 24 | 11 | 17 | 45 | -27 | 53 | 94 | 130 | 293 | -276 |
| 1955 | 15 | 63 | 107 | 281 | -310 | 25 | 16 | 16 | 59 | -34 | 54 | 106 | 127 | 356 | -323 |
| 1956 | 21 | 54 | 107 | 326 | -358 | 2 | 18 | 16 | 56 | -52 | 38 | 102 | 128 | 402 | -390 |

Freight and Shipping Transactions

A sharper gain in payments than in receipts for freight and shipping transactions led to an enlarged deficit on this account in 1956. While influenced by the great increase in the import balance on commodity account the increase in the deficit on transportation account was moderated by a significant increase in receipts.

Payments by Canadian importers for ocean shipping services increased unusually sharply in 1956. The rise of \$26 million in these payments to some \$103 million was about one-third. Some one-half of this increase was for ocean transportation on petroleum and products which rose more rapidly than freight on other commodities. Increased tonnages of commodities (wet and dry) were responsible for part of the rise but increased voyage charters and liner rates were also important contributors. In addition there was a moderate increase in the expenditures abroad by Canadian owners and operators of vessels in connection with their operations and on the time charters for foreign vessels operated in their services. Another increase of some 20 per cent occurred in the payments to the United States for inland freight on various types of transportation used in carrying imports to Canada. Some of these rose from higher rates as well as from the increased volume and changing composition of imports.

The rise in receipts was greatest in the case of earnings on inland transportation on exports. A

very considerable part of this may be attributed to the increased exports of certain bulk commodities on which transportation costs are high in relation to value. The growth in exports of commodities like iron ore and petroleum has been accompanied by rising earnings each year on transportation in Canada by pipelines and other carriers and the higher level of exports of grain in 1956 also was accompanied by higher receipts in inland freight. There was also an appreciable rise in the receipts from ocean shipping but this was in the earnings from traffic between foreign countries rather than from export services maintained from Canadian ports by Canadian operators. Receipts from charters and other income from abroad by Canadian shipping companies were also higher while the expenditures of foreign ships in Canadian ports showed little change.

The deficit on transportation account with all countries continued to arise from imbalance in the account with the United States. The latter deficit grew sharply to \$130 million from \$84 million in the previous year. But this increase was partly offset by a larger surplus from this type of transaction with overseas countries as a group which rose to \$82 million from \$67 million. The surplus with the United Kingdom was less, while the customary deficit with other OEEC countries was reduced and the surplus with other countries increased.

STATEMENT 10. Freight and Shipping Transactions between Canada and Other Countries, 1951-1956
(Millions of dollars)

| Item | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 |
|--|------------|------------|------------|------------|------------|------------|
| Receipts by Canada | | | | | | |
| Ocean Shipping: | | | | | | |
| Canadian operated ships: | | | | | | |
| Gross earnings on exports | 54 | 56 | 58 | 61 | 78 | 76 |
| Charter receipts | 12 | 13 | 7 | 3 | 9 | 18 |
| Revenues between foreign ports | 34 | 33 | 17 | 18 | 28 | 38 |
| Sub-Total | 100 | 102 | 82 | 82 | 115 | 132 |
| Expenditures of foreign ships in Canada | 40 | 43 | 41 | 35 | 45 | 45 |
| Gross Shipping Receipts | 140 | 145 | 123 | 117 | 160 | 177 |
| Inland freight on exports | 177 | 201 | 161 | 159 | 185 | 204 |
| Intransit revenues | 28 | 29 | 29 | 29 | 32 | 33 |
| Other receipts | 6 | 8 | 5 | 8 | 21 | 36 |
| Gross Receipts (Table 1, item A6) | 351 | 383 | 318 | 313 | 398 | 450 |
| Payments by Canada | | | | | | |
| Ocean Shipping: | | | | | | |
| Expenditures abroad of Canadian shipping companies | 33 | 64 | 60 | 67 | 95 | 102 |
| Charter payments | 27 | | | | | |
| Freight on imports via Canadian ports | 76 | 71 | 75 | 66 | 77 | 103 |
| Gross Shipping Payments | 136 | 135 | 135 | 133 | 172 | 205 |
| Inland Rail Freight in U.S. on Imports: | | | | | | |
| Coal via vessel | 49 | 48 | 48 | 39 | 40 | 53 |
| Coal via rail | 38 | 33 | 26 | 22 | 20 | 25 |
| Other rail freight | 97 | 117 | 121 | 112 | 121 | 143 |
| Sub-Total | 184 | 198 | 195 | 173 | 181 | 221 |
| Miscellaneous Payments | 34 | 42 | 44 | 50 | 62 | 72 |
| Gross Payments (Table 1, item B6) | 354 | 375 | 374 | 356 | 415 | 498 |

Inheritances and Migrants' Funds

Receipts of migrants' funds rose sharply in 1956, as immigration to Canada increased from 110,000 in 1955 to 165,000 the following year. A major portion of the increased flow was from the United Kingdom and continental Europe. Facilities for bringing Hungarian refugees to Canada became available late in November 1956, and the number who actually immigrated in that calendar year was around 4,000. At the same time, there was also a substantial outflow of emigrants' funds from Canada to the United States as emigration to that country rose by some 18 per cent in 1956.

Primarily as a result of these marked increases in immigration and emigration in 1956, receipts of inheritances and migrants' funds rose by \$12 million to \$98 million, and payments by \$7 million to \$112 million. The net result was a decline in the deficit from \$19 million to \$14 million.

Miscellaneous Current Transactions

Both receipts and payments for miscellaneous current transactions increased in 1956 to record levels of \$430 million and \$604 million respectively. The resulting deficit of \$174 million was some \$12 million larger than in 1955, but \$18 million smaller than the 1954 deficit. Each of the major components in the account showed a larger deficit in 1956, with the exception of government transactions which had slightly larger net receipts.

The surplus in government transactions rose from \$61 million to the record level of \$79 million in 1956. A significant feature of this rise was the increase in receipts resulting from United States government expenditures for defence establishments in Canada. These larger receipts were somewhat offset by an increase in Canadian defence expenditures abroad, arising chiefly from the cost of maintaining the Canadian military brigade and air force squadrons stationed in Western Europe forming Canada's share in the NATO forces in Europe, and the United Nations force in the Middle East.

In addition to the above direct military expenditures abroad there was Canada's contribution of Mutual Aid to the North Atlantic Treaty countries. This amounted to \$157 million in 1956 and was chiefly made up of shipments of military equipment to Canada's NATO partners in Europe and the provision of training to NATO aircrews in Canada. Being a contribution of military aid in this form, Mutual Aid to NATO has not been taken into the current account balance, although the item is shown in the all country totals of the annual tables. The credit entries representing provision of goods and services are offset by corresponding payments entries representing the contributions, so that they do not affect the net current account balance.

Exports of goods and services financed by Canadian government contributions to the Colombo Plan and for refugee relief were \$6 million larger in 1956. The total of \$30 million was chiefly made up of shipments and services under the Colombo Plan to Ceylon, India and Pakistan.

As has been mentioned above, the number of immigrants who came to Canada rose sharply in 1956. As a result of this recent inflow and the substantial cumulative inflow over the whole of the post-war years, the amount of overseas remittances by new Canadians continued to rise in 1956. In addition there was an increase in private personal and institutional contributions for refugee relief.

Miscellaneous income receipts and payments increased by \$8 million and \$9 million during 1956. Profit remittances to Canada from the operations overseas of Canadian financial institutions were substantially larger. The extraordinary earnings from Canadian holdings of United Kingdom treasury bills in 1955 dropped to negligible proportions in 1956. The increase in payments in the past year arose for the most part from the growing importance of foreign capital in Canada, and from higher rates of return on capital. In particular there were increases in interest paid on loans and advances to non-resident subsidiaries and branches in Canada, and

STATEMENT 11. Miscellaneous Current Transactions with All Countries, 1955 and 1956

(Millions of dollars)

| Item | 1955 | | 1956 | | |
|---|------------|------------|------------|------------|-------------|
| | Receipts | Payments | Receipts | Payments | Balance |
| Official contributions | — | 24 | — | 30 | - 30 |
| Government transactions, n.o.p. | 192 | 131 | 218 | 139 | + 79 |
| Personal and institutional remittances | 22 | 71 | 23 | 79 | - 56 |
| Miscellaneous income ¹ | 47 | 55 | 55 | 64 | - 9 |
| Business services and other transactions | 130 | 272 | 134 | 292 | -158 |
| Total (Table 1, items A11 and B9, 11)..... | 391 | 553 | 430 | 604 | -174 |

1. Including transfers of branch profits by insurance companies and banks.

on other Canadian liabilities abroad, including mortgages in Canada held by insurance companies in the United States.

Receipts and payments for the wide variety of business services, including insurance premiums and claims and certain expenditures by the transportation industry not included in the freight account, rose by \$4 million and \$20 million respectively. The deficit on net transactions increased by some \$16 million. On the basis of continued expansion of activity in the United States and most overseas countries, there was an overall increase in receipts from the provision of services by Canadians to non-residents. Noteworthy was the increase in expenditures in Canada by non-resident airlines and foreign business corporations. As a result of the pace of development and growth in Canada, and the increased participation of non-residents in Canadian industry, there was a general tendency for payment for services to non-residents to rise in 1956. Among the significantly larger items were subsidiary and branch payments to non-resident owners for management, research and other services, airline expenditures abroad, trade promotion and advertising expenditures, and payment for programs and films for television and radio.

Capital Movements

Summary

An unprecedented volume of capital investment coupled with an already generally high level of economic activity subjected the Canadian economy to special strains in 1956, and these had important effects on international capital movements. It has already been noted that the physical impact of these pressures was felt in the substantial deficits incurred on current account as the Canadian economy supplemented its own output with large net draughts on the goods and services of other countries. Strong pressures were also created on Canada's capital market, and there were sharp increases in interest rates. Higher interest rates were, of course, also characteristic of foreign capital markets but the differential between rates in Canada and in the United States widened somewhat. This development contributed to a very large volume of financing abroad by provincial governments, municipalities, and corporations. These inflows were superimposed on the persistent inflows in recent years for direct investment in foreign-controlled enterprises in Canada and for portfolio investment in Canadian equities, both of which reached new heights in 1956. For the year as a whole the inflow for direct investment is placed at \$595 million. Transactions in Canadian securities led to a further inflow of \$748 million, which included \$265 million of equities. These two groups of transactions added \$1,343 million to Canadian external liabilities in long-term forms. On the long-term asset side there were outflows of \$110 million for direct investment abroad, but inflows of \$12 million and \$69 million respectively occurred from transactions in foreign

securities and repayments on loans made by Canada. Transactions in the long-term forms described above together with those appearing in statement 15 led to a net capital import of \$1,350 million which was in striking contrast to the \$410 million recorded in 1955. With outflows covering reductions of foreign-owned Canadian dollar holdings and the increase in official holdings of gold and foreign exchange, other capital movements led to a net capital inflow of \$22 million in 1956 compared with \$288 million in 1955.

Capital movements in long-term forms were sufficient to finance on balance more than 98 per cent of the current account deficit in 1956. In 1955 they covered less than 60 per cent. In each earlier post-war year of current account deficits, capital imported in long-term forms exceeded the deficit to be financed. Thus, in 1955 and 1956 the great demands of the booming Canadian economy were satisfied in part by drawing goods and services from abroad which represented the real transfer and use of long-term financing obtained in earlier periods. A review of the quarterly statistics reveals that by mid-year this phase came, temporarily at least, to a close. The growing internal problem of financing capital expenditure in Canada led to increasing resort by Canadian borrowers to foreign capital markets, and at the same time there were increased transfers from overseas countries on which international developments undoubtedly had some influence. From the middle of the year the capital imported in long-term forms was more than adequate to cover the physical drawings from abroad. The latter, however, tend to be normally most heavily concentrated in the first half of the year.

The United States continued to be the major source of long-term external capital for Canada in 1956. Indeed, the net movements in long-term forms were somewhat more than two-thirds from the United States in 1956 in contrast to just under one-half in 1955 when there was a significant volume of repatriation of Canadian funded debt from that country. Although overshadowed by the size of the tremendous inflows of more than \$900 million from the United States, which were some four times their size in 1955, the movements in long-term forms in 1956 from the United Kingdom and from other overseas countries also rose sharply. While overseas countries have not, as a general rule, been an important source of debt capital for Canada for many years past, their demand for Canadian portfolio equities, together with some major direct investments in Canada and the placement of some new Canadian issues in European markets, brought the total inflow in long-term forms to more than \$425 million for the year. This is more than double the figure for 1955 and is far in excess of any year since the commencement of regular official balance of payments statistics in 1926.

Some characteristics of Canada's international capital account will be evident from a comparison of the movements in 1956 with those in earlier years.

There has been for some years now a persistent and sizeable inflow of capital directed to particular areas of economic activity and associated with non-resident techniques, markets, etc., of which much direct investment is typical, as well as inflows of portfolio capital for investment in equity securities to participate in the long-run prospects of the Canadian economy. In addition in periods of particularly insistent capital demands within Canada there have been other sizeable inflows which might be regarded as marginal in the sense that they were called upon to supplement domestic resources. Such inflows tend to involve creation of external debt as distinct from equity investment. Relative levels of interest rates in Canadian and external capital markets are a most important influence on them. The inflows are for the most part actively sought abroad by Canadian borrowers, and the form of the borrowing is designed particularly to attract foreign investors. A burden of exchange risk is inherent in all international borrowing, and in such periods this tends to be accepted by the borrower through incurring indebtedness payable in foreign currency, rather than by the lender. In 1956 net new issues abroad of funded debt payable optionally or solely in foreign currency totalled well over \$400 million in contrast to 1955 when there were net retirements of \$125 million. The movements in 1956 were in sharp contrast to those which occurred in 1950 which was also a period of substantial inflows of portfolio capital. In that year, however, the movements originated for the most part with foreign investors rather than Canadian borrowers, and the exchange risk was borne by the investors and was indeed the primary reason for much of the inflow. Another aspect of interest in the financing of the unprecedented deficit of 1956 was the negligible role played by capital movements for the account of the Government of Canada. Among the inflows in long-term forms were repayments received on loans to overseas governments but these were more than offset by net retirement of Government of Canada direct and guaranteed debt in foreign hands.

Direct Investment in Canada

The net movement of capital to Canada for direct investment in foreign-controlled enterprises rose to unprecedented heights of \$595 million in 1956, surpassing by 40 per cent the previous record of \$426 million established in 1953 and by 43 per cent the inflow of \$417 million which occurred in 1955. It has already been noted that despite this striking increase, direct investment, which had been not only a persistent but also the dominant component of the capital account since 1950, was dwarfed in 1956 by the inflow of portfolio capital.

Resource development and associated industries continued to attract the preponderant part of foreign direct investment capital. The petroleum industry received larger amounts than ever before. Inflows into manufacturing showed a sharp increase over 1955, much of it related to basic resource and export industries and to the provision of industrial

and construction materials. There were also significant direct investment inflows to holding and real estate companies.

Capital of United States origin accounted for \$409 million or 69 per cent of the total direct investment inflows in 1956, comparing with \$306 million in 1955 which represented 73 per cent of the total in that year. Capital from the United Kingdom amounted to \$113 million comparing with \$68 million the previous year, and the movement from other overseas countries rose to \$73 million from \$43 million in 1955. The 1956 movements were in each case new records. The net inflow from the United States was a third larger than in 1955 and was nearly a fifth larger than the previous record established in 1953. The inflow of British capital was some two-thirds larger than in 1955 and half as large again as the previous record set in 1954. And the inflow from other overseas countries was nearly 70 per cent above the record of 1955.

Details of the post-war movements of capital for United States direct investment in Canada appear in statements 12 and 12A which also indicate the other factors contributing to the growth in the book value of these investments. Particularly noteworthy among these factors in 1956 was the inflow of portfolio capital from the United States which added \$212 million to investment in United States controlled companies. This capital movement was more than half the size of the net direct investment inflows. New issues of bonds and borrowings by finance companies were the most important elements.

Substantial amounts of the flow of direct investment capital from the United Kingdom were directed to the petroleum industry, uranium mining, and aluminum production, as well as the repurchase of the controlling interest in a ship building and engineering equipment firm. This firm had been established in Canada prior to the First World War by a British concern but had been controlled in Canada for thirty years. The large inflow from other overseas countries was mainly of Western European origin and included important amounts for the petroleum industry, iron and steel products, cement plants, real estate, and financial companies.

Successive new records for direct investment inflows were set in the second and fourth quarters of 1956. The final quarter's movement represented an annual rate of nearly three-quarters of a billion dollars, but it included two large transactions which were of a special nature, the acquisition by United States interests of a controlling interest in a major Canadian food-processing company, and the subscription by a parent company to an offering of stock to existing shareholders by a Canadian petroleum company. A similar subscription contributed to the previous quarterly record set in the final quarter of 1951.

STATEMENT 12. United States Direct Investment in Canada, 1946-1956

(Millions of dollars)

| Account | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 ² | 1946-1956 |
|---|------|------|------|------|------|------|------------------|------|------|------------------|-------------------|-----------|
| Gross inflows of new capital: | | | | | | | | | | | | |
| Petroleum industry (exploration, development, refining, transportation, merchandising)..... | 2 | 12 | 23 | 59 | 116 | 140 | 178 | 172 | 187 | 195 | 228 | 1,312 |
| Mining n.i.e. | — | 2 | 5 | 10 | 30 | 37 | 98 | 104 | 66 | 60 | 62 | 474 |
| Pulp and paper | 20 | 11 | 14 | 3 | 9 | 31 | 7 | 1 | 23 | 35 | 33 | 187 |
| Manufacturing n.i.e. | 41 | 41 | 37 | 42 | 88 | 101 | 71 | 52 | 41 | 77 | 121 | 901 |
| Utilities n.i.e. | | | | | | | 2 | 6 | 2 | 9 | 2 | |
| Merchandising n.i.e. | | | | | | | 5 | 31 | 9 | 21 | 12 | |
| Financial | | | | | | | 1 | 13 | 15 | 17 | 12 | |
| Miscellaneous | | | | | | | 2 | 4 | 7 | 9 | 10 | |
| Sub-total | 63 | 66 | 79 | 114 | 243 | 309 | 364 | 383 | 350 | 423 | 480 | 2,874 |
| Return of capital | 25 | 8 | 18 | 30 | 43 | 39 | 45 | 37 | 62 | 117 | 71 | 495 |
| Net capital inflow for direct investment (Table I, item D1) | 38 | 58 | 61 | 84 | 200 | 270 | 319 | 346 | 288 | 306 | 409 | 2,379 |
| Net other identified capital movements affecting the investment of United States residents in United States-controlled enterprises ¹ | - 43 | - 35 | 20 | 17 | 17 | 34 | 129 | - 2 | 22 | 32 | 212 | 403 |
| Net capital inflow | - 5 | 23 | 81 | 101 | 217 | 304 | 448 | 344 | 310 | 338 | 621 | 2,782 |
| Retention of profits and other factors including revaluations, reclassifications, and similar accounting adjustments | 129 | 97 | 178 | 187 | 114 | 166 | 186 ³ | 332 | 299 | 364 ³ | 287 ⁴ | 2,339 |
| Net increase in book value (Table X B) | 124 | 120 | 259 | 288 | 331 | 470 | 634 | 676 | 609 | 702 | 908 ⁴ | 5,121 |

Note: In addition to investment in new construction and new machinery and equipment included in gross domestic investment as published in the National Accounts, the above figures reflect investment in other forms and the acquisition of existing assets and resources of Canadians. For these and other reasons the series are not strictly comparable.

1. New issues, retirements, borrowing, investment abroad, etc., affecting the total value of investment in Canada by United States residents in United States controlled enterprises; also includes classification adjustments in respect of direct investment transactions representing significant investment in non-United States controlled enterprises.

2. Preliminary.

3. This figure is affected by unusually large reclassifications between direct and portfolio investments.

4. Provisional estimate subject to revision.

Statement 12A. Additional Detail of United States Direct Investment in Canada, 1955 and 1956

(Millions of dollars)

| Account | 1955 | | | | | 1956 | | | | |
|---|--------------------------------|---------------|------------|-------------------------------------|--------------------|--------------------------------|---------------|------------|-------------------------------------|--------------------|
| | Direct Investment Transactions | | | Other Capital Movement ¹ | Net Capital Inflow | Direct Investment Transactions | | | Other Capital Movement ¹ | Net Capital Inflow |
| | Inflows | Out-flows (-) | Net Inflow | | | Inflows | Out-flows (-) | Net Inflow | | |
| Petroleum industry (exploration, development, refining, transportation, and merchandising)..... | 195 | - 2 | 193 | 16 | 209 | 228 | - 8 | 220 | 131 | 351 |
| Mining, n.i.e. | 60 | — | 60 | - 29 | 31 | 62 | - 17 | 45 | 5 | 50 |
| Pulp and paper | 35 | - 40 | - 5 | - 1 | - 6 | 33 | - 4 | 29 | - 1 | 28 |
| Manufacturing, n.i.e. | 77 | - 53 | 24 | 16 | 40 | 121 | - 30 | 91 | 20 | 111 |
| Utilities, n.i.e. | 9 | - 7 | 2 | - 2 | — | 2 | — | 2 | - 1 | 1 |
| Merchandising, n.i.e. | 21 | - 6 | 15 | — | 15 | 12 | - 4 | 8 | — | 8 |
| Financial | 17 | - 3 | 14 | 31 | 45 | 12 | - 2 | 10 | 59 | 69 |
| Miscellaneous | 9 | - 6 | 3 | 1 | 4 | 10 | - 6 | 4 | - 1 | 3 |
| Total | 423 | - 117 | 306 | 32 | 338 | 480 | - 71 | 409 | 212 | 621 |

1. See footnote 1 to Statement 12.

Direct Investment Abroad

The net outflow of capital from Canada for direct investment abroad amounted in 1956 to \$110 million. This compared with \$74 million in 1955 and with \$81 million in 1954 which was the previous record. About 70 per cent of the net movement was to the United States. There were a number of major transactions during the year involving the acquisition by Canadian interests of control over existing enterprises abroad, the largest such transactions being in the merchandising field. Canadians also disposed of major interests in other ventures in which Canadian capital had long been dominant, including public utilities in Latin America. Outflows to overseas countries were particularly large and were mainly in the field of mining.

Summary of Transactions in Portfolio Securities

It was in movements of portfolio security capital that the impact on the Canadian balance of payments of heavy financing demands appeared most dramatically in 1956. During the year Canada imported some \$760 million, net, of capital through international security transactions. This tremendous figure compares with a capital export of \$51 million in 1955 and is considerably more than twice as large as the previous record net inflow established in the exceptional circumstances of 1950. Transactions in portfolio securities were a dominating feature of the international capital account in 1956, as the balance from these transactions exceeded for the first time since 1950 the net inflow for direct investment in foreign controlled enterprises. The net capital import from all portfolio security transactions included, \$207 million from trade in outstanding Canadian issues, and \$681 million from the sale to non-residents of new Canadian issues, offset to the extent of \$140 million by retirements of foreign-held Canadian securities. A net inflow of \$12 million occurred, on balance, from transactions in foreign securities.

A striking development in 1956 was the increased flow of portfolio investment capital from overseas countries to Canada. While the inflows were intensified with the growing international tension in the latter part of the year, the trend was unmistakable before the occurrence of political disturbances. The net inflow in the first half of 1956 was \$76 million, and in the second half it rose to \$149 million. The net movement from overseas countries reached \$225 million for the year as a whole compared with \$33 million in 1955 and with the previous post-war record of \$48 million in 1954. This change was influenced to a very limited extent by the absence in 1956 of major financing in the Canadian market by non-residents. But for the most part it reflected sharp growth in sales of outstanding Canadian securities both to the United Kingdom and to other overseas countries.

Notwithstanding the sharp increase in the portfolio capital movement from overseas, the United States was by far the most important source of

external capital of this type. The net movement from that country amounted to \$535 million in 1956, in contrast to an outflow of \$84 million recorded in 1955. The earlier post-war record for the net capital movement from the United States for all security transactions was \$382 million in 1950.

For five successive quarters from the second quarter of 1955 the movement towards increased inflows of capital from portfolio security transactions was evident. In the second quarter of 1955 there had been a net outflow of \$52 million. By the third quarter of 1956 the inflow reached a peak of \$231 million which was only \$73 million below the massive inflow in the third quarter of 1950; it will be recalled however, that the earlier movement was related to exchange rate considerations and was not part of a sustained inflow of that order of magnitude. The movement in the final quarter of 1956 fell to \$223 million, mainly due to outflows to the United States from trade in outstanding Canadian securities and to some reduction in the rate of inflow from the United Kingdom.

Some idea of the tremendous volume of international security movements may be gained from the fact that the gross transactions between Canada and other countries in 1956 exceeded \$3.2 billion. This turnover was \$0.5 billion higher than in 1955.

Additional comment and statistical detail on international movements of portfolio capital, including quarterly figures of new issues and retirements classified by debtor, will be found in the monthly series of DBS reports covering "Sales and Purchases of Securities between Canada and Other Countries", particularly the December issue which contains an annual review. The report for December 1956¹ discusses the relationships between interest differentials and exchange rates, on the one hand, and new issues and trade in outstanding bonds on the other. It also compares the net inflow of United States portfolio capital for investment in Canadian securities in 1956 with that in 1950, the year of previous post-war record, revealing significant differences.

Transactions in Outstanding Canadian Securities

Trade in outstanding Canadian issues in 1956 was dominated by the sale to non-residents of Canadian common and preference stocks. The net sales balance for the year totalled \$195 million reflecting an increase of more than forty per cent over 1955, and setting a new record for the third successive year. The inflow rose from \$31 million in the first quarter to new heights of \$57 million and \$78 million in the second and third quarters respectively, but fell in the final quarter to \$29 million. Compared to this significant inflow for equity portfolio investment in Canada, the trade in outstanding Canadian bonds, debentures and other

1. Due to revisions the figures in this report will in some cases differ from those included in the earlier publication.

STATEMENT 13. Transactions in Canadian Securities between Canada and Other Countries, 1956

A minus sign indicates an outflow of capital from Canada

(Millions of dollars)

| Account | Trade in Outstanding Issues | Proceeds of New Issues | Retirements | Total |
|--|-----------------------------------|------------------------------|-------------|-------------|
| By Type of Security | | | | |
| Bonds and Debentures: | | | | |
| Government of Canada, direct | + 13 | + 9 | - 51 | - 29 |
| Government of Canada, guaranteed | - 8 | - | - 32 | - 40 |
| Provincial government (including guaranteed) | - 11 | +224 | - 15 | +198 |
| Municipal government | + 2 | +114 | - 18 | + 98 |
| Railways, not guaranteed by Government | - | - | - 2 | - 2 |
| Other corporations | + 16 | +259 | - 17 | +258 |
| Sub-total: Bonds and Debentures | + 12 | +606 | -135 | +483 |
| Common and Preference Stocks | +195 | + 75 | - 5 | +265 |
| Total (Table I, items D3, 4, 5) | +207 | +681 | -140 | +748 |
| By Country | | | | |
| United States | + 41 | +616 | -133 | +524 |
| United Kingdom | + 83 | + 29 | - 1 | +111 |
| Other Sterling Area Countries | - | - | - | - |
| Other OFEC Countries | + 86 | + 36 | - 4 | +118 |
| Other Countries | - 3 | - | - 2 | - 5 |
| Total (Table I, items D3, 4, 5) | +207 | +681 | -140 | +748 |
| By Quarter | | | | |
| First quarter | + 77 | +111 | - 71 | +117 |
| Second quarter | + 43 | +181 | - 23 | +201 |
| Third quarter | + 70 | +178 | - 24 | +224 |
| Fourth quarter | + 17 | +211 | - 22 | +206 |
| Total (Table I, items D3, 4, 5) | +207 | +681 | -140 | +748 |

securities led to a net inflow of only \$12 million. There was a substantial inflow of \$46 million in the first quarter, which exceeded the net sales of Canadian stocks in that period; this total included \$31 million Government of Canada direct and guaranteed issues and \$11 million corporate issues. But in each of the later quarters there were outflows of capital from transactions in outstanding Canadian bonds as Canadians became net repurchasers of this group of securities; during the nine months the net repatriation through repurchases amounted to \$34 million which included some \$26 million of Government of Canada direct and guaranteed issues.

Net sales of outstanding Canadian securities to the United States amounted to \$41 million in 1956 which included net sales of \$74 million of Canadian common and preference stocks offset by net repurchases of \$33 million of Canadian bonds and debentures. These figures are in sharp contrast to the results from security trading in 1955 when there was a net purchase balance or capital export of \$67 million. In that year Canadians sold to the residents of the United States \$92 million on balance of outstanding Canadian common and preference stocks, but they repurchased \$159 million of outstanding Canadian bonds, and debentures, which included \$82 million net repatriation of outstanding Government of Canada direct and guaranteed issues, and \$61 million of provincial issues. It has been revealed that during 1955 Government accounts

were acquiring Government of Canada direct issues payable in United States dollars.

The group of eight special investment funds established by United States interests under circumstances described in previous reports continued to be an important influence in the Canadian stock market. Their holdings of Canadian securities, mainly common stocks, rose in market value during the year by some \$85 million. A part of this sum represented capital appreciation of their portfolios and is not reflected in the net sales of Canadian securities to residents of the United States. Nevertheless these investors probably accounted for between \$65 and \$70 million or more than 90 per cent of the net sales balance of \$74 million from trade in outstanding Canadian common and preference stocks with the United States. In 1955 the proportion was under 65 per cent. It is of particular interest to note that during the second half of 1956 these funds appear to have added to their holdings of Canadian stocks at a time when other United States investors as a group were reducing their portfolios.

Trade in outstanding Canadian issues with the United Kingdom and with other overseas countries also led to impressive capital inflows in 1956. For the fourth successive year Canada had a sales balance from security trading with the United Kingdom. In each year from 1937 to 1952 there had been a purchase balance or capital export. The capital

import of \$83 million in 1956 represented a sharp increase over the total of \$26 million recorded in 1955, and was actually larger than the total for the three years from 1953 to 1955. Particularly noteworthy in 1956 were the sales of Canadian common and preference stocks to residents of the United Kingdom, which amounted to \$72 million. The balance of the net movement represented sales of \$11 million of Canadian bonds, debentures and other securities. In the light of the very large movements, it is worth recalling that security sales to residents of the United Kingdom do not necessarily reflect current outflows of capital from that country. For example, it is possible that some transactions represent the switching by United Kingdom investors between their holdings of United States (and other dollar) securities and of Canadian securities. Moreover, some sales attributed in this report to the United Kingdom may be to nominees for non-residents of that country.

Transactions in outstanding Canadian securities with other countries led to a net capital inflow of \$83 million. This total compared with \$14 million in 1955 and was practically double the previous record set in 1954. The net sales included \$49 million of Canadian common and preference stocks compared with \$18 million in 1955, while there were net sales of \$34 million of other securities, mainly Government of Canada and corporate bonds, in contrast to net purchases of \$4 million in 1955.

New Issues and Retirements of Canadian Securities

The proceeds of new issues of Canadian securities sold abroad set a new record of \$681 million in 1956. In the final quarter of the year new issues

were sold to non-residents at an annual rate of well over \$800 million. The total for the year compared with \$166 million in 1955 and with the previous record of \$411 million established in 1951 which was also a period of strong demand in the Canadian capital market. Reference has already been made to the increased differential between interest rates in Canada and in the United States in 1956 as compared with 1955. Provincial governments, municipalities and corporations were all substantial borrowers abroad during 1956. Residents of the United States bought about 90 per cent of the new issues sold to non-residents compared with somewhat more than 75 per cent of the smaller total in 1955. But at the same time there was a significant increase in the amount of new issues sold to European investors. Between 85 and 90 per cent of the new bonds and debentures sold to non-residents were payable solely or optionally in foreign currencies. Retirements of foreign-held Canadian securities amounted during 1956 to \$140 million. This repatriation was lower than for any other post-war year except 1948 and 1952. A very substantial part of foreign-owned holdings retired during 1956, 95 per cent, was held by residents of the United States. Between 80 and 85 per cent of the bonds and debentures retired were payable optionally or solely in foreign currencies.

Transactions in Foreign Securities

In contrast to 1955 when Canadians added, on balance, to their holdings of foreign securities, in 1956 they were net sellers. In each year there were net capital inflows from trading in outstanding issues, amounting to \$25 million in 1955 and \$27 million in 1956. The net inflow in the latter year

STATEMENT 14. Transactions in Foreign Securities between Canada and Other Countries, 1956

A minus sign indicates an outflow of capital from Canada

(Millions of dollars)

| Account | Trade in Outstanding Issues | Proceeds of New Issues | Retirements | Total |
|--|-----------------------------------|------------------------------|-------------|------------|
| By Type of Security | | | | |
| Foreign Bonds | — | - 13 | — | - 13 |
| Foreign Common and Preference Stocks | +27 | - 2 | — | +25 |
| Total (Table I, items D6, 7, 8) | +27 | - 15 | — | +12 |
| By Country | | | | |
| United States | +22 | - 11 | — | +11 |
| United Kingdom | + 3 | — | — | + 3 |
| Other Sterling Area | — | — | — | — |
| Other O.E.E.C. Countries | + 2 | — | — | + 2 |
| Other Countries | — | - 4 | — | - 4 |
| Total (Table I, items D6, 7, 8) | +27 | - 15 | — | +12 |
| By Quarter | | | | |
| First Quarter | - 16 | - 1 | — | - 17 |
| Second Quarter | +10 | - 5 | — | + 5 |
| Third Quarter | +10 | - 3 | — | + 7 |
| Fourth Quarter | +23 | - 6 | — | +17 |
| Total (Table I, items D6, 7, 8) | +27 | - 15 | — | +12 |

occurred despite a significant outflow of \$16 million in the first quarter when trading was dominated by a substantial participation by Canadian investors in a public redistribution of stock of an automobile company previously owned by a United States foundation. In the subsequent quarters of 1956 Canadians were net sellers of \$43 million outstanding foreign securities. The net movement for the year as a whole reflected on balance the sale by Canadians of foreign stocks, mainly of United States corporations. During the year Canadians purchased \$15 million of new issues of foreign securities. Retirements of Canadian-held foreign debt were negligible. In 1955 Canadians had purchased \$48 million of new issues and \$17 million of Canadian holdings were retired.

Loans by Government of Canada

Repayments of principal on the war and post-war loans made by Canada to overseas governments amounted to \$69 million in 1956. This capital inflow was the same amount as in 1955. The Government of the United Kingdom repaid \$45 million and there were also receipts from Belgium, Czechoslovakia, France, the Netherlands, Norway and the USSR. The payment by the USSR was the final instalment due from that country. A further \$10 million was received representing interest on the loans, and this amount is included in receipts of interest and dividends in the current account.

At the end of 1956 the outstanding balances on war and post-war loans of \$2,450 million extended by Canada amounted to \$1,531 million. There was in addition \$34 million owing to Canada on inter-governmental loans extended following World War I and on account of military relief settlements arising out of World War II. The Government of the United Kingdom was the most important debtor with outstanding loans from Canada amounting to \$1,157 million, or nearly three-quarters of the total. This figure included \$1,097 million advanced under The United Kingdom Financial Agreement Act 1946. The terms of this loan were modified during 1957 to provide under certain circumstances for the deferment of annual principal and interest payments; previously there had been provision for a waiver of interest on the loan. Post-war loans outstanding to other governments under Part II of the Export Credits Insurance Act amounted to \$373 million and agreed payments of principal due in 1956 were received on \$324 million of these loans. Other loans outstanding at the year-end amounted to \$35 million and included \$31 million of inactive loans made after the war of 1914-18.

Change in Canadian Dollar Holdings of Foreigners

An outflow of capital from Canada occurred in 1956 from a reduction of \$26 million in the holdings of Canadian dollars by non-residents. This outflow was in contrast to an inflow of \$89 million in 1955. Holdings by United States residents fell by \$49 million; in part this reflected the use by investment

funds of cash held at the beginning of the year. Holdings by residents of the United Kingdom and other overseas countries rose by \$23 million. These holdings included \$22 million set aside at the year-end by the Government of the United Kingdom in respect of interest on the 1946 loan from Canada. Waiver of this interest payment was requested under the original terms of the loan agreement. The agreement was amended in 1957 and payment of the interest due in 1956 was deferred. Total holdings of all non-residents other than the International Bank for Reconstruction and Development and the International Monetary Fund amounted at the end of 1956 to about \$410 million. These holdings included about \$45 million of Canadian treasury bills and about \$365 million of claims in Canadian dollars on Canadian banks and other depositories.

Change in Official Holdings of Gold and Foreign Exchange

In the course of the operations of the Exchange Fund Account and the other exchange transactions of the Government during the year, the authorities increased official holdings of gold and foreign exchange. The net capital outflow amounted to \$33 million. There was a net inflow of \$1 million from reduced holdings of sterling, and an outflow of \$34 million in connection with Canada's official holdings of gold and United States dollars. These rose, in terms of United States dollars, from \$1,901 million at the end of 1955 to \$1,936 million at the end of 1956. A month-end low point of \$1,865 million was recorded in April, and the year-end figure was the highest month-end recorded during the year. Holdings of sterling are limited to working balances and were of the order of \$8 million at the end of 1956.

Other Capital Movements

All "other capital movements" resulted on balance in a net capital inflow of \$117 million in 1956, which compared with \$204 million in 1955. The net movements were equivalent to less than 9 per cent of the current deficit in 1956, in contrast to some 29 per cent in 1955. But, as will be evident from statement 15, the net movements conceal diverse components whose behavior was particularly divergent in 1956.

In contrast to 1955 when about two-thirds of the net inflow reflected a drawing down of Canadian-owned bank balances and other short-term funds held abroad, in 1956 Canadians added very substantially to their holdings outside Canada. A significant part of these increases represented the proceeds of new issues sold abroad which had not been transferred to Canada at the year-end. Other outflows included reductions of \$17 million in the short-term Canadian dollar holdings of the International Bank for Reconstruction and Development and of the International Monetary Fund, and the payment of Canada's subscription of \$3.6 million to the International Finance Corporation. It has been revealed by the International Monetary Fund that

STATEMENT 15. Estimated Composition of "Other Capital Movements", 1950-1956

A minus sign indicates an outflow of capital from Canada

(Millions of dollars)

| Transactions with all countries | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | Total 1950-1956 |
|---|------------|------------|--------------|--------------|-------------|------------|------------|--------------------|
| Loans by Government of United Kingdom to a Canadian Corporation | - | 25 | 22 | 20 | - | - | - | 67 |
| Canadian Subscription to International Finance Corporation | - | - | - | - | - | - | 4 | - 4 |
| Other long-term capital transactions | - 5 | 3 | - 24 | - 10 | 29 | 49 | 40 | 82 |
| Short-term Canadian dollar holdings of International Bank for Reconstruction and Development and International Monetary Fund ² | - 5 | - 4 | - 1 | - 18 | - 13 | - 9 | - 17 | - 67 |
| Bank balances and other short-term funds abroad (excluding official reserves) ³ | 11 | - 14 | - 168 | - 79 | - 75 | 131 | - 216 | - 410 |
| Borrowings by Canadian finance companies | - | - | 35 | 19 | 11 | 23 | 67 | 155 |
| All other transactions including changes in loans and accounts receivable and payable ⁴ | 209 | 118 | - 375 | - 117 | 20 | 10 | 247 | 112 |
| Total (Table I, item D17) | 210 | 128 | - 511 | - 185 | - 28 | 204 | 117 | - 65 |

1. Preliminary estimate.

2. Includes also adjustments in Canada's subscriptions occasioned by changes in their value in terms of Canadian dollars (1950-1953 nil; from 1954, + 29, - 4, - 1).

3. Estimated partly from United States and other non-Canadian sources, as Canadian data do not cover all holdings; includes in 1950 use of loan proceeds set aside in 1949 (+18).

4. Includes also balancing item representing difference between direct measurements of current and capital accounts.

during the third quarter of the year Egypt purchased from it nearly \$15 million in Canadian funds. This is the first occasion upon which the International Monetary Fund has sold Canadian dollars.

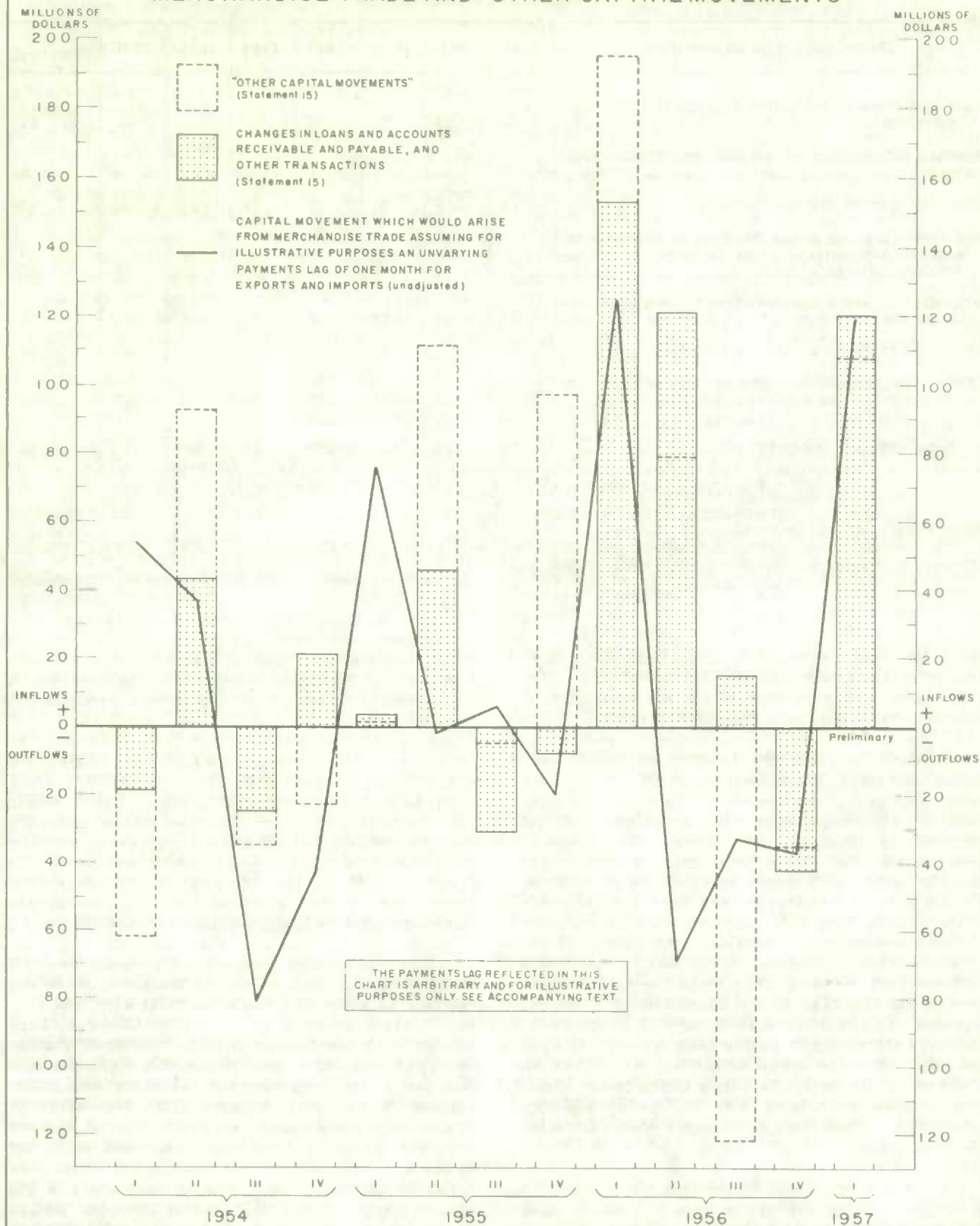
Against the outflows referred to in the preceding paragraph, there were large inflows in other forms. Borrowings by finance companies were substantial, and there were also significant capital transfers by financial institutions. And it seems clear in addition that a very large increase must have occurred in Canada's net liability on account of international receivables and payables, although at the present time only incomplete direct evidence of these movements is available. An increased external liability on commercial account is consistent with the high level of trade to be financed and indeed to be expected in the conditions of financial pressure existing in Canada in 1956. A similar substantial capital import in this form occurred in 1950 and 1951 when the credit stringency which was an aftermath of the action in Korea added to the short-term inflows associated with exchange rate considerations. There was a reflux of this capital in 1952 and 1953.

In view of the large movements which occurred in several components of the item in 1956, it is of interest to examine the cumulative results of movements since the end of 1949. It will be noted from statement 15 that the net capital outflow in the

seven year period amounted to only \$65 million. Among the more volatile elements, an increase of \$410 million is indicated in bank balances and other short-term funds held abroad by Canadians. The period covered is one during which, following the elimination of exchange control the commercial and banking sectors were free to increase their external working capital, and one in which, moreover, Canada's gross international transactions increased sharply. And the effects of these influences were reinforced during 1956 by deferral of the transfer to Canada of the proceeds of new financing carried out in the United States under conditions of extreme pressure in Canadian capital markets.

The other large volatile element is the item described as "all other transactions including changes in loans and accounts receivable and payable" which reflects a net capital inflow of \$112 million in the seven-year period. Despite very large swings which have occurred in this item, and the fact that it includes also the balancing item representing the difference between direct measurements of the current and capital accounts, the net balance over the period is relatively small and is in the direction which one would expect, considering that a surplus on merchandise trade (unadjusted) of \$75 million for the month of December 1949 declined to \$9 million for December 1956, and also that tight credit conditions persisted in Canada in the latter year of unprecedented imports.

MERCHANDISE TRADE AND "OTHER CAPITAL MOVEMENTS"



Although quarterly figures of the total "other capital movements" have been available in the quarterly estimates of the Canadian balance of international payments, it has not been possible from the sources available to produce quarterly series covering separate components which were considered to be sufficiently accurate to warrant publication. The accompanying chart, however, covers not only the published totals, on a quarterly basis from 1954 through the first quarter of 1957, but also shows the component discussed in the preceding paragraph. It should be emphasized that because of the limited data on receivables and payables available on a quarterly basis and the necessarily arbitrary quarterly allocation of some items elsewhere in the statistics, these estimates are subject to a larger than usual margin of error. There has also been shown on the chart a graph representing the quarterly capital movement which would arise from merchandise trade assuming for illustrative purposes an unvarying payments lag of one month for both exports and imports (unadjusted). Several aspects of short-term movements of international capital which are sometimes overlooked are illustrated by this chart. The diverse character of the components is

immediately apparent. For example in the third quarter of 1956 the total is completely dominated by a substantial outflow of capital reflecting a growth in holdings of foreign exchange by residents of Canada, and a significant part of this outflow represents the proceeds of new issues of Canadian securities sold abroad during the quarter, which had not been transferred at the quarter's end. Another aspect of significance is the sizeable movement which would be a normal automatic accompaniment of changing trade balances on the assumption of an unvarying payments lag. In fact, of course, payments terms vary not only with the direction and composition of trade, but also with varying conditions of supply, with absolute and relative liquidity in Canada and elsewhere, with the exchange rate, with seasonal production or distribution of some commodities, and with the relationships existing between buyer and seller. Special significance is attached, therefore, not only to those periods in which the selected capital movements appear to bear a close relationship to changes in merchandise trade, but also to those periods in which no relationship is discernible.

CANADA'S INTERNATIONAL INVESTMENT POSITION

General Review

Some of the close relationships between Canada's rapidly rising indebtedness abroad and the types of imbalance and pressures characteristic in the balance of payments in recent years of pronounced Canadian growth have already been described. The rising indebtedness abroad has accompanied the rapid rate of growth in the economy as external resources have been drawn upon, with much of the impetus to the development of Canadian industry coming from non-resident investment, particularly in new resources being opened up.

Outstanding features of recent changes in non-resident investments in Canada have been the amount of their rapid sustained rise over an extended period and their concentration in equities in Canadian industry and resource development. In the interval since 1945 the total value has more than doubled. The rate of increase has been unusually high each year since 1949 with a total increase of some 93 per cent in the seven years between then and 1956. The increase in value of some \$7.4 billion since then is much larger than in any earlier corresponding period and the high rate of increase has been sustained for an unusually long period. And by far the largest part of this increase has been in direct investments and other equities in Canadian industry and business, which at the end of 1956 were more than twice as large as in 1949.

In 1956 the rate of increase in indebtedness abroad accelerated to almost 15 per cent. In the one year there was the unprecedentedly large rise of almost \$2 billion in external indebtedness, bring-

ing the total value of non-resident long-term investment in Canada to \$15,400 million compared with \$13,468 million in the previous year, and a total of \$7,963 million as recently as in 1949. Some three-quarters of this increase was in the rise in direct investments and other equities in Canadian industry. But in 1956 this was accompanied by a considerable increase in Canadian bonded indebtedness abroad as Canadian financial resources were supplemented in this way.

Some of the broad outlines of the changes in 1956 in comparison with earlier years are given in statements 17 and 18, and in table XIII. The total of investments owned in the United States of \$11,651 million continued to represent more than three-quarters of all non-resident investments in Canada, and was close to twice the value in 1949. This rise in United States investments has also made up more than three-quarters of the increase in this seven year period. While the main rise has been in United States direct investments, portfolio investments in Canada owned in that country were in 1956 about one-half as high again as in 1949.

British investments in Canada at \$2,675 million in 1956 were at a new post-war peak and not far below the earlier maximum levels which were maintained for several decades following 1914. But these investments now only account for 17 per cent of the total non-resident investment in Canada compared with 36 per cent at the end of 1939 before most of the wartime repatriations. The rise in British investments in Canada from the low point in 1948 has been more than \$1 billion and this rise has been particularly concentrated in direct investments which have much more than doubled since then. In

**STATEMENT 16. Summary of Canada's Balance of International Indebtedness,
Selected Year Ends, 1926-1956**

(Billions of dollars)

| Item | 1926 | 1930 | 1939 | 1945 | 1949 | 1953 | 1954 | 1955 | 1956 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Gross liabilities to other countries | 6.4 | 8.0 | 7.4 | 7.6 | 8.9 | 12.6 | 13.7 | 14.8 | 16.7 |
| Gross external assets | 1.3 | 1.5 | 1.9 | 3.8 | 5.2 | 6.6 | 6.9 | 7.0 | 7.2 |
| Net Indebtedness | 5.1 | 6.5 | 5.5 | 3.9 | 3.7 | 6.0 | 6.8 | 7.8 | 9.5 |

Note: For further details see table V. As figures are rounded, totals do not necessarily equal the sum of their component parts.

STATEMENT 17. Value of Non-Resident Long-Term Investments in Canada, Selected Year Ends, 1900-1956

(Millions of dollars)

| Owned by residents of | 1900 ¹ | 1914 ¹ | 1918 ¹ | 1926 | 1930 | 1939 | 1945 | 1955 | 1956 ² |
|-----------------------|-------------------|-------------------|-------------------|--------------|--------------|--------------|--------------|---------------|-------------------|
| United States | 168 | 881 | 1,630 | 3,196 | 4,660 | 4,151 | 4,990 | 10,289 | 11,651 |
| United Kingdom | 1,050 | 2,778 | 2,729 | 2,637 | 2,766 | 2,476 | 1,750 | 2,347 | 2,675 |
| Other Countries | 14 | 178 | 177 | 170 | 188 | 286 | 352 | 832 | 1,075 |
| Total | 1,232 | 3,837 | 4,536 | 6,003 | 7,614 | 6,913 | 7,092 | 13,468 | 15,400 |

1. Privately estimated; for sources see table XIII.
2. Provisional estimate subject to revision.

STATEMENT 18. Value of United States Investments in Canada, Selected Year Ends, 1926-1956

(Millions of dollars)

| Classification | 1926 | 1930 | 1945 | 1949 | 1953 | 1954 | 1955 | 1956 ² |
|--|--------------|--------------|--------------|--------------|------------------|--------------|---------------|-------------------|
| Direct investment | 1,403 | 1,993 | 2,304 | 3,095 | 5,206 | 5,815 | 6,517 | 7,425 |
| Government and municipal bonds | 909 | 1,205 | 1,450 | 1,534 | 1,870 | 1,822 | 1,649 | 1,871 |
| Other portfolio investments | 799 | 1,368 | 1,106 | 1,107 | 1,537 | 1,651 | 1,586 | 1,650 |
| Income accumulating investment funds | — | — | — | — | — | 102 | 170 | 255 |
| Miscellaneous assets | 85 | 94 | 130 | 170 | 257 ¹ | 302 | 367 | 450 |
| Total book value | 3,196 | 4,660 | 4,990 | 5,906 | 8,870 | 9,692 | 10,289 | 11,651 |

1. New series not strictly comparable with earlier years.
2. Provisional estimate subject to revision.

absolute terms this rise in total British investments in Canada is more than the rise in the investments by all other overseas countries in the same interval, although the rate of increase has been less.

The new record total of \$1,075 million in investments owned in other countries other than the United States and United Kingdom for the end of 1956 is some three times the corresponding figure in 1949, and at 7 per cent of the total makes up a larger proportion of the total investments than ever before. Most of these investments are owned in Western Europe and an analysis of the direct investment portion for 1955 is given in statement 20.

This expansion in non-resident long-term investments in Canada has been the principal factor contributing to the sharp rise in Canada's balance of international indebtedness in the same periods. Net liabilities to other countries rose from \$7.8 billion in 1955 to \$9.5 billion in 1956, and compare with the low point in recent decades of \$3.7 billion in 1949. This is the amount by which gross liabilities of residents of Canada to other countries exceeded gross assets abroad as shown in statement 16 and table V. The growth in Canadian assets abroad has had relatively moderate effects on the balances, although an exceptional rate of increase has occurred in some forms of investment like Canadian direct investments abroad which have doubled in value since 1949 and continued to rise in 1956.

A comprehensive analysis of all of these changes and their significance would go beyond the scope of this report. The subject was dealt with in the special report issued in 1956, "Canada's International Investment Position 1926-1954". Statistics in various statements and tables in this report carry the record forward. A predominant feature which stands out in more recent data is the extent to which the trends revealed in that report have been accentuated since then. Likewise, some of the series presented here would show further extensions of some of these changes, if more up-to-date details were available for the preparation of some of the tables, because of the effects of the exceptional capital inflows since 1955.

The analysis of non-resident investments in Canada in 1955 in table IX shows further rises in most industries in that year. The greatest increases were in dynamic areas of Canadian growth like mining and smelting, petroleum, and some branches of manufacturing. It should be noted however, that the rise in the iron and products branch of manufacturing partly reflects changes in the classification of companies formerly shown in miscellaneous manufacturers. Special attention is given elsewhere in this report to the increased investment in the petroleum industry which affects these major branches of industrial activity. There was also a considerable rise in non-resident-owned investments in merchandising and financial institutions, but the opposite was the trend in public utilities including railways. While most of the rise in 1955 was in in-

vestments in the United States, there still were considerable increases in that year in investments in industry owned and controlled in the United Kingdom and Western Europe. The trend in non-resident holdings of Canadian bonds is discussed separately.

The relative importance of foreign investment in selected Canadian industries is revealed in tables XII to XVI at the back of this report. These tables bring forward to the end of 1954 much of the statistical work in this field which was covered up to the end of 1953 in the DBS report referred to above. They reflect further increases in 1954 in the percentages of manufacturing and of mining, smelting, and petroleum exploration and development, both owned and controlled by non-residents, although there were again declines in the relative position of foreign capital in the utilities sector. By the end of 1954 the Canadian manufacturing industry was 48 per cent owned by non-residents, while the capital subject to foreign control amounted to 54 per cent of the total. These proportions compared with 44 and 48 per cent respectively as recently as the end of 1951. In the broad field of mining, smelting, and petroleum exploration and development companies, non-resident ownership and control each amounted to 59 per cent at the end of 1954; at the end of 1951 non-resident ownership and control had amounted to 51 and 53 per cent respectively. During 1954 the total book value of investment in the broad industry groups of manufacturing and mining is estimated to have increased by \$0.9 billion; in this same period non-resident ownership increased by about \$0.6 billion and the value of such investments controlled by non-residents rose by some \$0.8 billion. Some idea of the broad spread of foreign investment in the manufacturing, mining, and petroleum industries may be gained from an examination of the data given in table XV. These show that in 1954 the percentages owned by non-residents rose in the case of thirteen of the seventeen sub-groups; non-resident control rose in the case of eleven sub-groups and remained unchanged in the case of two. But resident-owned Canadian capital continued to play a leading role in financing railways and other utilities, and merchandising. Consequently in the total area of investments in Canada covered in table XVI the resident-owned portion of the rise in 1954 was not far from two-thirds of the total. Somewhat the same pattern is also shown in the longer period from 1948 to 1954 with the rise in Canadian-owned investment representing a similar ratio of all investments while in the financing of industry the non-resident source predominates.

An important characteristic of the great rise in non-resident investments in Canada's industry is the degree to which this has been concentrated in large enterprises with exceptional facilities for development. And the foreign investors have been to an important extent the great corporations outside Canada having available large amounts of savings, either from their own operations or through access to their domestic capital markets, whose investment in Canada represents geographical or industrial extension. It is significant that the 500 largest in-

dustrial corporations in the United States¹ account for about 750 of the 3,700 Canadian concerns which are controlled in the United States. The operations of perhaps 100 of these Canadian concerns are limited to merchandising and distributing. Of the 500 only 177 have no investment in Canada, and one of these is itself a subsidiary of a Canadian company. All but ten of the largest 100 have investments in Canada, and their subsidiaries and affiliates in Canada number nearly 400.

Likewise a large number of the 100 largest industrial companies in countries other than the United States² have branches or subsidiaries in Canada. A majority of the larger companies in this group have direct investments in Canada in addition to a few which operate chiefly in Canada.

Another notable element in recent Canadian development has been the extent to which this has taken the form of new or increased capacity in Canada's export industries providing industrial materials for the United States market. In many cases the industries under development are concerns which are controlled by or affiliated with corporations in the United States and are often new or extended sources of supply for these parent enterprises. There are, therefore, various continental relationships resulting from many of the new investments as the proportion of Canadian exports to the United States rises and as the stake of large United States companies in Canada increases.

Many of the most prominent companies in the United States have in this way links with the Canadian economy which are often established through subsidiaries or other sources of supply. There has been an extension of large scale enterprise to Canada through these relationships. These concerns have generally grown rapidly, having facilities for financing and design and development of products that are not normally open to solely Canadian concerns. Consequently many of the non-resident controlled concerns in Canada tend to be among the larger industrial units. A large concentration of the direct investment in Canadian industries controlled abroad is in enterprises with investments of \$25 million or more. And some 62 per cent of the investment in large enterprises in manufacturing and mining with aggregate investments in Canada in 1953 of \$25 million or more was in non-resident controlled enterprises.

Sources of financing within companies like earnings and depreciation allowances have become

leading means of financing business development. In Canada unusually large portions of these internal corporate sources of financing accrue to the non-resident owners of Canadian companies as by far the largest part of the investments of non-residents in Canada are in the form of equities, generally branch or subsidiary concerns. Almost half of the earnings of Canadian corporations accrued to non-residents of Canada several years ago. And in the field of manufacturing the corresponding ratio was more than one-half. In the case of larger companies the ratio accruing to non-residents was even higher. As there are these large potential sources of internal finance as well as the parent company sources open to the non-resident controlled group of companies, it follows that the areas of corporate savings open to resident controlled companies have some limitations in relative terms. Similarly Canadian capital markets for securities are affected by this element in the structure of savings which tends to limit personal savings originating in corporate income by the restricted range of equity investment in industry open to individuals. Consequently non-resident investors, particularly corporations in the United States, have exceptional opportunities for participating in Canadian economic growth through their direct and other investments in Canadian industrial equities. Much of the direct investment from overseas countries during the last year or so has also been by large overseas companies with an interest in developing Canadian resources.

Foreign Financing of all Canadian Investment

Measurement of the extent to which non-residents have financed total private and public domestic investment involves difficult problems both of a conceptual and of a statistical nature. Two approaches to the question which may be of general interest have been adopted. The first is an attempt to measure the net contribution of non-residents to the savings used for all types of physical investment in Canada or, expressed differently, the extent to which Canada has drawn on or added to the resources of other countries. The second approach is concerned with the extent to which foreign capital has directly financed Canadian investment, disregarding outflows of Canadian capital to participate in investment abroad and of non-resident capital formerly brought to Canada. In each approach it is of interest to ask the extent to which non-residents have financed both gross and net investment. The significance of the latter comparison lies partly in the fact that new financing from abroad is normally for additions to the stock of capital rather than for replacement. The various measures which have been used are expressed in the following formula; for further technical data the reader is referred to pages 45 to 47 of "Canada's International Investment Position 1926-1954"

1. Directory of the 500 Largest United States Industrial Corporations.
Supplement to Fortune Magazine — July, 1956.

2. Directory of the 500 Largest United States Industrial Corporations.
Supplement to Fortune Magazine — July, 1957.

A. Use of Foreign Resources

- 1 { *Current account deficit* (net), adjusted for *retained earnings* of foreign direct investments in Canada and Canadian direct investments abroad, plus *depreciation* and *depletion* on foreign direct investments in Canada
- Gross private and public domestic investment, adjusted to show inventories on a value of physical change basis
- 2 { As in A1 but excluding depreciation
- As in A1 but net of depreciation and similar business charges on private domestic investment

B. Direct Foreign Financing of Investment

- 1 { *Direct investment* in Canada, plus *retained earnings* on foreign direct investments, *new issues* of Canadian securities sold to non-residents¹, other *long-term financing*, changes in *accounts payable*, and *depreciation* and *depletion* on foreign direct investments in Canada
- Gross private and public domestic investment, adjusted to show inventories on a value of physical change basis
- 2 { As in B1 but excluding depreciation
- As in B1 but net of depreciation and similar business charges on private domestic investment

The results of these measurements are summarized in statement 19 which shows the substantially increased importance of non-resident investment in Canada in the 1950's to date. During the seven years of this period Canada's net use of foreign resources amounted to one-fifth and direct foreign

1. Other than government borrowing of \$150 million in 1948 which served to replenish official holdings of exchange.

financing to one-third of net capital formation, and tentative estimates for the most recent year alone suggest that these ratios have risen to about one-third and two-fifths respectively. The two measures have special meaning. In the period 1950-1956 Canadian sources of savings were sufficiently large to finance about four-fifths of net capital formation (as reflected in measure A2) but they were not all used for new investment in Canada. Some Canadian savings were, for example, used for investment abroad, while other parts were used for the retirement of debts contracted abroad in earlier periods. As a consequence Canadian sources of savings directly financed a smaller part of net capital formation in Canada, with non-residents directly financing the balance of one-third as shown in measure B2. (The Canadian economy generated a part of these non-resident savings in the form of retained earnings which enlarged foreign direct investment in Canada or were allocated for its ultimate replacement.)

In the post-war 1940's (and for some years before), Canada was a net exporter of capital. From 1946 to 1949 the net use of foreign resources was negative—Canada was on balance able to invest abroad—although direct foreign financing even in that period amounted to about one-fifth of net capital formation. In the short period 1929-1930 foreign capital was relatively even more important than in recent times, and both the net use of foreign resources and direct foreign financing appear to have represented more than one-half of net capital formation.

A potent force underlying the differences between the measures is the direct association of particular entrepreneurial skills, techniques and objectives with large sources of savings both inside and outside Canada. These combinations may result in decisions outside the domestic economy to undertake specific investments which are quite unrelated to either the availability of domestic savings or the need to import financial capital to finance a draught on external physical resources. But detailed study of the structure of industry and of the capital market and its relationship to the mobilization and direction of domestic savings all lie beyond the field of this report.

STATEMENT 19. Foreign Financing of all Canadian Investment, 1946-1956

(Percentages)

| Measure | 1946-1949 | 1950-1956 |
|--|-----------|-----------|
| A1 Use of foreign resources as a percentage of gross capital formation | 1 | 19 |
| A2 Use of foreign resources as a percentage of net capital formation | - 11 | 21 |
| B1 Direct foreign financing of gross capital formation | 20 | 26 |
| B2 Direct foreign financing of net capital formation | 21 | 33 |

Direct Investments owned in Overseas Countries other than the United Kingdom

Direct investment in Canada by countries other than the United States and United Kingdom amounted to \$315 million at the end of 1955, having grown fivefold in the post-war years. This rate of growth, much of it concentrated in the past few years, was considerably higher than for either the United States or United Kingdom, although of course the amount involved is much smaller. Since the end of 1955 these investments have continued to grow by reason of additional capital imports and the retention of

earnings, and they probably now total well over \$400 million. Statement 20 presents for the first time figures showing the geographical ownership of these investments. It will be noted that about 90 per cent of the capital is Western European, and more than one third is Belgian in origin. A substantial part of Belgian investment is in the petroleum industry. French and Swiss investments, the next largest groups, are predominantly in the financial category which also included real estate. Details of the industrial distribution for this group of investments as a whole are contained in table X, part D.

STATEMENT 20. Direct Investment in Canada by Countries other than the United States and United Kingdom, End of 1955

(Millions of dollars)

| Country of Ownership | Book Value |
|--|------------------------|
| Australia | 6 |
| Other sterling area | 8 |
| Sub-total Sterling area excluding United Kingdom..... | 14 |
| Belgium | 107 |
| Denmark | 7 |
| France | 64 |
| Germany | 14 |
| Netherlands | 9 |
| Sweden | 12 |
| Switzerland | 57 |
| Other OEEC countries | 3 |
| Sub-total OEEC Countries..... | 273 |
| Panama | 7 |
| Other Latin American countries | 1 |
| Sub-total Latin America..... | 8 |
| Other Countries..... | 20 ¹ |
| Total | 315² |

1. Includes some \$19 million investment of companies whose beneficial ownership has not been identified by country.

2. Distribution of this total by industry will be found in table X, part D.

The Petroleum Industry

Perhaps the most dramatic single development in the Canadian economy in the post-war period has been the establishment of a great petroleum industry. Estimates of the book value showing ownership and control of the industry at the end of 1945 and of 1955 appear in statement 21. It should be emphasized that the data measure book values of investment for the industry as a whole. Because they are based on corporate financial records they do not reflect investment by particular sectors of the industry, for example, exploration and development, in which refining companies play a dominant role. Nor are they designed to measure physical aspects of particular segments such as reserves, crude production, or refining throughput.

The estimates reveal that the book value of the industry at the end of 1955 was some nine times the value of a decade earlier. By the end of this period the investment owned by Canadians was between five and six times its earlier level, but the investment owned by United States residents and by residents of other countries had risen respectively to fourteen and fifteen times the earlier totals. The differing rates of growth, and the acquisition of Canadian interests by non-resident investors, led to a fall in the proportion of the industry owned in Canada from 59 per cent to 36 per cent. The decline in the proportion of the book value of the industry represented by companies controlled by Canadians was even sharper, the percentage falling from 43 in 1945 to 20 a decade later. In general, the figures given in the statement do not

STATEMENT 21. Estimated Book Value of Investment in the Petroleum Industry in Canada¹, Classification by Country of Ownership and Principal Activity of Company, End of 1945 and 1955

| Investment in | Canada | | United States | | United Kingdom and Other Countries | | Total | |
|--|--------|-------|---------------|-------|------------------------------------|------|-------|-------|
| | 1945 | 1955 | 1945 | 1955 | 1945 | 1955 | 1945 | 1955 |
| (Millions of dollars) | | | | | | | | |
| Exploration and Development companies ² : | | | | | | | | |
| Controlled in Canada | 48 | 303 | 1 | 52 | 1 | 1 | 50 | 356 |
| Controlled in United States | 4 | 90 | 4 | 806 | — | 1 | 8 | 897 |
| Controlled in United Kingdom and other countries | — | 15 | — | 5 | — | 27 | — | 47 |
| Sub-total | 52 | 408 | 5 | 863 | 1 | 29 | 58 | 1,300 |
| Refining companies ² : | | | | | | | | |
| Controlled in Canada | 57 | 121 | 6 | 3 | — | — | 63 | 124 |
| Controlled in United States | 53 | 337 | 100 | 601 | 6 | 16 | 159 | 954 |
| Controlled in United Kingdom and other countries | — | 19 | — | 9 | 2 | 89 | 2 | 117 |
| Sub-total | 110 | 477 | 106 | 613 | 8 | 105 | 224 | 1,195 |
| Merchandising companies ² : | | | | | | | | |
| Controlled in Canada | 19 | 47 | — | — | — | — | 19 | 47 |
| Controlled in United States | — | — | 6 | 9 | — | — | 6 | 9 |
| Controlled in United Kingdom and other countries | 3 | — | 3 | — | 3 | — | 3 | — |
| Sub-total | 19 | 47 | 6 | 9 | — | — | 25 | 56 |
| Transportation companies ² : | | | | | | | | |
| Controlled in Canada | — | 22 | — | 3 | — | — | — | 25 |
| Controlled in United States | 3 | 47 | 3 | 146 | 3 | 1 | 3 | 194 |
| Sub-total | — | 69 | — | 149 | — | 1 | — | 219 |
| Summary | | | | | | | | |
| All Petroleum companies: | | | | | | | | |
| Controlled in Canada | 124 | 493 | 7 | 58 | 1 | 1 | 132 | 552 |
| Controlled in United States | 57 | 474 | 110 | 1,562 | 6 | 18 | 173 | 2,054 |
| Controlled in United Kingdom and other countries | — | 34 | — | 14 | 2 | 116 | 2 | 164 |
| Total | 181 | 1,001 | 117 | 1,634 | 9 | 135 | 307 | 2,770 |
| Percentage Distribution of Ownership | | | | | | | | |
| All Petroleum companies: | | | | | | | | |
| Controlled in Canada | 40.4 | 17.8 | 2.3 | 2.1 | 0.3 | — | 43.0 | 19.9 |
| Controlled in United States | 18.6 | 17.1 | 35.8 | 56.4 | 2.0 | 0.7 | 56.4 | 74.2 |
| Controlled in United Kingdom and other countries | — | 1.2 | — | 0.5 | 0.6 | 4.2 | 0.6 | 5.9 |
| Total | 59.0 | 36.1 | 38.1 | 59.0 | 2.9 | 4.9 | 100.0 | 100.0 |

1. Newfoundland is included with Canada in 1945 to preserve comparability with later series.

2. It will be noted that these classifications are corporate and do not reflect the division of operations within individual corporations.

3. Investment is included with refining companies.

Classification of petroleum industry in general investment records

Investment in:

Exploration and development companies
 Refining companies
 Merchandising companies
 Transportation companies

Recorded in Tables IX to XI under:

Mining and smelting
 Manufacturing (non-metallic minerals)
 Merchandising
 Public utilities (other)

reflect natural gas companies except insofar as transportation is concerned. If all the natural gas industry were included with the petroleum industry the book value would be raised by between \$175 and \$200 million. While on balance, the ownership and control by Canadians is greater for natural gas companies than for the petroleum industry, the overall percentages would not be drastically changed.

It would be no exaggeration to say that over the last ten years oil has dominated the capital account of Canada's balance of international payments. More than a quarter of the growth in the book value of all non-resident-owned long-term investment in Canada has been accounted for by the petroleum and natural gas industry, and more than half of the net inflow of United States capital for direct investment in Canada has been directed to the industry, even before taking into account such ancillary activities as petrochemicals and pipe mills.

The increasing supply of petroleum and natural gas originating in Canada has had an important limiting effect on Canadian imports as well as giving rise to rapidly increasing exports. While the daily rate of domestic consumption rose from 270 thousand barrels in 1947 to 629 thousand barrels in 1955, net imports rose only from 255 thousand barrels to 297 thousand barrels. The percentage of domestic consumption satisfied by Canadian production of crude oil rose in this period from less than 8 per cent to more than 56 per cent with further significant increases since.

Some interesting perspective on the petroleum industry in Canada and elsewhere in the "free world" is contained in a recent private study¹. Between the end of 1946 and 1955 the proportion in Canada of the gross investment of the industry in property, plant and equipment throughout the "free world" is estimated to have risen from 1.7 per cent to 4.0 per cent. The change is even greater if account is taken of depreciation, depletion and amortization, the proportion in Canada of net investment then rising from 1.4 per cent to 5.0 per cent. The study places Canadian crude oil reserves at 1.4 per cent of the "free world" reserves at the end of 1955, compared with 0.3 per cent in 1946. But it is interesting to note that net investment in production departments in Canada represented 5.5 per cent of the "free world" total in 1955 and 0.6 per cent in 1946. Net investment in all departments of the petroleum industry in Canada at the end of 1955 was higher than for the Middle East.

Ownership of Canadian Funded Debt

The estimated distribution of ownership of the outstanding long-term funded debt of Canadian

governments and corporations at the end of 1956 is given in statement 22. The insatiable demands on the Canadian capital market in 1956 brought to an abrupt end the long period during which the trend of non-resident ownership of Canadian funded debt has been one of relative decline. Over the year non-resident ownership rose from 14.5 per cent to 15.8 per cent of the total. In the case of Government of Canada direct and guaranteed issues other than railways, the proportion owned by non-residents was less than 4 per cent. Provincial and municipal debt owned abroad amounted to 26 and 22 per cent of the respective totals. Railway debt, in which non-resident capital was predominant for more than half a century, was 37 per cent foreign-owned at the end of 1956, and the funded debt of other corporations was 28 per cent foreign-owned. In the case of the provincial and municipal categories these proportions were about 2 percentage points higher than in 1955; foreign-owned proportions of the debt of other borrowers remained relatively unchanged.

Statement 24 in the 1955 report in this series gave a detailed classification of the ownership of Canadian long-term funded debt by currency of payment at the end of 1954. By the end of 1955 foreign-owned Canadian funded debt payable optionally or solely in foreign currencies had fallen from \$2,818 million to \$2,609 million, or from about 11.8 per cent of the total outstanding debt to 10.4 per cent². Preliminary data for the end of 1956 suggest that foreign-held Canadian debt payable optionally or solely in foreign currencies amounted to about \$3,025 million, or 11½ per cent of total outstanding funded debt.

Interesting perspective on the parts played under varying conditions in the financing of funded debt by resident and non-resident investors may be gained from a study of statement 23. This statement shows the changes in the ownership of the outstanding long-term funded debt of various classes of Canadian borrowers, divided between Canadian and non-resident lenders, for the past four years. It may seem at first surprising that the increase in funded debt was smaller in 1956 than in 1955. This is because the Government of Canada was a substantial net borrower in the earlier year but, on balance, retired substantial amounts of debt in 1956. Funds supplied by these retirements helped directly or indirectly to finance sharp increases in holdings of mortgages and loans in Canada by the banks and insurance companies, lending which is not, of course, reflected in outstanding funded debt. There was large scale selling of Government of Canada bonds by the chartered banks to finance loan expansion and to improve their liquidity, and by life insurance companies to provide funds for increased investment in mortgages and in provincial, municipal, and corporate securities. In 1956 the large retirements by the Government of Canada

1. Frederick G. Coqueron and Joseph E. Pogue, *Investment Patterns in the World Petroleum Industry*, Petroleum Department, The Chase Manhattan Bank, New York, December, 1956.

2. Further details appear on page 8 of "Sales and Purchases of Securities between Canada and Other Countries December 1956, and Review of Security Trading during 1956."

**STATEMENT 22. Estimated Distribution of Ownership of Canadian Long-Term Funded Debt,
End of 1956**

| Debtor | Amounts Out- standing | Distribution of Ownership | | | | Percentage Distribution of Ownership | | | |
|--|-----------------------------|---------------------------|------------------|-------------------|--------------------|--------------------------------------|------------------|-------------------|--------------------|
| | | Canada | United States | United Kingdom | Other Countries | Canada | United States | United Kingdom | Other Countries |
| | | (Millions of dollars) | | | | (Percent) | | | |
| Government of Canada direct and guaranteed, excluding railways, treasury bills and notes | 12,886 | 12,385 | 339 | 72 | 90 | 96.1 | 2.6 | 0.6 | 0.7 |
| Provincial direct and guaranteed, excluding railways | 4,105 | 3,024 | 1,021 | 45 | 15 | 73.7 | 24.9 | 1.1 | 0.3 |
| Municipal | 2,498 | 1,946 | 511 | 35 | 6 | 77.9 | 20.5 | 1.4 | 0.2 |
| Sub-total Government bonds ... | 19,489 | 17,355 | 1,871 | 152 | 111 | 89.0 | 9.6 | 0.8 | 0.6 |
| Steam railways | 1,371 | 863 | 185 | 297 | 26 | 62.9 | 13.5 | 21.7 | 1.9 |
| Other corporations | 5,304 | 3,817 | 1,238 | 165 | 84 | 72.0 | 23.3 | 3.1 | 1.6 |
| Sub-total steam railways and corporation bonds | 6,675 | 4,680 | 1,423 | 462 | 110 | 70.1 | 21.3 | 6.9 | 1.7 |
| Total bonds and debentures .. | 26,164 | 22,035 | 3,294 | 614 | 221 | 84.2 | 12.6 | 2.4 | 0.8 |

STATEMENT 23. Changes in Ownership of Canadian Long-Term Funded Debt, 1953-1956

(Millions of dollars)

| Debtor | Change in Amounts Outstanding | | | | Change in Amounts Outstanding Owned in | | | | | | | |
|---|----------------------------------|--------------|--------------|--------------|--|--------------|--------------|--------------|-----------------|------------|-------------|------------|
| | | | | | Canada | | | | Other Countries | | | |
| | 1953 | 1954 | 1955 | 1956 | 1953 | 1954 | 1955 | 1956 | 1953 | 1954 | 1955 | 1956 |
| Government of Canada, direct and guaranteed, excluding railways, treasury bills and notes | 450 | - 789 | 425 | - 519 | 564 | - 704 | 545 | - 481 | -114 | - 85 | -120 | - 38 |
| Provincial, direct and guaranteed, excluding railways | 272 | 255 | 212 | 466 | 158 | 221 | 288 | 273 | 114 | 34 | - 76 | 193 |
| Municipal | 234 | 306 | 248 | 288 | 175 | 286 | 230 | 187 | 59 | 20 | 18 | 101 |
| Steam railways | - 23 | 427 | - 83 | - 91 | 2 | 442 | - 17 | - 61 | - 25 | - 15 | - 66 | - 30 |
| Other corporations | 415 | 465 | 456 | 880 | 234 | 383 | 396 | 615 | 181 | 82 | 60 | 265 |
| Sub-total provincial, municipal, steam railways and other corporations | 898 | 1,453 | 833 | 1,543 | 569 | 1,332 | 897 | 1,014 | 329 | 121 | - 64 | 529 |
| Total bonds and debentures | 1,348 | 664 | 1,258 | 1,024 | 1,133 | 628 | 1,442 | 533 | 215 | 36 | -184 | 491 |

had the effect of moderating the upward pressure on interest rates in the securities market in a year when the financial requirements of the investment boom and the intensification of general economic activity led to a strong and continuous growth in the demand for credit.

Although non-resident investors have been disposing of Government of Canada debt for some years past, there have been wide swings in the total held by Canadian residents. The significance of the changes has also varied. For example, sharp declines in the total outstanding occurred in both 1954 and 1956, although offset in part in the earlier year by an increase in borrowing from the public by the Canadian National Railways which was used to repay Government advances. But in contrast to last year, 1954 was a year in which investment demand fell, and monetary and credit conditions were characterized by a noticeable decline in interest rates, by a rise in security prices, and by a generally easier availability of credit in Canada. These conditions considerably facilitated capital

and consumer expenditures financed by borrowing or by converting securities into cash, and brought about a substantial increase in the bank deposits and currency holdings of the general public. The chartered banks added substantially to their portfolio of Government securities in 1954 but their holdings of other Canadian securities, mortgages, and loans in Canada increased only slightly.

Turning to changes in the ownership of outstanding funded debt of other borrowers it will be noted that in 1956 non-resident investment accounted for \$529 million, or slightly more than one-third of the increase of \$1,543 million. This proportion was exceeded in 1953, but in that year the Government of Canada was also a substantial borrower from residents and the overall proportion of the increase in funded debt supplied by non-residents was smaller. Foreign investment financed 41 per cent of the increase in provincial debt, 35 per cent of the increase in municipal debt, and 30 per cent of the increase in corporate debt.

TABLE I. Current and Capital Account of the Canadian Balance of International Payments, 1955 and 1956
(Millions of dollars)

| No. | Account | All Countries | | United States | | United Kingdom | | Other Sterling Area | | Other OEEC Countries | | All Other Countries | |
|----------|---|---------------|-------------------|---------------|-------------------|----------------|-------------------|---------------------|-------------------|----------------------|-------------------|---------------------|-------------|
| | | 1955 | 1956 ¹ | 1955 | 1956 ¹ | 1955 | 1956 ¹ | 1955 | 1956 ¹ | 1955 | 1956 ¹ | 1955 | 1956 |
| A | Current Receipts: | | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted) | 4,332 | 4,833 | 2,598 | 2,850 | 772 | 818 | 254 | 256 | 379 | 470 | 329 | 439 |
| 2 | Mutual Aid to NATO Countries | 222 | 157 | — | — | — | — | — | — | — | — | — | — |
| 3 | Gold production available for export | 155 | 150 | 155 | 150 | — | — | — | — | — | — | — | — |
| 4 | Travel expenditures | 328 | 336 | 303 | 308 | 13 | 14 | 4 | 4 | 5 | 6 | 3 | 4 |
| 5 | Interest and dividends | 160 | 140 | 78 | 75 | 41 | 20 | 21 | 21 | 13 | 11 | 7 | 13 |
| 6 | Freight and shipping | 398 | 450 | 203 | 220 | 97 | 98 | 27 | 29 | 39 | 58 | 32 | 45 |
| 7 | Inheritances and immigrants' funds | 86 | 98 | 45 | 45 | 20 | 23 | 4 | 5 | 13 | 18 | 4 | 7 |
| 11 | All other current receipts | 391 | 430 | 318 | 350 | 39 | 41 | 8 | 8 | 15 | 17 | 11 | 14 |
| 12 | Total Current Receipts | 6,072 | 6,594 | 3,700 | 3,998 | 982 | 1,014 | 318 | 323 | 464 | 580 | 386 | 522 |
| B | Current Payments: | | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted) | 4,543 | 5,567 | 3,283 | 4,023 | 406 | 493 | 211 | 220 | 229 | 320 | 414 | 511 |
| 4 | Travel expenditures | 449 | 498 | 363 | 391 | 40 | 46 | 8 | 8 | 32 | 41 | 6 | 12 |
| 5 | Interest and dividends | 483 | 530 | 388 | 433 | 75 | 72 | 1 | 1 | 17 | 22 | 2 | 2 |
| 6 | Freight and shipping | 415 | 498 | 287 | 350 | 49 | 58 | 3 | 3 | 64 | 73 | 12 | 14 |
| 7 | Inheritances and emigrants' funds | 105 | 112 | 82 | 91 | 16 | 14 | 1 | 1 | 4 | 4 | 2 | 2 |
| 9 | Official contributions | 24 | 30 | — | — | — | — | 22 | 28 | 1 | 1 | 1 | 1 |
| 10 | Mutual Aid to NATO Countries | 222 | 157 | — | — | — | — | — | — | — | — | — | — |
| 11 | All other current payments | 529 | 574 | 332 | 350 | 66 | 77 | 12 | 12 | 93 | 107 | 26 | 28 |
| 12 | Total Current Payments | 6,770 | 7,966 | 4,735 | 5,638 | 652 | 760 | 258 | 273 | 440 | 568 | 463 | 570 |
| | Balance on Merchandise Trade | - 211 | - 734 | - 685 | -1,173 | + 366 | + 325 | + 43 | + 36 | + 150 | + 150 | - 85 | - 72 |
| | Balance on Other Transactions, excluding B9 | - 463 | - 608 | - 350 | - 467 | - 36 | - 71 | + 39 | + 42 | - 125 | - 137 | + 9 | + 25 |
| | Official contributions | - 24 | - 30 | — | — | — | — | - 22 | - 28 | - 1 | - 1 | - 1 | - 1 |
| C | Current Account Balance | - 698 | -1,372 | -1,035 | -1,640 | + 330 | + 254 | + 60 | + 50 | + 24 | + 12 | - 77 | - 48 |
| D | Capital Account: | | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 417 | + 595 | + 306 | + 409 | + 68 | + 113 | — | + 1 | + 43 | + 72 | — | — |
| 2 | Direct investment abroad | - 74 | - 110 | - 56 | - 77 | - 1 | - 3 | - 8 | - 24 | — | + 2 | - 9 | - 8 |
| | Canadian Securities: | | | | | | | | | | | | |
| 3 | Trade in outstanding issues | - 27 | + 207 | - 67 | + 41 | + 26 | + 83 | — | — | + 16 | + 86 | - 2 | - 3 |
| 4 | New issues | + 166 | + 681 | + 127 | + 616 | + 15 | + 29 | — | — | + 21 | + 36 | + 3 | — |
| 5 | Retirements | - 184 | - 140 | - 169 | - 133 | - 11 | - 1 | — | — | - 3 | - 4 | - 1 | - 2 |
| | Foreign Securities: | | | | | | | | | | | | |
| 6 | Trade in outstanding issues | + 25 | + 27 | + 31 | + 22 | - 9 | + 3 | — | — | + 3 | + 2 | — | — |
| 7 | New issues | - 48 | - 15 | - 8 | - 11 | - 2 | — | 19 | — | — | — | - 19 | - 4 |
| 8 | Retirements | + 17 | — | + 2 | — | — | — | — | — | — | — | + 15 | — |
| | Loans by Government of Canada: | | | | | | | | | | | | |
| 10 | Repayment of post-war loans | + 39 | + 39 | — | — | + 15 | + 15 | — | — | + 15 | + 18 | + 9 | + 6 |
| 11 | Repayment of war loans | + 30 | + 30 | — | — | + 30 | + 30 | — | — | — | — | — | — |
| 14 | Change in Canadian dollar holdings of foreigners | + 89 | - 26 | + 66 | - 49 | + 9 | + 15 | + 2 | - 2 | + 12 | + 3 | — | + 7 |
| 16 | Change in official holdings of gold, U.S. dollars and sterling (increase, minus) .. | + 44 | - 33 | + 42 | - 34 | + 2 | + 1 | — | — | — | — | — | — |
| 17 | Other capital movements | + 204 | + 117 | + 151 | + 152 | + 57 | + 9 | + 3 | - 4 | + 6 | - 1 | - 13 | - 39 |
| E | Net Capital Movement | + 698 | +1,372 | + 425 | + 936 | + 199 | + 294 | - 22 | - 29 | + 113 | + 214 | - 17 | - 43 |
| G | Balance Settled by Exchange Transfers | — | — | + 610 | + 704 | - 529 | - 548 | - 38 | - 21 | - 137 | - 226 | + 94 | + 91 |
| | Total Financing of Current Account Balance (item C) | + 698 | +1,372 | +1,035 | +1,640 | - 330 | - 254 | - 60 | - 50 | - 24 | - 12 | + 77 | + 48 |

Notes:

Other Sterling Area includes the countries of the Commonwealth, United Kingdom dependencies, and Ireland, Iraq, Iceland, Burma, Libya and Jordan. Other OEEC Countries includes all the countries participating in the Organization for European Economic Co-operation which are not also members of the sterling area: namely, Austria, Belgium, Luxembourg, Denmark, France, West Germany, Greece, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland and Turkey, and their overseas territories. The All Other Countries group includes Latin America, non-sterling area countries in Asia, continental European countries not in OEEC, the IBRD, IFC and IMF and all other countries not specified above.

A2,B10 Mutual Aid is not included in figures for countries or areas, but is included in total receipts and total payments with all countries.

D A minus sign indicates an outflow of capital from Canada. Some capital transactions with other sterling area are included under the United Kingdom, and with other overseas countries under the United States.

D17 Also includes balancing item representing unrecorded capital movements and errors and omissions.

1. Subject to revision.

TABLE II. Annual Statements of the Canadian Balance of International Payments, 1946-1956

(Millions of dollars)

A. BETWEEN CANADA AND ALL COUNTRIES

| No. | Account | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 ¹ |
|----------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| A | Current Receipts: | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted) | 2,393 | 2,723 | 3,030 | 2,989 | 3,139 | 3,950 | 4,339 | 4,152 | 3,929 | 4,332 | 4,833 |
| 2 | Mutual Aid to NATO Countries | — | — | — | — | 57 | 145 | 200 | 246 | 284 | 222 | 157 |
| 3 | Gold production available for export | 96 | 99 | 119 | 139 | 163 | 150 | 150 | 144 | 155 | 155 | 150 |
| 4 | Travel expenditures | 221 | 251 | 279 | 285 | 275 | 274 | 275 | 302 | 305 | 328 | 336 |
| 5 | Interest and dividends | 70 | 64 | 70 | 83 | 91 | 115 | 145 | 165 | 147 | 160 | 140 |
| 6 | Freight and shipping | 311 | 322 | 336 | 303 | 284 | 351 | 383 | 318 | 313 | 398 | 450 |
| 7 | Inheritances and immigrants' funds | 65 | 69 | 84 | 68 | 57 | 77 | 85 | 91 | 89 | 86 | 98 |
| 11 | All other current receipts | 209 | 220 | 229 | 222 | 231 | 249 | 281 | 319 | 298 | 391 | 430 |
| 12 | Total Current Receipts | 3,365 | 3,748 | 4,147 | 4,089 | 4,297 | 5,311 | 5,858 | 5,737 | 5,520 | 6,072 | 6,594 |
| B | Current Payments: | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted) | 1,822 | 2,535 | 2,598 | 2,696 | 3,129 | 4,097 | 3,850 | 4,210 | 3,916 | 4,543 | 5,567 |
| 4 | Travel expenditures | 135 | 167 | 134 | 193 | 228 | 280 | 341 | 365 | 389 | 449 | 498 |
| 5 | Interest and dividends | 312 | 337 | 325 | 390 | 475 | 450 | 413 | 404 | 423 | 483 | 530 |
| 6 | Freight and shipping | 219 | 278 | 279 | 253 | 301 | 354 | 375 | 374 | 356 | 415 | 498 |
| 7 | Inheritances and emigrants' funds | 35 | 49 | 50 | 59 | 61 | 70 | 94 | 91 | 94 | 105 | 112 |
| 9 | Official contributions | 97 | 38 | 23 | 6 | 5 | 9 | 16 | 25 | 11 | 24 | 30 |
| 10 | Mutual Aid to NATO Countries | — | — | — | — | 57 | 145 | 200 | 246 | 284 | 222 | 157 |
| 11 | All other current payments | 382 | 295 | 287 | 315 | 377 | 423 | 405 | 465 | 479 | 529 | 574 |
| 12 | Total Current Payments | 3,002 | 3,699 | 3,696 | 3,912 | 4,631 | 5,828 | 5,694 | 6,180 | 5,952 | 6,770 | 7,966 |
| | Balance on Merchandise Trade | + 571 | + 188 | + 432 | + 293 | + 10 | - 147 | + 489 | - 58 | + 13 | - 211 | - 734 |
| | Balance on Other Transactions, excluding B9 | - 111 | - 101 | + 42 | - 110 | - 339 | - 361 | - 309 | - 360 | - 434 | - 463 | - 608 |
| | Official Contributions | - 97 | - 38 | - 23 | - 6 | - 5 | - 9 | - 16 | - 25 | - 11 | - 24 | - 30 |
| C | Current Account Balance | + 363 | + 49 | + 451 | + 177 | - 334 | - 517 | + 164 | - 443 | - 432 | - 698 | - 1,372 |
| D | Capital Account: | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 40 | + 61 | + 71 | + 94 | + 222 | + 309 | + 346 | + 426 | + 392 | + 417 | + 595 |
| 2 | Direct investment abroad | - 14 | + 6 | + 15 | + 13 | + 36 | - 20 | - 77 | - 63 | - 81 | - 74 | - 110 |
| | Canadian Securities: | | | | | | | | | | | |
| 3 | Trade in outstanding issues | + 194 | - 13 | + 3 | + 8 | + 329 | + 38 | - 94 | - 31 | + 63 | - 27 | + 207 |
| 4 | New issues | + 218 | + 95 | + 150 | + 105 | + 210 | + 411 | + 316 | + 335 | + 331 | + 166 | + 681 |
| 5 | Retirements | - 539 | - 364 | - 114 | - 147 | - 284 | - 184 | - 89 | - 146 | - 203 | - 184 | - 140 |
| | Foreign Securities: | | | | | | | | | | | |
| 6 | Trade in outstanding issues | + 25 | + 1 | - 7 | + 22 | + 70 | + 15 | + 12 | + 22 | + 7 | + 25 | + 27 |
| 7 | New issues | - 4 | - 3 | - 3 | - 4 | - 2 | - 3 | - 20 | - 23 | - 33 | - 48 | - 15 |
| 8 | Retirements | + 13 | + 7 | + 2 | + 2 | + 8 | + 3 | — | + 1 | + 2 | + 17 | — |
| | Loans by Government of Canada: | | | | | | | | | | | |
| 9 | Drawings | - 750 | - 565 | - 142 | - 120 | - 50 | — | — | — | — | — | — |
| 10 | Repayment of post-war loans | — | + 2 | + 16 | + 13 | + 23 | + 34 | + 33 | + 37 | + 42 | + 39 | + 39 |
| 11 | Repayment of war loans | + 94 | + 109 | + 64 | + 5 | + 51 | + 34 | + 23 | + 50 | + 30 | + 30 | + 30 |
| 14 | Change in Canadian dollar holdings of foreigners | + 70 | - 26 | - 21 | + 40 | + 233 | - 192 | - 66 | - 18 | + 34 | + 89 | - 26 |
| 16 | Change in official holdings of gold and foreign exchange (increase, minus) | + 267 | + 742 | - 492 | - 128 | - 722 | - 56 | - 37 | + 38 | - 124 | + 44 | - 33 |
| 17 | Other capital movements | + 23 | - 101 | + 7 | - 80 | + 210 | + 128 | - 511 | - 185 | - 28 | + 204 | + 117 |
| E | Net Capital Movement | - 363 | - 49 | - 451 | - 177 | + 334 | + 517 | - 164 | + 443 | + 432 | + 698 | + 1,372 |

Notes:

AB 11 Includes receipts of \$24 million and payments of \$127 million for war services in 1946.

D 17 Includes for years 1946 to 1950 transactions shown separately under items D 12, 13, and 15 in the Canadian Balance of International Payments in the Post-War Years, 1946-1952.

A-G For other notes applicable to this Table see notes to Table 1.

TABLE II. Annual Statements of the Canadian Balance of International Payments, 1946-1956¹
(Millions of dollars)

B. BETWEEN CANADA AND THE UNITED STATES

| No. | Account | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 ¹ |
|----------|--|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|-------------------|
| A | Current Receipts: | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted)..... | 948 | 1,061 | 1,508 | 1,521 | 2,046 | 2,326 | 2,346 | 2,458 | 2,355 | 2,598 | 2,850 |
| 2 | Gold production available for export | 96 | 99 | 119 | 139 | 163 | 150 | 150 | 144 | 155 | 155 | 150 |
| 4 | Travel expenditures | 216 | 241 | 267 | 267 | 260 | 258 | 257 | 282 | 283 | 303 | 306 |
| 5 | Interest and dividends | 47 | 36 | 37 | 40 | 50 | 57 | 85 | 101 | 69 | 78 | 75 |
| 6 | Freight and shipping..... | 101 | 104 | 131 | 126 | 157 | 164 | 174 | 164 | 169 | 203 | 220 |
| 7 | Inheritances and immigrants' funds | 19 | 18 | 18 | 18 | 31 | 32 | 38 | 41 | 42 | 45 | 45 |
| 11 | All other current receipts | 140 | 153 | 167 | 158 | 170 | 191 | 224 | 253 | 233 | 318 | 350 |
| 12 | Total Current Receipts | 1,567 | 1,712 | 2,247 | 2,269 | 2,877 | 3,178 | 3,274 | 3,443 | 3,306 | 3,700 | 3,908 |
| B | Current Payments: | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted)..... | 1,378 | 1,951 | 1,797 | 1,899 | 2,093 | 2,842 | 2,817 | 3,046 | 2,800 | 3,283 | 4,023 |
| 4 | Travel expenditures | 130 | 152 | 113 | 165 | 193 | 246 | 294 | 307 | 320 | 363 | 391 |
| 5 | Interest and dividends | 250 | 274 | 267 | 325 | 411 | 382 | 344 | 334 | 345 | 388 | 433 |
| 6 | Freight and shipping..... | 189 | 221 | 213 | 193 | 240 | 276 | 302 | 298 | 261 | 287 | 350 |
| 7 | Inheritances and emigrants' funds | 31 | 37 | 37 | 44 | 47 | 55 | 77 | 74 | 75 | 82 | 91 |
| 11 | All other current payments | 216 | 211 | 213 | 244 | 293 | 328 | 289 | 290 | 312 | 332 | 350 |
| 12 | Total Current Payments | 2,174 | 2,846 | 2,640 | 2,870 | 3,277 | 4,129 | 4,123 | 4,347 | 4,113 | 4,735 | 5,638 |
| | Balance on Merchandise Trade | - 430 | - 890 | - 289 | - 378 | - 47 | - 516 | - 471 | - 588 | - 445 | - 685 | - 1,173 |
| | Balance on Other Transactions | - 177 | - 244 | - 104 | - 223 | - 353 | - 435 | - 378 | - 316 | - 362 | - 350 | - 487 |
| C | Current Account Balance | - 607 | -1,134 | - 393 | - 601 | - 400 | - 951 | - 849 | - 904 | - 807 | -1,035 | -1,640 |
| D | Capital Account: | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 38 | + 58 | + 61 | + 84 | + 200 | + 270 | + 319 | + 348 | + 288 | + 306 | + 409 |
| 2 | Direct investment abroad | - 7 | + 6 | + 15 | + 16 | + 41 | - 4 | - 42 | - 33 | - 46 | - 56 | - 77 |
| | Canadian Securities: | | | | | | | | | | | |
| 3 | Trade in outstanding issues | + 241 | - 3 | + 5 | + 25 | + 362 | + 20 | - 104 | - 80 | - | - 67 | + 41 |
| 4 | New issues | + 218 | + 95 | + 150 | + 105 | + 210 | + 404 | + 315 | + 322 | + 299 | + 127 | + 616 |
| 5 | Retirements | - 460 | - 313 | - 96 | - 136 | - 263 | - 159 | - 75 | - 132 | - 184 | - 169 | - 133 |
| | Foreign Securities: | | | | | | | | | | | |
| 6 | Trade in outstanding issues | + 21 | - 2 | - 9 | + 19 | + 68 | + 18 | + 9 | + 20 | + 6 | + 31 | + 22 |
| 7 | New issues | - 4 | - 3 | - 3 | - 4 | - 2 | - 3 | - 5 | - 16 | - 3 | - 8 | - 11 |
| 8 | Retirements | + 6 | + 3 | + 1 | + 1 | + 7 | + 2 | - | + 1 | + 1 | + 2 | - |
| 14 | Change in Canadian dollar holdings of foreigners | + 27 | - 3 | - 14 | - 8 | + 89 | - 53 | - 37 | - 1 | + 19 | + 66 | - 49 |
| 16 | Change in official holdings of gold and U.S. dollars (increase, minus)..... | + 251 | + 743 | - 496 | - 134 | - 694 | - 39 | - 80 | + 42 | - 121 | + 42 | - 34 |
| 17 | Other capital movements | - | - 76 | + 1 | - 38 | + 249 | + 59 | - 458 | - 223 | + 18 | + 151 | + 152 |
| E | Net Capital Movement | + 331 | + 505 | - 385 | - 70 | + 267 | + 515 | - 158 | + 244 | + 277 | + 425 | + 936 |
| G | Balance Settled by Exchange Transfers | + 276 | + 629 | + 778 | + 671 | + 133 | + 436 | +1,007 | + 660 | + 530 | + 610 | + 704 |
| | Total Financing of Current Account Balance (Item C).... | + 607 | +1,134 | + 393 | + 601 | + 400 | + 951 | + 849 | + 904 | + 807 | +1,035 | +1,640 |

TABLE II. Annual Statements of the Canadian Balance of International Payments, 1946-1956
(Millions of dollars)

| No. | Account | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 ¹ |
|--|--|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| C. BETWEEN CANADA AND THE UNITED KINGDOM | | | | | | | | | | | | |
| A | Current Receipts: | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted) | 628 | 749 | 703 | 701 | 469 | 636 | 727 | 656 | 660 | 772 | 818 |
| 4 | Travel expenditures | 3 | 7 | 9 | 11 | 7 | 8 | 10 | 12 | 13 | 13 | 14 |
| 5 | Interest and dividends | 7 | 8 | 9 | 9 | 6 | 30 | 29 | 28 | 35 | 41 | 20 |
| 6 | Freight and shipping | 107 | 114 | 105 | 89 | 61 | 91 | 105 | 79 | 73 | 97 | 98 |
| 7 | Inheritances and immigrants' funds | 45 | 47 | 52 | 38 | 12 | 14 | 20 | 18 | 19 | 20 | 23 |
| 11 | All other current receipts | 52 | 42 | 44 | 49 | 35 | 42 | 34 | 37 | 36 | 39 | 41 |
| 12 | Total Current Receipts | 840 | 967 | 922 | 897 | 590 | 821 | 925 | 630 | 836 | 982 | 1,014 |
| B | Current Payments: | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted) | 138 | 182 | 287 | 300 | 399 | 417 | 350 | 463 | 391 | 406 | 493 |
| 4 | Travel expenditures | 3 | 8 | 12 | 17 | 19 | 20 | 27 | 31 | 35 | 40 | 46 |
| 5 | Interest and dividends | 54 | 53 | 50 | 55 | 54 | 57 | 56 | 57 | 62 | 75 | 72 |
| 6 | Freight and shipping | 32 | 32 | 34 | 32 | 36 | 43 | 42 | 42 | 39 | 49 | 58 |
| 7 | Inheritances and emigrants' funds | 3 | 6 | 7 | 10 | 10 | 10 | 12 | 12 | 13 | 16 | 14 |
| 11 | All other current payments | 110 | 50 | 46 | 37 | 48 | 51 | 50 | 92 | 67 | 66 | 77 |
| 12 | Total Current Payments | 340 | 334 | 436 | 451 | 566 | 598 | 537 | 697 | 607 | 652 | 760 |
| | Balance on Merchandise Trade | + 488 | + 567 | + 416 | + 401 | + 70 | + 219 | + 377 | + 193 | + 269 | + 366 | + 325 |
| | Balance on Other Transactions | + 12 | + 66 | + 70 | + 45 | - 46 | + 4 | + 11 | - 60 | - 40 | - 36 | - 71 |
| C | Current Account Balance | + 500 | + 633 | + 486 | + 446 | + 24 | + 223 | + 388 | + 133 | + 229 | + 330 | + 254 |
| D. BETWEEN CANADA AND OTHER STERLING AREA COUNTRIES | | | | | | | | | | | | |
| A | Current Receipts: | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted) | 269 | 366 | 293 | 300 | 201 | 265 | 293 | 251 | 206 | 254 | 256 |
| 4 | Travel expenditures | 1 | 1 | 1 | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 4 |
| 5 | Interest and dividends | 2 | 6 | 4 | 4 | 8 | 4 | 7 | 13 | 17 | 21 | 21 |
| 6 | Freight and shipping | 34 | 39 | 34 | 30 | 18 | 23 | 20 | 18 | 18 | 27 | 29 |
| 7 | Inheritances and immigrants' funds | - | 1 | 2 | 1 | 1 | 3 | 3 | 4 | 4 | 4 | 5 |
| 11 | All other current receipts | 3 | 3 | 4 | 3 | 3 | 3 | 5 | 7 | 7 | 8 | 8 |
| 12 | Total Current Receipts | 309 | 416 | 338 | 340 | 234 | 301 | 331 | 296 | 255 | 318 | 323 |
| B | Current Payments: | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted) | 129 | 160 | 192 | 187 | 244 | 310 | 185 | 172 | 183 | 211 | 220 |
| 4 | Travel expenditures | 1 | 3 | 4 | 4 | 5 | 5 | 5 | 6 | 7 | 8 | 8 |
| 5 | Interest and dividends | 1 | 1 | 1 | 1 | - | - | - | - | - | 1 | 1 |
| 6 | Freight and shipping | 6 | 5 | 7 | 5 | 3 | 5 | 5 | 6 | 3 | 3 | 3 |
| 7 | Inheritances and emigrants' funds | - | - | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 9 | Official contributions | 5 | - | - | - | - | - | 15 | 18 | 8 | 22 | 28 |
| 11 | All other current payments | 3 | 5 | 4 | 6 | 4 | 4 | 6 | 10 | 9 | 12 | 12 |
| 12 | Total Current Payments | 145 | 174 | 209 | 205 | 257 | 325 | 217 | 213 | 211 | 258 | 273 |
| | Balance on Merchandise Trade | + 140 | + 206 | + 101 | + 113 | - 43 | - 45 | + 108 | + 79 | + 23 | + 43 | + 36 |
| | Balance on Other Transactions, excluding B 9 | + 29 | + 36 | + 28 | + 22 | + 20 | + 21 | + 21 | + 22 | + 9 | + 39 | + 42 |
| | Official Contributions | - 5 | - | - | - | - | - | - 15 | - 18 | - 8 | - 22 | - 28 |
| C | Current Account Balance | + 164 | + 242 | + 129 | + 135 | - 23 | - 24 | + 114 | + 83 | + 44 | + 60 | + 50 |

TABLE II. Annual Statements of the Canadian Balance of International Payments, 1946-1956
(Millions of dollars)

E. BETWEEN CANADA AND THE UNITED KINGDOM AND OTHER STERLING AREA COUNTRIES

| No. | Account | 1946 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 |
|-----|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| C | Current Account Balance | + 664 | + 875 | + 615 | + 581 | + 1 | + 199 | + 502 | + 216 | + 273 | + 390 | + 304 |
| D | Capital Account: | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 2 | + 3 | + 10 | + 13 | + 19 | + 30 | + 15 | + 45 | + 75 | + 68 | + 114 |
| 2 | Direct investment abroad | - 10 | - 3 | - 2 | - 3 | - 4 | - 6 | - 19 | - 22 | - 23 | - 9 | - 27 |
| | Canadian Securities: | | | | | | | | | | | |
| 3 | Trade in outstanding issues | - 48 | - 11 | - 4 | - 16 | - 35 | - 16 | - 3 | + 27 | + 21 | + 26 | + 83 |
| 4 | New issues | - | - | - | - | - | + 7 | + 1 | + 7 | + 20 | + 15 | + 29 |
| 5 | Retirements | - 77 | - 42 | - 14 | - 10 | - 19 | - 24 | - 9 | - 11 | - 17 | - 11 | - 1 |
| | Foreign Securities: | | | | | | | | | | | |
| 6 | Trade in outstanding issues | + 1 | + 3 | + 2 | + 2 | + 1 | - | + 3 | + 3 | + 2 | - 9 | + 3 |
| 7 | New issues | - | - | - | - | - | - | - | - | - 1 | - 21 | - |
| 8 | Retirements | + 5 | + 1 | + 1 | + 1 | + 1 | + 1 | - | - | + 1 | - | - |
| | Loans by Government of Canada: | | | | | | | | | | | |
| 9 | Drawings | - 540 | - 423 | - 52 | - 120 | - 50 | - | - | - | - | - | - |
| 10 | Repayment of post-war loans | - | - | - | - | - | + 14 | + 14 | + 14 | + 15 | + 15 | + 15 |
| 11 | Repayment of war loans | + 89 | + 104 | + 64 | + 5 | + 51 | + 34 | + 23 | + 50 | + 30 | + 30 | + 30 |
| 14 | Change in Canadian dollar holdings of foreigners .. | + 32 | - 4 | - 20 | + 62 | + 116 | - 128 | - 22 | - 17 | + 6 | + 11 | + 13 |
| 16 | Change in official holding of sterling (increase, minus) | + 16 | - 1 | + 4 | + 6 | - 28 | - 17 | + 43 | - 4 | - 3 | + 2 | + 1 |
| 17 | Other capital movements | + 39 | + 16 | + 18 | - 27 | - 39 | + 82 | - 62 | + 37 | - 32 | + 60 | + 5 |
| E | Net Capital Movement | - 491 | - 357 | + 7 | - 87 | + 13 | - 23 | - 16 | + 129 | + 94 | + 177 | + 265 |
| G | Balance Settled by Exchange Transfers: | | | | | | | | | | | |
| | Official settlements | - 150 | - 505 | - 597 | - 466 | + 4 | - 165 | - 486 | - 345 | - 367 | - 567 | - 569 |
| | Private settlements | - 23 | - 13 | - 25 | - 28 | - 18 | - 11 | - | - | - | - | - |
| | Total Financing of Current Account Balance (item C) .. | - 664 | - 875 | - 615 | - 581 | - 1 | - 199 | - 502 | - 216 | - 273 | - 390 | - 304 |

1. Subject to revision.

TABLE III. Current Account Between Canada and All Countries, 1926-1956
(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 |
|-------------------|-------------------------------|-------------------------------|--|-------------------------------|---|
| 1926 | 1,665 | 1,538 | + 127 | - | + 127 |
| 1927 | 1,633 | 1,643 | - 10 | - | - 10 |
| 1928 | 1,768 | 1,820 | - 52 | - | - 52 |
| 1929 | 1,646 | 1,957 | - 311 | - | - 311 |
| 1930 | 1,297 | 1,634 | - 337 | - | - 337 |
| 1931 | 972 | 1,146 | - 174 | - | - 174 |
| 1932 | 808 | 904 | - 96 | - | - 96 |
| 1933 | 829 | 831 | - 2 | - | - 2 |
| 1934 | 1,020 | 952 | + 68 | - | + 68 |
| 1935 | 1,145 | 1,020 | + 125 | - | + 125 |
| 1936 | 1,430 | 1,186 | + 244 | - | + 244 |
| 1937 | 1,593 | 1,413 | + 180 | - | + 180 |
| 1938 | 1,361 | 1,261 | + 100 | - | + 100 |
| 1939 | 1,457 | 1,331 | + 126 | - | + 126 |
| 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 ³ | 6,594 | 7,809 | - 1,215 | - 157 | - 1,372 |

1. Including Mutual Aid exports.

2. Excluding Mutual Aid offsets.

3. Subject to revision.

TABLE IV. Quarterly Estimates of the Canadian Balance of International Payments, 1954-1956

(Millions of dollars)

A. BETWEEN CANADA AND ALL COUNTRIES

| No. | Account | 1954 | | | | 1955 | | | | 1956 ¹ | | | |
|----------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|
| | | I | II | III | IV | I | II | III | IV | I | II | III | IV |
| A | Current Receipts: | | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted) | 872 | 993 | 1,002 | 1,062 | 967 | 1,098 | 1,127 | 1,140 | 1,051 | 1,263 | 1,246 | 1,273 |
| 3 | Gold production available for export | 35 | 43 | 39 | 38 | 39 | 39 | 37 | 40 | 37 | 40 | 38 | 35 |
| 4 | Travel expenditures | 24 | 59 | 172 | 50 | 26 | 66 | 182 | 54 | 26 | 65 | 191 | 54 |
| 5 | Interest and dividends | 24 | 33 | 23 | 67 | 26 | 32 | 27 | 75 | 35 | 39 | 25 | 41 |
| 6 | Freight and shipping | 70 | 78 | 83 | 82 | 82 | 100 | 108 | 108 | 102 | 115 | 117 | 116 |
| 7 | Inheritances and immigrants' funds | 18 | 28 | 24 | 19 | 16 | 25 | 24 | 21 | 17 | 28 | 26 | 27 |
| 11 | All other current receipts | 65 | 72 | 81 | 80 | 77 | 105 | 105 | 104 | 91 | 112 | 108 | 119 |
| 12 | Total Current Receipts | 1,108 | 1,306 | 1,424 | 1,398 | 1,233 | 1,465 | 1,610 | 1,542 | 1,359 | 1,662 | 1,751 | 1,665 |
| B | Current Payments: | | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted) | 923 | 1,068 | 941 | 984 | 971 | 1,150 | 1,163 | 1,259 | 1,242 | 1,541 | 1,350 | 1,434 |
| 4 | Travel expenditures | 65 | 102 | 134 | 88 | 78 | 119 | 156 | 96 | 93 | 133 | 169 | 103 |
| 5 | Interest and dividends | 88 | 94 | 85 | 156 | 131 | 99 | 91 | 162 | 112 | 116 | 121 | 181 |
| 8 | Freight and shipping | 70 | 93 | 99 | 94 | 78 | 108 | 113 | 116 | 99 | 134 | 131 | 134 |
| 7 | Inheritances and emigrants' funds | 21 | 23 | 25 | 25 | 21 | 23 | 30 | 31 | 25 | 28 | 29 | 30 |
| 9 | Official contributions | 4 | 2 | 2 | 3 | 5 | 4 | 6 | 7 | 9 | 10 | 5 | 6 |
| 11 | All other current payments | 114 | 119 | 118 | 128 | 134 | 125 | 134 | 136 | 142 | 135 | 150 | 147 |
| 12 | Total Current Payments | 1,285 | 1,501 | 1,404 | 1,478 | 1,418 | 1,628 | 1,695 | 1,807 | 1,722 | 2,097 | 1,955 | 2,035 |
| | Balance on Merchandise Trade | - 51 | - 75 | + 61 | + 78 | - 4 | - 52 | - 36 | - 119 | - 191 | - 278 | - 104 | - 161 |
| | Balance on Other Transactions, excluding B9 | - 122 | - 118 | - 39 | - 155 | - 176 | - 107 | - 41 | - 139 | - 163 | - 147 | - 95 | - 203 |
| | Official Contributions | - 4 | - 2 | - 2 | - 3 | - 5 | - 4 | - 6 | - 7 | - 9 | - 10 | - 5 | - 6 |
| C | Current Account Balance | - 177 | - 195 | + 20 | - 80 | - 185 | - 163 | - 85 | - 265 | - 363 | - 435 | - 204 | - 370 |
| D | Capital Account: | | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 93 | + 98 | + 77 | + 124 | + 65 | + 115 | + 104 | + 113 | + 121 | + 169 | + 120 | + 185 |
| 2 | Direct investment abroad | - 11 | - 18 | - 30 | - 22 | - 11 | - 12 | - 12 | - 39 | - 86 | - 5 | - 24 | - 15 |
| | Canadian Securities: | | | | | | | | | | | | |
| 3 | Trade in outstanding issues | + 16 | + 28 | + 1 | + 18 | - 33 | + 5 | - 24 | + 25 | + 77 | + 43 | + 70 | + 17 |
| 4 | New issues | + 177 | + 93 | + 36 | + 25 | + 109 | + 27 | + 17 | + 13 | + 111 | + 161 | + 178 | + 211 |
| 5 | Retirements | - 26 | - 76 | - 47 | - 54 | - 86 | - 61 | - 19 | - 18 | - 71 | - 23 | - 24 | - 22 |
| | Foreign Securities: | | | | | | | | | | | | |
| 6 | Trade in outstanding issues | + 4 | + 9 | - 1 | - 5 | + 14 | - 6 | + 6 | + 11 | - 16 | + 10 | + 10 | + 23 |
| 7 | New issues | - 2 | - 26 | - 3 | - 2 | - 5 | - 17 | - 4 | - 22 | - 1 | - 5 | - 3 | - 6 |
| 8 | Retirements | - | - | - | + 2 | + 3 | - | + 14 | - | - | - | - | - |
| | Loans by Government of Canada: | | | | | | | | | | | | |
| 10 | Repayment of post-war loans | + 2 | + 11 | + 3 | + 26 | - | + 10 | + 2 | + 27 | - | + 13 | - | + 26 |
| 11 | Repayment of war loans | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 |
| 14 | Change in Canadian dollar holdings of foreigners | - 17 | + 13 | + 10 | + 28 | + 30 | + 39 | + 6 | + 14 | - 23 | - 5 | - 3 | + 5 |
| 16 | Change in official holdings of gold and foreign exchange (increase, minus) | - 4 | - 37 | - 36 | - 45 | + 71 | - 56 | - 7 | + 36 | + 29 | - 30 | - 5 | - 27 |
| 17 | Other capital movements | - 62 | + 92 | - 35 | - 23 | + 1 | + 111 | - 5 | + 97 | + 195 | + 79 | - 122 | - 35 |
| E | Net Capital Movement | + 177 | + 195 | - 20 | + 80 | + 185 | + 163 | + 85 | + 265 | + 363 | + 435 | + 204 | + 370 |

Notes:

Quarterly totals in the account with all countries will not add to annual totals in Table I and Table II A since Mutual Aid to NATO countries is not distributed by quarters.

A-G For other notes applicable to this Table see notes to Table I.

TABLE IV. Quarterly Estimates of the Canadian Balance of International Payments, 1954-1956
(Millions of dollars)

B. BETWEEN CANADA AND THE UNITED STATES

| No. | Account | 1954 | | | | 1955 | | | | 1956 ¹ | | | |
|----------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|
| | | I | II | III | IV | I | II | III | IV | I | II | III | IV |
| A | Current Receipts: | | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted) | 543 | 595 | 597 | 620 | 580 | 647 | 670 | 701 | 639 | 721 | 732 | 758 |
| 3 | Gold production available for export | 35 | 43 | 39 | 38 | 39 | 39 | 37 | 40 | 37 | 40 | 38 | 35 |
| 4 | Travel expenditures | 22 | 52 | 164 | 45 | 24 | 58 | 172 | 49 | 24 | 56 | 181 | 47 |
| 5 | Interest and dividends | 13 | 15 | 19 | 22 | 13 | 19 | 19 | 27 | 20 | 19 | 17 | 19 |
| 6 | Freight and shipping | 36 | 41 | 47 | 45 | 41 | 50 | 55 | 57 | 48 | 56 | 59 | 57 |
| 7 | Inheritances and immigrants' funds | 8 | 12 | 12 | 10 | 8 | 12 | 14 | 11 | 9 | 12 | 12 | 12 |
| 11 | All other current receipts | 50 | 54 | 64 | 65 | 61 | 86 | 84 | 87 | 73 | 91 | 89 | 97 |
| 12 | Total Current Receipts | 767 | 812 | 942 | 945 | 766 | 911 | 1,051 | 972 | 850 | 905 | 1,128 | 1,025 |
| B | Current Payments: | | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted) | 679 | 767 | 654 | 700 | 723 | 836 | 826 | 898 | 932 | 1,118 | 936 | 1,037 |
| 2 | Travel expenditures | 55 | 83 | 110 | 72 | 66 | 99 | 122 | 78 | 75 | 104 | 132 | 80 |
| 5 | Interest and dividends | 69 | 78 | 64 | 134 | 104 | 82 | 69 | 133 | 84 | 98 | 98 | 153 |
| 6 | Freight and shipping | 48 | 70 | 74 | 69 | 52 | 76 | 79 | 80 | 66 | 94 | 95 | 95 |
| 7 | Inheritances and emigrants' funds | 18 | 18 | 20 | 19 | 17 | 17 | 23 | 25 | 22 | 22 | 23 | 24 |
| 11 | All other current payments | 74 | 81 | 77 | 80 | 81 | 81 | 83 | 87 | 85 | 86 | 90 | 89 |
| 12 | Total Current Payments | 943 | 1,097 | 999 | 1,074 | 1,043 | 1,191 | 1,202 | 1,299 | 1,264 | 1,522 | 1,374 | 1,478 |
| C | Current Account Balance | - 236 | - 285 | - 57 | - 229 | - 277 | - 280 | - 151 | - 327 | - 414 | - 527 | - 246 | - 453 |
| D | Capital Account: | | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 77 | + 79 | + 55 | + 77 | + 49 | + 95 | + 80 | + 82 | + 85 | + 97 | + 78 | + 149 |
| 2 | Direct investment abroad | - 6 | - 14 | - 11 | - 15 | - 7 | - 10 | - 8 | - 33 | - 58 | + 5 | - 16 | - 8 |
| | Canadian Securities: | | | | | | | | | | | | |
| 3 | Trade in outstanding issues | + 3 | + 8 | - 16 | + 5 | - 43 | - 8 | - 36 | + 20 | + 55 | + 5 | + 10 | - 29 |
| 4 | New issues | + 172 | + 82 | + 29 | + 16 | + 96 | + 10 | + 10 | + 11 | + 106 | + 165 | + 165 | + 180 |
| 5 | Retirements | - 17 | - 72 | - 43 | - 52 | - 84 | - 55 | - 13 | - 17 | - 67 | - 22 | - 23 | - 21 |
| | Foreign Securities: | | | | | | | | | | | | |
| 6 | Trade in outstanding issues | + 4 | + 9 | - 2 | - 5 | + 14 | + 2 | + 8 | + 7 | - 17 | + 9 | + 8 | + 22 |
| 7 | New issues | - | - | - 2 | - 1 | - 4 | - 1 | - 2 | - 1 | - | - 4 | - 3 | - 4 |
| 8 | Retirements | - | - | - | + 1 | + 2 | - | - | - | - | - | - | - |
| 14 | Change in Canadian dollar holdings of foreigners | - 3 | + 12 | - 2 | + 12 | + 11 | + 40 | + 2 | + 13 | - 38 | - 6 | + 9 | - 14 |
| 16 | Change in official holdings of gold and U.S. dollars (increase, minus) | - 8 | - 36 | - 35 | - 42 | + 70 | - 58 | - 6 | + 36 | + 29 | - 27 | - 4 | - 32 |
| 17 | Other capital movements | - 54 | + 91 | - 24 | + 5 | + 64 | + 56 | - 54 | + 85 | + 192 | + 81 | - 99 | - 22 |
| E | Net Capital Movement | + 168 | + 159 | - 51 | + 1 | + 168 | + 71 | - 17 | + 203 | + 287 | + 303 | + 125 | + 221 |
| G | Balance Settled by Exchange Transfers | + 68 | + 126 | + 108 | + 228 | + 109 | + 209 | + 168 | + 124 | + 127 | + 224 | + 121 | + 232 |
| | Total Financing of Current Account Balance (Item C) | + 236 | + 285 | + 57 | + 229 | + 277 | + 280 | + 151 | + 327 | + 414 | + 527 | + 246 | + 453 |

TABLE IV. Quarterly Estimates of the Canadian Balance of International Payments, 1954-1956
(Millions of dollars)

C. BETWEEN CANADA AND THE UNITED KINGDOM

| No. | Account | 1954 | | | | 1955 | | | | 1956 ¹ | | | |
|----------|---|-------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|
| | | I | II | III | IV | I | II | III | IV | I | II | III | IV |
| A | Current Receipts: | | | | | | | | | | | | |
| 1 | Merchandise exports (adjusted) | 134 | 153 | 180 | 193 | 183 | 201 | 199 | 189 | 180 | 199 | 220 | 218 |
| 4 | Travel expenditures | 1 | 4 | 5 | 3 | 1 | 4 | 5 | 3 | 1 | 5 | 5 | 2 |
| 5 | Interest and dividends | 1 | 2 | 1 | 31 | 3 | 2 | 2 | 34 | 8 | 3 | 2 | 7 |
| 6 | Freight and shipping | 18 | 18 | 19 | 18 | 21 | 24 | 26 | 26 | 24 | 25 | 25 | 24 |
| 7 | Inheritances and immigrants' funds | 4 | 6 | 5 | 4 | 4 | 6 | 5 | 5 | 4 | 6 | 7 | 6 |
| 11 | All other current receipts | 8 | 10 | 10 | 8 | 8 | 11 | 11 | 9 | 10 | 10 | 10 | 11 |
| 12 | Total Current Receipts | 166 | 193 | 220 | 257 | 220 | 248 | 248 | 266 | 227 | 248 | 269 | 270 |
| B | Current Payments: | | | | | | | | | | | | |
| 1 | Merchandise imports (adjusted) | 96 | 110 | 93 | 92 | 88 | 99 | 111 | 108 | 97 | 149 | 128 | 119 |
| 4 | Travel expenditures | 4 | 11 | 12 | 8 | 5 | 11 | 14 | 10 | 6 | 14 | 16 | 10 |
| 5 | Interest and dividends | 16 | 13 | 17 | 16 | 23 | 13 | 18 | 21 | 23 | 12 | 18 | 13 |
| 6 | Freight and shipping | 9 | 10 | 10 | 10 | 10 | 11 | 14 | 14 | 12 | 16 | 14 | 16 |
| 7 | Inheritances and emigrants' funds | 2 | 4 | 3 | 4 | 3 | 4 | 5 | 4 | 2 | 4 | 4 | 4 |
| 11 | All other current payments | 16 | 15 | 17 | 19 | 20 | 11 | 18 | 17 | 19 | 18 | 20 | 20 |
| 12 | Total Current Payments | 143 | 163 | 152 | 149 | 149 | 149 | 180 | 174 | 159 | 213 | 200 | 188 |
| C | Current Account Balance | + 23 | + 30 | + 68 | + 108 | + 71 | + 99 | + 68 | + 92 | + 68 | + 35 | + 69 | + 82 |
| D | Capital Account: | | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 12 | + 13 | + 17 | + 33 | + 21 | + 14 | + 15 | + 18 | + 11 | + 46 | + 33 | + 23 |
| 2 | Direct investment abroad | - | - | - 14 | - 2 | - | - | - 1 | - | - 1 | - | - 1 | - 1 |
| | Canadian Securities: | | | | | | | | | | | | |
| 3 | Trade in outstanding issues | + 9 | + 2 | - | + 10 | + 10 | + 2 | + 9 | + 5 | + 4 | + 19 | + 37 | + 23 |
| 4 | New issues | + 3 | + 4 | + 6 | + 7 | + 9 | + 3 | + 2 | + 1 | + 4 | + 10 | + 9 | + 6 |
| 5 | Retirements | - 7 | - 2 | - 2 | - 1 | - 2 | - 4 | - 5 | - | - | - 1 | - | - |
| | Foreign Securities: | | | | | | | | | | | | |
| 6 | Trade in outstanding issues | - | + 1 | + 1 | - | - | - 9 | - 2 | + 2 | + 1 | - | + 2 | - |
| 7 | New issues | - | - 1 | - | - | - | - | - 2 | - | - | - | - | - |
| | Loans by Government of Canada: | | | | | | | | | | | | |
| 10 | Repayment of post-war loans | - | - | - | + 15 | - | - | - | + 15 | - | - | - | + 15 |
| 11 | Repayment of war loans | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 | + 7 | + 8 |
| 14 | Change in Canadian dollar holdings of foreigners | - 8 | - 4 | + 7 | + 15 | + 19 | - 17 | + 3 | + 4 | + 13 | + 4 | - 14 | + 12 |
| 16 | Change in official holdings of sterling (increase, minus) | + 4 | - 1 | - 3 | - 3 | + 1 | + 2 | - 1 | - | - | - 3 | - 1 | + 5 |
| 17 | Other capital movements | - 3 | - 10 | + 7 | - 24 | - 62 | + 40 | + 68 | + 11 | + 6 | + 2 | - 1 | + 2 |
| E | Net Capital Movement | + 17 | + 10 | + 26 | + 58 | + 3 | + 39 | + 93 | + 64 | + 45 | + 85 | + 71 | + 93 |
| G | Balance Settled by Exchange Transfers | - 40 | - 40 | - 94 | - 166 | - 74 | - 138 | - 161 | - 156 | - 113 | - 120 | - 140 | - 175 |
| | Total Financing of Current Account Balance (item C) | - 23 | - 30 | - 68 | - 108 | - 71 | - 99 | - 68 | - 92 | - 68 | - 35 | - 69 | - 82 |

TABLE IV. Quarterly Estimates of the Canadian Balance of International Payments, 1954-1956
(Millions of dollars)

D. BETWEEN CANADA AND OTHER COUNTRIES

| No. | Account | 1954 | | | | 1955 | | | | 1956 ¹ | | | |
|-----|---|------|------|------|------|------|------|------|------|-------------------|-------|------|------|
| | | I | II | III | IV | I | II | III | IV | I | II | III | IV |
| | Rest of the Sterling Area: | | | | | | | | | | | | |
| A 1 | Merchandise exports | 39 | 58 | 53 | 56 | 55 | 65 | 76 | 58 | 59 | 75 | 60 | 62 |
| | Other current receipts | 15 | 12 | 10 | 12 | 16 | 14 | 16 | 18 | 15 | 18 | 15 | 19 |
| 12 | Total Current Receipts | 54 | 70 | 63 | 68 | 71 | 79 | 92 | 76 | 74 | 93 | 75 | 81 |
| B 1 | Merchandise Imports | 30 | 52 | 53 | 48 | 38 | 57 | 58 | 58 | 40 | 57 | 64 | 59 |
| | Other current payments | 9 | 6 | 4 | 9 | 11 | 9 | 14 | 13 | 15 | 17 | 10 | 11 |
| 12 | Total Current Payments | 39 | 58 | 57 | 57 | 49 | 66 | 72 | 71 | 55 | 74 | 74 | 70 |
| C | Current Account Balance | + 15 | + 12 | + 6 | + 11 | + 22 | + 13 | + 20 | + 5 | + 19 | + 19 | + 1 | + 11 |
| | Non-Sterling Area Overseas Countries: | | | | | | | | | | | | |
| A 1 | Merchandise exports | 156 | 187 | 172 | 193 | 149 | 185 | 182 | 192 | 173 | 268 | 234 | 234 |
| | Other current receipts | 25 | 44 | 27 | 35 | 27 | 42 | 37 | 36 | 35 | 58 | 45 | 55 |
| 12 | Total Current Receipts | 181 | 231 | 199 | 228 | 176 | 227 | 219 | 228 | 208 | 326 | 279 | 289 |
| B 1 | Merchandise Imports | 118 | 139 | 141 | 144 | 122 | 158 | 168 | 195 | 173 | 217 | 222 | 219 |
| | Other current payments | 42 | 44 | 55 | 54 | 55 | 64 | 73 | 68 | 71 | 71 | 85 | 80 |
| 12 | Total Current Payments | 160 | 183 | 196 | 198 | 177 | 222 | 241 | 263 | 244 | 288 | 307 | 299 |
| C | Current Account Balance | + 21 | + 48 | + 3 | + 30 | - 1 | + 5 | - 22 | - 35 | - 36 | + 38 | - 28 | - 10 |
| C | Current Account Balance with above Areas | + 36 | + 60 | + 9 | + 41 | + 21 | + 18 | - 2 | - 30 | - 17 | + 57 | - 27 | + 1 |
| D | Capital Account: | | | | | | | | | | | | |
| | Direct Investment: | | | | | | | | | | | | |
| 1 | Direct investment in Canada | + 4 | + 6 | + 5 | + 14 | + 15 | + 6 | + 9 | + 13 | + 25 | + 26 | + 9 | + 13 |
| 2 | Direct investment abroad | - 5 | - 4 | - 5 | - 5 | - 4 | - 2 | - 5 | - 6 | - 7 | - 10 | - 7 | - 6 |
| | Canadian Securities: | | | | | | | | | | | | |
| 3 | Trade in outstanding issues | + 4 | + 18 | + 17 | + 3 | - | + 11 | + 3 | - | + 18 | + 19 | + 23 | + 23 |
| 4 | New issues | + 2 | + 7 | + 1 | + 2 | + 4 | + 14 | + 5 | + 1 | + 1 | + 6 | + 4 | + 25 |
| 5 | Retirements | - 2 | - 2 | - 2 | - 1 | - | - 2 | - 1 | - 1 | - 4 | - | - 1 | - 1 |
| | Foreign Securities: | | | | | | | | | | | | |
| 6 | Trade in outstanding issues | - | - 1 | - | - | - | + 1 | - | + 2 | - | + 1 | - | + 1 |
| 7 | New issues | - 2 | - 25 | - 1 | - 1 | - 1 | - 16 | - | - 21 | - 1 | - 1 | - | - 2 |
| 8 | Retirements | - | - | - | + 1 | + 1 | - | + 14 | - | - | - | - | - |
| 10 | Repayment of post-war loans by Government of Canada | + 2 | + 11 | + 3 | + 11 | - | + 10 | + 2 | + 12 | - | + 13 | - | + 11 |
| 14 | Change in Canadian dollar holdings of foreigners | - 6 | + 5 | + 5 | + 1 | - | + 16 | + 1 | - 3 | + 2 | - 3 | + 2 | + 7 |
| 17 | Other capital movements | - 5 | + 11 | - 18 | - 4 | - 1 | + 15 | - 19 | + 1 | - 3 | - 4 | - 22 | - 15 |
| E | Net Capital Movement | - 8 | + 26 | + 5 | + 21 | + 14 | + 53 | + 9 | - 2 | + 31 | + 47 | + 8 | + 56 |
| G | Balance Settled by Exchange Transfers | - 28 | - 86 | - 14 | - 62 | - 35 | - 71 | - 7 | + 32 | - 14 | - 104 | + 49 | - 57 |
| | Total Financing of Current Account Balance (Item C) | - 36 | - 60 | - 9 | - 41 | - 21 | - 18 | + 2 | + 30 | + 17 | - 57 | + 27 | - 1 |

1. Subject to revision.

TABLE V. Estimate of the Canadian Balance of International Indebtedness, Selected Year Ends, 1926-1956
(exclusive of short-term commercial indebtedness and blocked currencies)
(Billions of dollars)

| Item | 1926 | 1930 | 1933 | 1939 | 1945 | 1947 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 ¹ |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|------------------|-------------|-------------|-------------|-------------------|
| Canadian Liabilities (Foreign Capital Invested in Canada): | | | | | | | | | | | | | | | |
| Direct investments VIII, X..... | 1.8 | 2.4 | 2.4 | 2.3 | 2.7 | 3.0 | 3.3 | 3.6 | 4.0 | 4.5 | 5.2 | 6.0 | 6.8 | 7.7 | 8.9 |
| Government and municipal bonds IX..... | 1.4 | 1.7 | 1.7 | 1.7 | 1.7 | 1.5 | 1.6 | 1.8 | 2.0 | 2.1 | 2.0 | 2.1 | 2.1 | 1.9 | 2.1 |
| Other portfolio investments VIII..... | 2.5 | 3.2 | 3.0 | 2.6 | 2.4 | 2.4 | 2.3 | 2.3 | 2.4 | 2.5 | 2.7 | 2.9 | 3.1 | 3.1 | 3.4 |
| Income accumulating investment funds..... | — | — | — | — | — | — | — | — | — | — | — | — | 0.1 | 0.2 | 0.3 |
| Miscellaneous investments VIII..... | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 ⁴ | 0.5 | 0.6 | 0.6 | 0.7 |
| Total non-resident long-term investment in Canada VIII, IX..... | 6.0 | 7.6 | 7.4 | 6.9 | 7.1 | 7.2 | 7.5 | 8.0 | 8.7 | 9.5 | 10.4 | 11.5 | 12.6 | 13.5 | 15.4 |
| Equity of non-residents in Canadian assets abroad..... | 2 | 2 | 2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.6 | 0.6 | 0.7 | 0.7 |
| Canadian dollar holdings of non-residents..... | 2 | 2 | 2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.6 | 0.4 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| Canadian short-term assets of IMF and IBRD..... | — | — | — | — | — | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Gross Liabilities..... | 6.4 | 8.0 | 7.7 | 7.4 | 7.6 | 8.1 | 8.4 | 8.9 | 9.9 | 10.6 | 11.4 | 12.6 | 13.7 | 14.8 | 16.7 |
| United States..... | 3.5 | 4.9 | 4.7 | 4.5 | 5.4 | 5.7 | 6.0 | 6.4 | 7.1 | 7.9 | 8.5 | 9.5 | 10.3 | 11.1 | 12.4 |
| United Kingdom..... | 2.7 | 2.9 | 2.8 | 2.6 | 1.8 | 1.7 | 1.7 | 1.8 | 2.0 | 1.9 | 2.0 | 2.2 | 2.3 | 2.5 | 2.9 |
| Other countries, IMF and IBRD..... | 0.2 | 0.2 | 0.2 | 0.3 | 0.4 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 1.0 | 1.0 | 1.2 | 1.4 |
| Canadian Assets (Canadian Capital Invested Abroad): | | | | | | | | | | | | | | | |
| Direct investments VII..... | 0.4 | 0.4 | 0.4 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 1.0 | 1.2 | 1.3 | 1.5 | 1.6 | 1.8 | 1.9 |
| Portfolio investments VII..... | 0.5 | 0.8 | 0.9 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.8 ⁴ | 0.9 | 0.9 | 1.0 | 1.0 |
| Government of Canada loans and advances VII..... | — | — | — | — | 0.7 | 1.8 | 1.9 | 2.0 | 2.0 | 1.9 | 1.9 | 1.8 | 1.7 | 1.6 | 1.6 |
| Government of Canada subscriptions to IMF and IBRD..... | — | — | — | — | — | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Total Canadian long-term investments abroad..... | 0.9 | 1.3 | 1.3 | 1.4 | 2.0 | 3.6 | 3.6 | 4.0 | 4.0 | 4.1 | 4.4 | 4.5 | 4.6 | 4.8 | 4.9 |
| Government of Canada holdings of gold and foreign exchange VI..... | 2 | 2 | 2 | 0.5 | 1.7 | 0.5 | 1.0 | 1.2 | 1.9 | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 |
| Other Canadian short-term assets abroad..... | 3 | 3 | 3 | — | 0.1 | — | — | 0.1 | 0.1 | 0.1 | 0.3 | 0.3 | 0.4 | 0.3 | 0.5 |
| Gross Assets..... | 1.3 | 1.5 | 1.4 | 1.9 | 3.8 | 4.1 | 4.7 | 5.2 | 5.9 | 6.0 | 6.4 | 6.6 | 6.9 | 7.0 | 7.2 |
| Government of Canada holdings of gold and foreign exchange..... | — | — | — | 0.5 | 1.7 | 0.5 | 1.0 | 1.2 | 1.9 | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 |
| United States ¹ | 0.7 | 0.9 | 0.8 | 0.9 | 0.9 | 0.8 | 0.8 | 1.1 | 1.1 | 1.4 | 1.7 | 2.0 | 2.1 | 2.2 | 2.5 |
| United Kingdom ¹ | 0.1 | 0.1 | — | 0.1 | 0.7 | 1.5 | 1.5 | 1.8 | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 1.4 | 1.4 |
| Other countries, IMF and IBRD..... | 0.5 | 0.5 | 0.6 | 0.4 | 0.5 | 1.3 | 1.4 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Canadian Net International Indebtedness: | | | | | | | | | | | | | | | |
| Net Liabilities..... | 5.1 | 6.5 | 6.3 | 5.5 | 3.9 | 4.0 | 3.7 | 3.7 | 4.0 | 4.6 | 5.0 | 6.0 | 6.8 | 7.8 | 9.5 |
| Government of Canada holdings of gold and foreign exchange..... | — | — | — | 0.5 | 1.7 | 0.5 | 1.0 | 1.2 | 1.9 | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 |
| United States ¹ | 2.8 | 4.0 | 3.9 | 3.6 | 4.6 | 4.9 | 5.2 | 5.3 | 6.0 | 6.5 | 6.8 | 7.5 | 8.2 | 8.9 | 9.9 |
| United Kingdom ¹ | 2.6 | 2.8 | 2.8 | 2.5 | 1.1 | 0.2 | 0.2 | 0.2 | 0.4 | 0.4 | 0.5 | 0.7 | 0.9 | 1.0 | 1.5 |
| Other countries, IMF and IBRD..... | -0.3 | -0.3 | -0.4 | -0.1 | -0.1 | -0.6 | -0.7 | -0.6 | -0.5 | -0.5 | -0.5 | -0.4 | -0.4 | -0.2 | — |

Note: As figures are rounded, totals do not necessarily equal the sum of their component parts. Roman numerals indicate tables in which further detail appears.

1. Exclusive of Government of Canada holdings of gold and foreign exchange.
2. Not available.
3. Not available; net external assets of the Chartered Banks of Canada amounted to \$370 million in 1926, \$180 million in 1930, and \$91 million in 1933.
4. New series not strictly comparable with earlier years.
5. Preliminary estimate.

General note applicable to all statistics of foreign investments in Canada

Common and preference stocks are included at book (equity) values as shown in the balance sheets of the issuing companies, bonds and debentures are valued at par, liabilities in foreign currencies being converted into Canadian dollars at the original par of exchange.

Investments in Canadian companies have been classified according to principal activities in Canada. Investments in exploration and development of petroleum by companies engaged in refining and production of petroleum products are therefore included in the manufacturing group.

Investments in Canada shown as owned by residents of the United States and the United Kingdom include some investments held for residents of other countries.

A dash (—) means "nil" or less than \$0.5 million.

For more detailed treatment see "Canada's International Investment Position, 1926-1954".

TABLE VI. Canada's Official Holdings of Gold and United States Dollars¹, 1950-1956
(Millions of U.S. dollars)

| At end of | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 |
|----------------|---------|---------|---------|---------|---------|---------|---------|
| March..... | 1,192.2 | 1,653.4 | 1,787.2 | 1,845.3 | 1,827.2 | 1,871.5 | 1,871.4 |
| June..... | 1,255.4 | 1,683.0 | 1,827.7 | 1,750.1 | 1,863.3 | 1,930.4 | 1,899.5 |
| September..... | 1,789.6 | 1,610.1 | 1,855.6 | 1,787.3 | 1,698.6 | 1,936.7 | 1,903.5 |
| December..... | 1,741.5 | 1,778.6 | 1,860.2 | 1,818.5 | 1,942.6 | 1,900.8 | 1,936.2 |

1. Gold, United States dollars and short-term securities of the United States Government held by the Exchange Fund Account and other Government accounts and net holdings of the Bank of Canada.

TABLE VII. Canadian Long-Term Investments Abroad¹, Selected Year Ends, 1926-1955
(Millions of dollars)

| Location and Year | Direct Investment in Branches Subsidiaries and Controlled Companies | | | | | Portfolio Investments in Foreign Securities | | | Total Private Long-Term Investments Abroad | Government of Canada Credits | Total |
|---|--|---------------------------------|----------------------------|-------------------|-------------------------------|--|-------|----------------------------------|--|------------------------------------|------------------|
| | Railways and Utilities | Industrial and Commercial | Mining and Petroleum | Other Concerns | Total Direct Investment | Stocks | Bonds | Total Portfolio Investment | | | |
| In all Countries: | | | | | | | | | | | |
| 1926 | ... | ... | ... | ... | 397 | ... | ... | 493 | 890 | 36 | 926 |
| 1930 | ... | ... | ... | ... | 443 | ... | ... | 789 | 1,232 | 31 | 1,263 |
| 1939 | 249 | 289 | 123 | 10 | 671 ³ | 511 | 208 | 719 ³ | 1,390 | 31 | 1,421 |
| 1945 | 239 | 337 | 138 | 6 | 720 | 454 | 167 | 621 | 1,341 | 707 | 2,048 |
| 1947 | 246 | 414 | 155 | 7 | 822 | 426 | 153 | 579 | 1,401 | 1,816 | 3,217 |
| 1949 | 276 | 553 | 91 | 6 | 926 | 477 | 161 | 638 | 1,564 | 2,000 | 3,564 |
| 1951 | 320 | 723 | 117 | 6 | 1,166 | 467 | 142 | 609 | 1,775 | 1,922 | 3,697 |
| 1952 | 328 | 771 | 163 | 11 | 1,271 | 669 ³ | 161 | 830 | 2,101 | 1,666 | 3,767 |
| 1953 | 402 | 859 | 215 | 9 | 1,485 | 690 | 179 | 869 | 2,354 | 1,778 | 4,132 |
| 1954 | 427 | 944 | 245 | 12 | 1,628 | 723 | 203 | 926 | 2,554 | 1,705 | 4,259 |
| 1955 | 438 | 1,029 | 291 | 18 | 1,776 | 765 | 224 | 989 | 2,765 | 1,635 | 4,400 |
| In the United States: | | | | | | | | | | | |
| 1926 | ... | ... | ... | ... | 250 | ... | ... | 195 | 445 | — | 445 |
| 1930 | ... | ... | ... | ... | 280 | ... | ... | 459 | 719 | — | 719 |
| 1939 | 211 | 176 | 21 | 4 | 412 ³ | 380 | 121 | 501 ³ | 913 | — | 913 |
| 1945 | 212 | 214 | 25 | 4 | 455 | 317 | 92 | 409 | 864 | — | 864 |
| 1947 | 217 | 272 | 37 | 5 | 531 | 283 | 83 | 366 | 897 | — | 897 |
| 1949 | 247 | 413 | 58 | 3 | 721 | 345 | 98 | 443 | 1,164 | — | 1,164 |
| 1951 | 288 | 549 | 71 | 4 | 912 | 289 | 87 | 376 | 1,288 | — | 1,288 |
| 1952 | 293 | 572 | 95 | 8 | 968 | 450 ³ | 86 | 536 | 1,504 | — | 1,504 |
| 1953 | 365 | 632 | 123 | 7 | 1,127 | 469 | 95 | 564 | 1,691 | — | 1,691 |
| 1954 | 390 | 695 | 145 | 10 | 1,240 | 490 | 89 | 579 | 1,819 | — | 1,819 |
| 1955 | 393 | 720 | 175 | 14 | 1,302 | 536 | 88 | 624 | 1,926 | — | 1,926 |
| In the United Kingdom: | | | | | | | | | | | |
| 1926 | ... | ... | ... | ... | 7 | ... | ... | 45 | 52 | — | 52 |
| 1930 | ... | ... | ... | ... | 14 | ... | ... | 45 | 59 | — | 59 |
| 1939 | — | 53 | — | 6 | 59 ³ | 22 | 21 | 43 ³ | 102 | — | 102 |
| 1945 | — | 53 | — | 1 | 54 | 26 | 27 | 53 | 107 | 561 | 668 |
| 1947 | — | 64 | — | — | 64 | 26 | 26 | 52 | 116 | 1,331 | 1,447 |
| 1949 | — | 58 | — | 1 | 59 | 21 | 19 | 40 | 99 | 1,434 | 1,533 |
| 1951 | 1 | 73 | — | — | 74 | 17 | 17 | 34 | 108 | 1,394 | 1,502 |
| 1952 | 1 | 80 | — | — | 81 | 17 | 14 | 31 | 112 | 1,357 | 1,469 |
| 1953 | 1 | 103 | — | — | 104 | 16 | 13 | 29 | 133 | 1,292 | 1,425 |
| 1954 | 1 | 118 | — | — | 119 | 17 | 14 | 31 | 150 | 1,247 | 1,397 |
| 1955 | 2 | 154 | — | 1 | 157 | 30 | 17 | 47 | 204 | 1,202 | 1,406 |
| In Other British Countries ² : | | | | | | | | | | | |
| 1939 | 7 | 30 | 17 | — | 54 | 7 | 15 | 22 | 76 | — | 76 |
| 1945 | 7 | 34 | 28 | — | 69 | 7 | 12 | 19 | 88 | — | 88 |
| 1947 | 8 | 47 | 30 | — | 85 | 7 | 11 | 18 | 103 | — | 103 |
| 1949 | 6 | 51 | 19 | — | 76 | 6 | 8 | 14 | 90 | — | 90 |
| 1951 | 7 | 61 | 20 | — | 88 | 6 | 8 | 14 | 102 | — | 102 |
| 1952 | 7 | 70 | 35 | — | 112 | 6 | 8 | 14 | 126 | — | 126 |
| 1953 | 6 | 73 | 54 | — | 133 | 6 | 8 | 14 | 147 | — | 147 |
| 1954 | 4 | 74 | 60 | — | 138 | 6 | 7 | 13 | 151 | — | 151 |
| 1955 | 4 | 83 | 72 | — | 159 | 7 | 21 | 28 | 187 | — | 187 |
| In Other Foreign Countries: | | | | | | | | | | | |
| 1926 | ... | ... | ... | ... | 140 ⁴ | ... | ... | 253 ⁴ | 393 ⁴ | 36 | 429 ⁴ |
| 1930 | ... | ... | ... | ... | 169 ⁴ | 105 | 180 | 265 ⁴ | 454 ⁴ | 31 | 485 ⁴ |
| 1939 | 31 | 30 | 85 | — | 146 ³ | 102 | 51 | 153 ³ | 299 | 31 | 330 |
| 1945 | 20 | 36 | 85 | 1 | 142 | 104 | 36 | 140 | 282 | 146 | 428 |
| 1947 | 21 | 31 | 88 | 2 | 142 | 110 | 33 | 143 | 285 | 485 | 770 |
| 1949 | 23 | 31 | 14 | 2 | 70 | 105 | 36 | 141 | 211 | 566 | 777 |
| 1951 | 25 | 39 | 26 | 2 | 92 | 155 | 30 | 185 | 277 | 528 | 805 |
| 1952 | 25 | 49 | 33 | 3 | 110 | 196 | 53 | 249 | 359 | 509 | 868 |
| 1953 | 30 | 51 | 38 | 2 | 121 | 199 | 63 | 262 | 383 | 486 | 869 |
| 1954 | 32 | 57 | 40 | 2 | 131 | 210 | 93 | 306 | 434 | 458 | 892 |
| 1955 | 39 | 72 | 44 | 3 | 158 | 192 | 98 | 290 | 448 | 433 | 881 |

1. Figures exclude investments of insurance companies and banks which are held mainly against liabilities to non-residents, and subscriptions by the Government of Canada to the International Monetary Fund and International Bank for Reconstruction and Development which are partly offset by short term assets in Canada of these institutions (Table V). Figures include the equity of non-residents in assets abroad of Canadian companies (Table V).

2. Including investments in Newfoundland prior to 1949.

3. New series not strictly comparable with earlier years.

4. Including investments in Other British Countries.

TABLE VIII. Foreign Capital Invested in Canada, Selected Year Ends, 1930-1955

Classification by Type of Security and Nature of National Ownership

(Millions of dollars)

| Long-Term Investments in Canada | A. Owned by all Non-Residents | | | | | | | B. Owned by United States | | | | | | |
|--|-------------------------------|-------|-------|------------------|--------|--------|--------|---------------------------|-------|-------|------------------|-------|-------|--------|
| | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 |
| By Type of Assets | | | | | | | | | | | | | | |
| Bonds and Debentures: | | | | | | | | | | | | | | |
| Government and municipal ¹ | 1,706 | 1,662 | 2,103 | 2,028 | 2,087 | 2,056 | 1,878 | 1,205 | 1,450 | 1,898 | 1,835 | 1,870 | 1,822 | 1,649 |
| Steam railways | 1,481 | 843 | 676 | 644 | 619 | 604 | 538 | 598 | 495 | 335 | 305 | 287 | 274 | 218 |
| Other corporations | 796 | 561 | 674 | 899 | 1,080 | 1,162 | 1,222 | 600 | 414 | 542 | 749 | 903 | 981 | 1,022 |
| Sub-total | 3,983 | 3,066 | 3,453 | 3,571 | 3,786 | 3,822 | 3,638 | 2,403 | 2,359 | 2,775 | 2,889 | 3,060 | 3,077 | 2,888 |
| Capital stock of Canadian companies | 2,856 | 3,194 | 4,745 | 5,196 | 5,722 | 6,284 | 6,958 | 1,832 | 2,088 | 3,477 | 3,830 | 4,237 | 4,620 | 5,044 |
| Other corporation assets ² | 480 | 548 | 951 | 1,171 | 1,486 | 1,808 | 2,061 | 331 | 413 | 812 | 1,029 | 1,316 | 1,591 | 1,824 |
| Income accumulating investment funds | — | — | — | — | — | 102 | 170 | — | — | — | — | — | 102 | 170 |
| Miscellaneous investments | 295 | 284 | 328 | 447 ³ | 467 | 561 | 641 | 94 | 130 | 195 | 249 ³ | 257 | 302 | 367 |
| Total Investments | 7,614 | 7,092 | 9,477 | 10,385 | 11,461 | 12,577 | 13,468 | 4,660 | 4,990 | 7,259 | 7,997 | 8,870 | 9,692 | 10,289 |
| By Nature of National Ownership | | | | | | | | | | | | | | |
| I. Direct Investments (controlled in country of ownership): | | | | | | | | | | | | | | |
| Bonds and Debentures: | | | | | | | | | | | | | | |
| Steam railways | 52 | 46 | 36 | 36 | 36 | 37 | 36 | 42 | 38 | 29 | 29 | 29 | 29 | 29 |
| Other corporations | 357 | 281 | 346 | 499 | 580 | 615 | 715 | 294 | 254 | 319 | 475 | 550 | 589 | 676 |
| Sub-total | 409 | 327 | 382 | 535 | 616 | 652 | 751 | 336 | 292 | 348 | 504 | 579 | 618 | 705 |
| Capital stock of Canadian companies | 1,543 | 1,860 | 3,205 | 3,541 | 3,951 | 4,398 | 4,960 | 1,330 | 1,613 | 2,750 | 3,022 | 3,356 | 3,659 | 4,039 |
| Other corporation assets ² | 475 | 526 | 933 | 1,142 | 1,436 | 1,747 | 2,004 | 327 | 399 | 798 | 1,004 | 1,271 | 1,538 | 1,773 |
| Total Direct Investments | 2,427 | 2,713 | 4,520 | 5,218 | 6,003 | 6,797 | 7,715 | 1,993 | 2,304 | 3,896 | 4,530 | 5,206 | 5,815 | 6,517 |
| II. Government and Municipal Bonds ¹ | 1,706 | 1,662 | 2,103 | 2,028 | 2,087 | 2,056 | 1,878 | 1,205 | 1,450 | 1,898 | 1,835 | 1,870 | 1,822 | 1,649 |
| III. Other Portfolio Investments (not controlled in country of ownership): | | | | | | | | | | | | | | |
| Bonds and Debentures: | | | | | | | | | | | | | | |
| Steam railways—controlled in Canada | 1,427 | 795 | 637 | 605 | 580 | 564 | 499 | 556 | 457 | 306 | 276 | 258 | 245 | 184 |
| —controlled in other countries | 2 | 2 | 3 | 3 | 3 | 3 | 3 | — | — | — | — | — | — | — |
| Other corporations—controlled in Canada | 421 | 220 | 239 | 291 | 369 | 415 | 369 | 301 | 158 | 214 | 266 | 344 | 383 | 331 |
| —controlled in other countries | 18 | 60 | 89 | 109 | 131 | 132 | 138 | 5 | 2 | 9 | 8 | 9 | 9 | 15 |
| Sub-total | 1,868 | 1,077 | 968 | 1,008 | 1,083 | 1,114 | 1,009 | 862 | 617 | 529 | 550 | 611 | 637 | 530 |
| Capital stock of Canadian companies: | | | | | | | | | | | | | | |
| Companies controlled in Canada | 1,233 | 1,249 | 1,423 | 1,521 | 1,624 | 1,753 | 1,838 | 484 | 462 | 709 | 785 | 854 | 930 | 962 |
| Companies controlled in other countries | 80 | 85 | 117 | 134 | 147 | 133 | 160 | 18 | 13 | 18 | 23 | 27 | 31 | 43 |
| Other corporation assets ² : | | | | | | | | | | | | | | |
| Companies controlled in Canada | 5 | 16 | 11 | 21 | 39 | 45 | 42 | 4 | 13 | 10 | 20 | 38 | 41 | 38 |
| Companies controlled in other countries | — | 6 | 7 | 8 | 11 | 16 | 15 | — | 1 | 4 | 5 | 7 | 12 | 13 |
| Income accumulating investment funds | — | — | — | — | — | 102 | 170 | — | — | — | — | — | 102 | 170 |
| Total Other Portfolio Investments | 3,186 | 2,433 | 2,526 | 2,692 | 2,904 | 3,163 | 3,234 | 1,368 | 1,106 | 1,270 | 1,383 | 1,537 | 1,753 | 1,756 |
| IV. Miscellaneous Investments: | | | | | | | | | | | | | | |
| Real estate, mortgages, assets administered for non-residents, private investment companies, etc. | 295 | 284 | 328 | 447 ³ | 467 | 561 | 641 | 94 | 130 | 195 | 249 ³ | 257 | 302 | 367 |
| SUMMARY | | | | | | | | | | | | | | |
| I. Direct Investments | 2,427 | 2,713 | 4,520 | 5,218 | 6,003 | 6,797 | 7,715 | 1,993 | 2,304 | 3,896 | 4,530 | 5,206 | 5,815 | 6,517 |
| II. Government and municipal bonds | 1,706 | 1,662 | 2,103 | 2,028 | 2,087 | 2,056 | 1,878 | 1,205 | 1,450 | 1,898 | 1,835 | 1,870 | 1,822 | 1,649 |
| III. Other portfolio investments | 3,186 | 2,433 | 2,526 | 2,692 | 2,904 | 3,163 | 3,234 | 1,368 | 1,106 | 1,270 | 1,383 | 1,537 | 1,753 | 1,756 |
| IV. Miscellaneous investments | 295 | 284 | 328 | 447 ³ | 467 | 561 | 641 | 94 | 130 | 195 | 249 ³ | 257 | 302 | 367 |
| Total Investments | 7,614 | 7,092 | 9,477 | 10,385 | 11,461 | 12,577 | 13,468 | 4,660 | 4,990 | 7,259 | 7,997 | 8,870 | 9,692 | 10,289 |

TABLE VIII. Foreign Capital Invested in Canada, Selected Year Ends, 1930-1955

Classification by Type of Security and Nature of National Ownership

(Millions of dollars)

| Long Term Investments in Canada | C. Owned by United Kingdom | | | | | | | D. Owned by all Other Countries | | | | | | |
|---|----------------------------|-------|-------|------------------|-------|-------|-------|---------------------------------|------|------|-----------------|------|------|------|
| | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 |
| By Type of Assets | | | | | | | | | | | | | | |
| Bonds and Debentures: | | | | | | | | | | | | | | |
| Government and municipal ¹ | 486 | 157 | 146 | 136 | 150 | 144 | 141 | 15 | 55 | 59 | 57 | 67 | 90 | 88 |
| Steam railways | 862 | 316 | 309 | 307 | 300 | 298 | 296 | 21 | 32 | 32 | 32 | 32 | 32 | 29 |
| Other corporations | 171 | 116 | 104 | 123 | 149 | 153 | 156 | 25 | 31 | 28 | 27 | 28 | 28 | 44 |
| Sub-total | 1,519 | 589 | 559 | 566 | 599 | 595 | 593 | 61 | 118 | 119 | 116 | 127 | 150 | 161 |
| Capital stock of Canadian companies | 942 | 973 | 1,044 | 1,102 | 1,166 | 1,290 | 1,420 | 82 | 133 | 224 | 264 | 319 | 374 | 494 |
| Other corporation assets ² | 134 | 103 | 110 | 104 | 127 | 159 | 177 | 15 | 32 | 29 | 38 | 43 | 56 | 60 |
| Miscellaneous investments | 171 | 85 | 65 | 114 ³ | 116 | 137 | 157 | 30 | 69 | 68 | 84 ³ | 94 | 122 | 117 |
| Total Investments | 2,766 | 1,750 | 1,778 | 1,886 | 2,008 | 2,181 | 2,347 | 188 | 352 | 440 | 502 | 583 | 704 | 832 |
| By Nature of National Ownership | | | | | | | | | | | | | | |
| I. Direct Investments (controlled in country of ownership): | | | | | | | | | | | | | | |
| Bonds and Debentures: | | | | | | | | | | | | | | |
| Steam railways | 10 | 8 | 7 | 7 | 7 | 8 | 7 | — | — | — | — | — | — | — |
| Other corporations | 49 | 13 | 13 | 11 | 15 | 13 | 10 | 14 | 14 | 14 | 13 | 15 | 13 | 29 |
| Sub-total | 59 | 21 | 20 | 18 | 22 | 21 | 17 | 14 | 14 | 14 | 13 | 15 | 13 | 29 |
| Capital stock of Canadian companies | 200 | 226 | 369 | 424 | 466 | 586 | 690 | 13 | 21 | 86 | 95 | 129 | 153 | 231 |
| Other corporation assets ² | 133 | 101 | 108 | 102 | 124 | 156 | 176 | 15 | 28 | 27 | 36 | 41 | 53 | 55 |
| Total Direct Investments | 392 | 348 | 497 | 544 | 612 | 763 | 883 | 42 | 61 | 127 | 144 | 185 | 219 | 315 |
| II. Government and Municipal Bonds ¹ | 486 | 157 | 146 | 136 | 150 | 144 | 141 | 15 | 55 | 59 | 57 | 67 | 90 | 88 |
| III. Other Portfolio Investments (not controlled in country of ownership): | | | | | | | | | | | | | | |
| Bonds and Debentures: | | | | | | | | | | | | | | |
| Steam railways — controlled in Canada | 850 | 306 | 299 | 297 | 290 | 287 | 286 | 21 | 32 | 32 | 32 | 32 | 32 | 29 |
| — controlled in other countries | 2 | 2 | 3 | 3 | 3 | 3 | 3 | — | — | — | — | — | — | — |
| Other corporations — controlled in Canada | 116 | 46 | 11 | 11 | 12 | 18 | 24 | 4 | 16 | 14 | 14 | 13 | 14 | 14 |
| — controlled in other countries | 6 | 57 | 80 | 101 | 122 | 122 | 122 | 7 | 1 | — | — | — | 1 | 1 |
| Sub-total | 974 | 411 | 393 | 412 | 427 | 430 | 435 | 32 | 49 | 46 | 46 | 45 | 47 | 44 |
| Capital stock of Canadian companies: | | | | | | | | | | | | | | |
| Companies controlled in Canada | 885 | 691 | 602 | 599 | 617 | 648 | 671 | 64 | 96 | 112 | 137 | 153 | 175 | 205 |
| Companies controlled in other countries | 57 | 56 | 73 | 79 | 83 | 56 | 59 | 5 | 16 | 26 | 32 | 37 | 46 | 58 |
| Other corporation assets ² : | | | | | | | | | | | | | | |
| Companies controlled in Canada | 1 | 2 | 1 | 1 | 1 | 1 | 1 | — | 1 | — | — | — | 3 | 3 |
| Companies controlled in other countries | — | — | 1 | 1 | 2 | 2 | — | — | 5 | 2 | 2 | 2 | 2 | 2 |
| Total Other Portfolio Investments | 1,717 | 1,160 | 1,070 | 1,092 | 1,130 | 1,137 | 1,166 | 101 | 167 | 186 | 217 | 237 | 273 | 312 |
| IV. Miscellaneous Investments: | | | | | | | | | | | | | | |
| Real estate, mortgages, assets administered for non-residents, private investment companies, etc. | 171 | 85 | 65 | 114 ³ | 116 | 137 | 157 | 30 | 69 | 68 | 84 ³ | 94 | 122 | 117 |
| SUMMARY | | | | | | | | | | | | | | |
| I. Direct Investments | 392 | 348 | 497 | 544 | 612 | 763 | 883 | 42 | 61 | 127 | 144 | 185 | 219 | 315 |
| II. Government and municipal bonds | 486 | 157 | 146 | 136 | 150 | 144 | 141 | 15 | 55 | 59 | 57 | 67 | 90 | 88 |
| III. Other portfolio investments | 1,717 | 1,160 | 1,070 | 1,092 | 1,130 | 1,137 | 1,166 | 101 | 167 | 186 | 217 | 237 | 273 | 312 |
| IV. Miscellaneous investments | 171 | 85 | 65 | 114 ³ | 116 | 137 | 157 | 30 | 69 | 68 | 84 ³ | 94 | 122 | 117 |
| Total Investments | 2,766 | 1,750 | 1,778 | 1,886 | 2,008 | 2,181 | 2,347 | 188 | 352 | 440 | 502 | 583 | 704 | 832 |

1. For division of Government of Canada, provincial and municipal see Table IX.
2. Includes net assets of unincorporated branches and other long term investments.
3. New series not strictly comparable with earlier years.

TABLE IX. Foreign Capital Invested in Canada, Selected Year Ends, 1930-1955

Classification by Type of Investment

(Millions of dollars)

| Long Term Investments in Canada by Type of Investment | A. Owned by all Non-Residents | | | | | | | B. Owned by United States | | | | | | |
|--|-------------------------------|--------------|--------------|------------------------|---------------|---------------|---------------|---------------------------------|--------------|--------------|------------------------|--------------|--------------|---------------|
| | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Government securities: | | | | | | | | | | | | | | |
| Dominion | 682 | 726 | 1,013 | 858 | 744 | 659 | 539 | 440 | 682 | 887 | 737 | 608 | 515 | 403 |
| Provincial | 592 | 624 | 771 | 816 | 930 | 964 | 888 | 517 | 574 | 732 | 782 | 886 | 914 | 836 |
| Municipal | 432 | 312 | 319 | 354 | 413 | 433 | 451 | 248 | 194 | 279 | 316 | 376 | 393 | 410 |
| Sub-total | 1,706 | 1,662 | 2,103 | 2,028 | 2,087 | 2,056 | 1,878 | 1,205 | 1,450 | 1,898 | 1,835 | 1,870 | 1,822 | 1,649 |
| Manufacturing: | | | | | | | | | | | | | | |
| Vegetable products | 208 | 268 | 366 | 380 | 424 | 443 | 480 | 123 | 199 | 277 | 284 | 323 | 338 | 369 |
| Animal products | 50 | 61 | 74 | 83 | 89 | 97 | 103 | 44 | 47 | 64 | 72 | 78 | 84 | 91 |
| Textiles | 49 | 83 | 117 | 117 | 115 | 120 | 126 | 26 | 41 | 61 | 61 | 59 | 62 | 68 |
| Wood and paper products | 586 | 455 | 718 | 772 | 840 | 939 | 993 | 489 | 383 | 568 | 620 | 682 | 774 | 822 |
| Iron and products | 262 | 319 | 530 | 623 | 699 | 721 | 892 | 233 | 297 | 492 | 580 | 649 | 668 | 768 |
| Non-ferrous metals | 125 | 274 | 463 | 599 | 694 | 727 | 780 | 118 | 209 | 367 | 480 | 543 | 571 | 813 |
| Non-metallic minerals | 138 | 163 | 482 | 538 | 606 | 699 | 854 | 132 | 148 | 455 | 499 | 538 | 626 | 699 |
| Chemicals and allied products | 122 | 169 | 297 | 339 | 366 | 430 | 455 | 89 | 124 | 227 | 259 | 276 | 294 | 307 |
| Miscellaneous manufactures | 33 | 37 | 70 | 87 | 93 | 117 | 59 | 33 | 34 | 57 | 60 | 66 | 79 | 53 |
| Sub-total | 1,573 | 1,829 | 3,117 | 3,538 | 3,926 | 4,293 | 4,742 | 1,287 | 1,482 | 2,568 | 2,915 | 3,214 | 3,496 | 3,790 |
| Mining and smelting | 334 | 403 | 815 | 1,076 | 1,422 | 1,724 | 2,097 | 255 | 322 | 723 | 976 | 1,315 | 1,588 | 1,921 |
| Public utilities: | | | | | | | | | | | | | | |
| Railways | 2,244 | 1,599 | 1,436 | 1,429 | 1,424 | 1,428 | 1,360 | 832 | 720 | 656 | 644 | 624 | 627 | 556 |
| Other | 634 | 494 | 575 | 639 | 680 | 729 | 726 | 522 | 375 | 490 | 550 | 590 | 628 | 584 |
| Sub-total | 2,878 | 2,093 | 2,011 | 2,068 | 2,104 | 2,157 | 2,086 | 1,354 | 1,095 | 1,146 | 1,194 | 1,214 | 1,255 | 1,140 |
| Merchandising | 203 | 226 | 388 | 447 | 530 | 580 | 626 | 138 | 164 | 270 | 317 | 388 | 421 | 459 |
| Financial institutions | 543 | 525 | 595 | 648 | 774 | 1,052 | 1,221 | 251 | 285 | 353 | 395 | 482 | 680 | 817 |
| Other enterprises | 82 | 70 | 120 | 133 | 151 | 154 | 177 | 76 | 62 | 106 | 116 | 130 | 128 | 146 |
| Miscellaneous investments | 295 | 284 | 328 | 447¹ | 467 | 561 | 641 | 94 | 130 | 195 | 249¹ | 257 | 302 | 367 |
| Total Investments | 7,614 | 7,092 | 9,477 | 10,385 | 11,461 | 12,577 | 13,468 | 4,660 | 4,990 | 7,259 | 7,997 | 8,670 | 9,692 | 10,289 |
| | C. Owned by United Kingdom | | | | | | | D. Owned by all Other Countries | | | | | | |
| | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Government securities: | | | | | | | | | | | | | | |
| Dominion | 235 | — | 70 | 68 | 79 | 71 | 67 | 7 | 44 | 56 | 53 | 57 | 73 | 69 |
| Provincial | 69 | 45 | 38 | 32 | 36 | 38 | 39 | 6 | 5 | 1 | 2 | 8 | 12 | 13 |
| Municipal | 182 | 112 | 38 | 36 | 35 | 35 | 35 | 2 | 6 | 2 | 2 | 2 | 5 | 6 |
| Sub-total | 486 | 157 | 146 | 136 | 150 | 144 | 141 | 15 | 55 | 59 | 57 | 67 | 90 | 88 |
| Manufacturing: | | | | | | | | | | | | | | |
| Vegetable products | 84 | 66 | 80 | 88 | 93 | 96 | 99 | 1 | 3 | 9 | 8 | 8 | 9 | 12 |
| Animal products | 5 | 6 | 5 | 5 | 5 | 6 | 6 | 1 | 8 | 5 | 6 | 6 | 7 | 6 |
| Textiles | 22 | 38 | 52 | 52 | 53 | 55 | 56 | 1 | 4 | 4 | 4 | 3 | 3 | 2 |
| Wood and paper products | 95 | 64 | 140 | 142 | 147 | 151 | 156 | 2 | 8 | 10 | 10 | 11 | 14 | 15 |
| Iron and products | 24 | 12 | 28 | 31 | 37 | 36 | 102 | 5 | 10 | 10 | 12 | 13 | 17 | 22 |
| Non-ferrous metals | 6 | 64 | 91 | 113 | 142 | 146 | 153 | 1 | 1 | 5 | 6 | 9 | 10 | 14 |
| Non-metallic minerals | 6 | 13 | 24 | 33 | 35 | 35 | 46 | — | 2 | 3 | 6 | 33 | 38 | 109 |
| Chemicals and allied products | 32 | 36 | 60 | 68 | 77 | 121 | 132 | 1 | 9 | 10 | 12 | 13 | 15 | 16 |
| Miscellaneous manufactures | — | 2 | 12 | 26 | 26 | 37 | 4 | — | 1 | 1 | 1 | 1 | 1 | 2 |
| Sub-total | 274 | 301 | 492 | 558 | 615 | 683 | 754 | 12 | 46 | 57 | 65 | 97 | 114 | 198 |
| Mining and smelting | 74 | 62 | 60 | 61 | 63 | 76 | 101 | 5 | 19 | 32 | 39 | 44 | 60 | 75 |
| Public utilities: | | | | | | | | | | | | | | |
| Railways | 1,352 | 806 | 704 | 699 | 702 | 699 | 698 | 60 | 73 | 76 | 86 | 98 | 102 | 106 |
| Other | 100 | 90 | 56 | 55 | 57 | 85 | 87 | 12 | 29 | 29 | 34 | 33 | 36 | 55 |
| Sub-total | 1,452 | 896 | 760 | 754 | 759 | 764 | 785 | 72 | 102 | 105 | 120 | 131 | 138 | 161 |
| Merchandising | 61 | 57 | 103 | 112 | 122 | 136 | 144 | 4 | 5 | 15 | 18 | 20 | 23 | 23 |
| Financial institutions | 243 | 186 | 142 | 139 | 167 | 219 | 240 | 49 | 54 | 100 | 114 | 125 | 153 | 164 |
| Other enterprises | 5 | 6 | 10 | 12 | 16 | 22 | 25 | 1 | 2 | 4 | 5 | 5 | 4 | 9 |
| Miscellaneous investments | 171 | 85 | 65 | 114¹ | 116 | 137 | 157 | 30 | 69 | 68 | 84¹ | 94 | 122 | 117 |
| Total Investments | 2,766 | 1,750 | 1,778 | 1,886 | 2,008 | 2,181 | 2,347 | 188 | 352 | 440 | 502 | 583 | 704 | 802 |

1. New series not strictly comparable with earlier years.

TABLE X. Foreign Direct Investment¹ in Canada, Selected Year Ends, 1930-1955

Classification by Type of Business

(Millions of dollars)

| Direct Investment in Canada by Type of Business | A. Owned by all Non-Residents | | | | | | | B. Owned by United States | | | | | | |
|--|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Manufacturing: | | | | | | | | | | | | | | |
| Vegetable products | 165 | 200 | 291 | 315 | 351 | 373 | 395 | 94 | 140 | 214 | 230 | 261 | 279 | 306 |
| Animal products | 42 | 47 | 66 | 73 | 77 | 84 | 91 | 38 | 44 | 60 | 66 | 70 | 76 | 83 |
| Textiles | 33 | 56 | 86 | 87 | 85 | 92 | 102 | 20 | 28 | 46 | 46 | 43 | 47 | 56 |
| Wood and paper products | 378 | 348 | 564 | 610 | 682 | 763 | 809 | 334 | 316 | 454 | 499 | 560 | 642 | 684 |
| Iron and products | 203 | 277 | 467 | 548 | 617 | 637 | 803 | 199 | 272 | 451 | 528 | 591 | 606 | 705 |
| Non-ferrous metals | 116 | 211 | 375 | 466 | 541 | 570 | 618 | 113 | 203 | 362 | 473 | 519 | 543 | 579 |
| Non-metallic minerals ² | 129 | 137 | 445 | 494 | 557 | 641 | 810 | 126 | 133 | 428 | 469 | 505 | 587 | 679 |
| Chemicals and allied products | 102 | 144 | 257 | 295 | 317 | 411 | 435 | 86 | 118 | 219 | 250 | 266 | 281 | 294 |
| Miscellaneous manufactures | 31 | 33 | 68 | 85 | 91 | 114 | 57 | 31 | 31 | 56 | 59 | 65 | 77 | 52 |
| Total | 1,199 | 1,453 | 2,619 | 2,993 | 3,318 | 3,685 | 4,120 | 1,041 | 1,285 | 2,290 | 2,620 | 2,880 | 3,138 | 3,438 |
| Mining and smelting | 237 | 277 | 627 | 850 | 1,129 | 1,357 | 1,722 | 210 | 255 | 603 | 825 | 1,103 | 1,321 | 1,664 |
| Utilities | 450 | 376 | 412 | 404 | 440 | 475 | 463 | 423 | 359 | 392 | 382 | 418 | 454 | 413 |
| Merchandising | 173 | 208 | 372 | 431 | 471 | 509 | 548 | 122 | 153 | 259 | 306 | 336 | 357 | 388 |
| Financial institutions | 304 | 339 | 378 | 417 | 504 | 628 | 698 | 136 | 198 | 253 | 289 | 347 | 427 | 477 |
| Other enterprises | 64 | 60 | 112 | 123 | 141 | 143 | 164 | 61 | 54 | 99 | 108 | 122 | 118 | 137 |
| Total | 2,427 | 2,713 | 4,520 | 5,218 | 6,003 | 6,797 | 7,715 | 1,993 | 2,304 | 3,896 | 4,330 | 5,206 | 5,815 | 6,517 |
| | C. Owned by United Kingdom | | | | | | | D. Owned by all Other Countries | | | | | | |
| | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 | 1930 | 1945 | 1951 | 1952 | 1953 | 1954 | 1955 |
| Manufacturing: | | | | | | | | | | | | | | |
| Vegetable products | 71 | 60 | 74 | 82 | 86 | 90 | 85 | — | — | 3 | 3 | 4 | 4 | 4 |
| Animal products | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 1 | — | 3 | 4 | 4 | 4 | 4 |
| Textiles | 13 | 26 | 38 | 39 | 41 | 44 | 46 | — | 2 | 2 | 2 | 1 | 1 | — |
| Wood and paper products | 44 | 30 | 109 | 111 | 121 | 120 | 124 | — | 2 | 1 | — | 1 | 1 | 1 |
| Iron and products | 3 | 4 | 14 | 15 | 21 | 22 | 86 | 1 | 1 | 2 | 5 | 5 | 9 | 12 |
| Non-ferrous metals | 3 | 8 | 10 | 8 | 15 | 19 | 27 | — | — | 3 | 5 | 7 | 8 | 12 |
| Non-metallic minerals | 3 | 4 | 17 | 25 | 27 | 26 | 35 | — | — | — | — | 25 | 28 | 96 |
| Chemicals and allied products | 15 | 19 | 30 | 36 | 42 | 119 | 130 | 1 | 7 | 8 | 9 | 9 | 11 | 11 |
| Miscellaneous manufactures | — | 2 | 12 | 26 | 26 | 37 | 4 | — | — | — | — | — | — | 1 |
| Total | 155 | 156 | 307 | 345 | 382 | 481 | 541 | 3 | 12 | 22 | 28 | 56 | 66 | 141 |
| Mining and smelting | 26 | 22 | 19 | 18 | 17 | 19 | 40 | 1 | — | 5 | 7 | 9 | 17 | 18 |
| Utilities | 27 | 16 | 16 | 16 | 16 | 16 | 33 | — | 1 | 4 | 6 | 6 | 5 | 17 |
| Merchandising | 48 | 51 | 98 | 107 | 117 | 130 | 138 | 3 | 4 | 15 | 18 | 18 | 22 | 22 |
| Financial institutions | 133 | 98 | 48 | 47 | 65 | 96 | 108 | 35 | 43 | 77 | 81 | 92 | 105 | 113 |
| Other enterprises | 3 | 5 | 9 | 11 | 15 | 21 | 23 | — | 1 | 4 | 4 | 4 | 4 | 4 |
| Total | 392 | 348 | 497 | 544 | 612 | 763 | 883 | 42 | 61 | 127 | 144 | 185 | 219 | 315 |

1. Direct investment covers investment in branches, subsidiaries, and controlled companies; the figures are part of the totals in Tables VIII and IX.

2. Investments in exploration and development of petroleum by companies engaged principally in refining and the production of petroleum products are included in the non-metallic minerals item of manufacturing.

TABLE XI. Number of Canadian Concerns Controlled Abroad¹, End of 1955
 Classification by Country of Ownership and Type of Business

| Type of Business | Controlled in United States | | | Controlled in United Kingdom | | | Controlled in Other Countries | | | Controlled Outside Canada |
|---|--------------------------------------|-------------------------|--------------|--------------------------------------|-------------------------|--------------|--------------------------------------|-------------------------|--------------|---------------------------|
| | Subsidiaries or Controlled Companies | Unincorporated Branches | Total Number | Subsidiaries or Controlled Companies | Unincorporated Branches | Total Number | Subsidiaries or Controlled Companies | Unincorporated Branches | Total Number | Total Number |
| Manufacturing: | | | | | | | | | | |
| Vegetable products | 129 | 4 | 133 | 48 | 2 | 50 | 5 | — | 5 | 188 |
| Animal products | 58 | 1 | 59 | 5 | 1 | 6 | 3 | — | 3 | 68 |
| Textiles | 79 | 2 | 81 | 23 | 2 | 25 | 4 | — | 4 | 110 |
| Wood and paper products | 183 | 13 | 196 | 24 | 2 | 26 | 8 | — | 8 | 230 |
| Iron and products | 353 | 19 | 372 | 69 | — | 69 | 14 | — | 14 | 455 |
| Non-ferrous metals | 218 | 10 | 228 | 40 | 3 | 43 | 13 | — | 13 | 284 |
| Non-metallic minerals | 85 | 4 | 89 | 20 | — | 20 | 4 | — | 4 | 113 |
| Chemicals and allied products | 266 | 33 | 299 | 49 | 2 | 51 | 13 | 2 | 15 | 365 |
| Miscellaneous manufactures | 85 | 6 | 91 | 9 | — | 9 | 3 | — | 3 | 103 |
| Sub-total | 1,456 | 92 | 1,548 | 287 | 12 | 299 | 67 | 2 | 69 | 1,916 |
| Mining and smelting | 345 | 95 | 440 | 29 | 3 | 32 | 17 | 1 | 18 | 490 |
| Utilities: | | | | | | | | | | |
| Railways | 8 | 4 | 12 | 4 | — | 4 | — | — | — | 16 |
| Other utilities | 96 | 16 | 112 | 22 | 4 | 26 | 17 | 3 | 20 | 158 |
| Merchandising | 664 | 107 | 771 | 290 | 35 | 325 | 79 | 2 | 81 | 1,177 |
| Financial: | | | | | | | | | | |
| Financial institutions except insurance | 44 | 5 | 49 | 25 | 1 | 26 | 8 | — | 8 | 83 |
| Insurance | 12 | 190 | 202 | 23 | 90 | 113 | 5 | 42 | 47 | 362 |
| Real estate | 53 | 3 | 56 | 18 | 3 | 21 | 9 | — | 9 | 86 |
| Other holding companies | 35 | 11 | 46 | 27 | 2 | 29 | 23 | — | 23 | 98 ⁴ |
| Other enterprises | 390 | 81 | 471 | 65 | 7 | 72 | 24 | 4 | 28 | 571 |
| Total, All Companies, 1955² | 3,103 | 604 | 3,707 | 790 | 157 | 947 | 249 | 54 | 303 | 4,957 |
| Total, All Companies, 1945³ | 1,594 | 391 | 1,985 | 320 | 135 | 455 | 56 | 26 | 82 | 2,522 |

1. The book value of all investments in these companies by residents of the country in which control lies is shown as direct investment in preceding tables.
2. Includes wholly-owned subsidiaries of Canadian companies controlled in the U.S. 674; in the U.K. 198; in other countries 32.
3. Includes wholly-owned subsidiaries of Canadian companies controlled in the U.S. 210; in the U.K. 58; in other countries 2.
4. Excludes non-resident owned investment corporations included with portfolio investments.

TABLE XII. Non-Resident Ownership as a Percentage of Selected Canadian Industries, Selected Year Ends, 1926-1954

| Industry classification | 1926 | 1930 | 1939 | 1948 | 1951 | 1952 | 1953 | 1954 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Percentage of total owned by all non-residents: | | | | | | | | |
| Manufacturing ¹ | 38 | 40 | 42 | 42 | 44 | 46 | 47 | 48 |
| Mining, smelting and petroleum exploration and development ¹ | 37 | 44 | 40 | 39 | 51 | 54 | 56 | 59 |
| Steam railways | 55 | 56 | 57 | 45 | 40 | 38 | 37 | 35 |
| Other utilities | 32 | 36 | 27 | 20 | 18 | 18 | 17 | 16 |
| Total of above industries and merchandising² | 37 | 39 | 38 | 32 | 32 | 32 | 32 | 32 |
| Percentage of total owned by United States Residents: | | | | | | | | |
| Manufacturing ¹ | 30 | 33 | 34 | 35 | 36 | 38 | 38 | 39 |
| Mining, smelting and petroleum exploration and development ¹ | 28 | 34 | 31 | 32 | 45 | 49 | 52 | 54 |
| Steam railways | 15 | 21 | 18 | 21 | 18 | 17 | 16 | 16 |
| Other utilities | 23 | 30 | 20 | 16 | 16 | 16 | 15 | 14 |
| Total of above industries and merchandising² | 19 | 24 | 22 | 23 | 24 | 25 | 25 | 25 |

1. Investments in exploration and development of petroleum by companies engaged principally in refining and production of petroleum products are included in manufacturing.
2. Corporations engaged in the construction industry are included in the post-war period.

TABLE XIII. Estimates of Foreign Capital Invested in Canada, Selected Year Ends, 1900-1956
(Millions of dollars)

| Year | Total Non-Resident Investment | | | Percentage of Total Non-Resident Investment | | | | | |
|-------------------|--|------------------------|---------------------|---|------------------------|--------------------|--|------------------------|--------------------|
| | Direct | Portfolio ¹ | Total | United States | United Kingdom | Other Countries | | | |
| 1900 ² | ... | ... | 1,232 | 14 | 85 | 1 | | | |
| 1914 ³ | ... | ... | 3,837 | 23 | 72 | 5 | | | |
| 1918 ³ | ... | ... | 4,536 | 36 | 60 | 4 | | | |
| 1926 | 1,782 | 4,221 | 6,003 | 53 | 44 | 3 | | | |
| 1930 | 2,427 | 5,187 | 7,614 | 61 | 36 | 3 | | | |
| 1933 | 2,352 | 5,013 | 7,365 | 61 | 36 | 3 | | | |
| 1939 | 2,296 | 4,617 | 6,913 | 60 | 36 | 4 | | | |
| 1945 | 2,713 | 4,379 | 7,092 | 70 | 25 | 5 | | | |
| 1946 | 2,826 | 4,355 | 7,181 | 72 | 23 | 5 | | | |
| 1947 | 2,986 | 4,205 | 7,191 | 72 | 23 | 5 | | | |
| 1948 | 3,270 | 4,239 | 7,509 | 74 | 22 | 4 | | | |
| 1949 | 3,586 | 4,377 | 7,963 | 74 | 22 | 4 | | | |
| 1950 | 3,975 | 4,689 | 8,664 | 76 | 20 | 4 | | | |
| 1951 | 4,520 | 4,957 | 9,477 | 76 | 19 | 5 | | | |
| 1952 | 5,218 | 5,167 | 10,385 | 77 | 18 | 5 | | | |
| 1953 | 6,003 | 5,458 | 11,461 | 77 | 18 | 5 | | | |
| 1954 | 6,797 | 5,780 | 12,577 | 77 | 17 | 6 | | | |
| 1955 | 7,715 | 5,753 | 13,468 | 77 | 17 | 6 | | | |
| 1956 | 8,900 ⁴ | 6,500 ⁴ | 15,400 ⁴ | 76 ⁴ | 17 ⁴ | 7 ⁴ | | | |
| | Investment by Residents of the United States | | | Investment by Residents of the United Kingdom | | | Investment by Residents of Other Countries | | |
| | Direct | Portfolio ¹ | Total | Direct | Portfolio ¹ | Total | Direct | Portfolio ¹ | Total |
| 1900 ² | ... | ... | 168 | ... | ... | 1,050 | ... | ... | 14 |
| 1914 ³ | ... | ... | 881 | ... | ... | 2,778 | ... | ... | 178 |
| 1918 ³ | ... | ... | 1,630 | ... | ... | 2,729 | ... | ... | 177 |
| 1926 | 1,403 | 1,793 | 3,196 | 336 | 2,301 | 2,637 | 43 | 127 | 170 |
| 1930 | 1,993 | 2,667 | 4,660 | 392 | 2,374 | 2,766 | 42 | 146 | 188 |
| 1933 | 1,933 | 2,559 | 4,492 | 376 | 2,307 | 2,683 | 43 | 147 | 190 |
| 1939 | 1,881 | 2,270 | 4,151 | 366 | 2,110 | 2,476 | 49 | 237 | 286 |
| 1945 | 2,304 | 2,686 | 4,990 | 348 | 1,402 | 1,750 | 61 | 291 | 352 |
| 1946 | 2,428 | 2,730 | 5,158 | 335 | 1,335 | 1,670 | 63 | 290 | 353 |
| 1947 | 2,548 | 2,653 | 5,201 | 372 | 1,275 | 1,647 | 66 | 277 | 343 |
| 1948 | 2,807 | 2,760 | 5,567 | 400 | 1,210 | 1,610 | 63 | 289 | 332 |
| 1949 | 3,095 | 2,811 | 5,906 | 428 | 1,289 | 1,717 | 63 | 277 | 340 |
| 1950 | 3,426 | 3,123 | 6,549 | 468 | 1,282 | 1,750 | 81 | 284 | 365 |
| 1951 | 3,896 | 3,363 | 7,259 | 497 | 1,281 | 1,778 | 127 | 313 | 440 |
| 1952 | 4,530 | 3,467 | 7,997 | 544 | 1,342 | 1,886 | 144 | 358 | 502 |
| 1953 | 5,206 | 3,664 | 8,870 | 612 | 1,396 | 2,008 | 185 | 398 | 583 |
| 1954 | 5,815 | 3,877 | 9,692 | 763 | 1,418 | 2,181 | 219 | 485 | 704 |
| 1955 | 6,517 | 3,772 | 10,289 | 883 | 1,464 | 2,347 | 315 | 517 | 832 |
| 1956 | 7,425 ⁴ | 4,226 ⁴ | 11,651 ⁴ | ... | ... | 2,675 ⁴ | ... | ... | 1,075 ⁴ |

1. Including miscellaneous investments.

2. Estimated by Dr. Jacob Viner, Canada's Balance of International Indebtedness 1900-1913. (Cambridge 1924).

3. Estimated by Prof. F.A. Knox, Excursus appearing in Canadian-American Industry, Marshall, Southard and Taylor, (New Haven, Toronto 1936). Statistics for 1926 and subsequent years are official data collected by the Dominion Bureau of Statistics.

4. Provisional estimate subject to revision.

TABLE XIV. Non-Resident Control as a Percentage of Selected Canadian Industries, Selected Year Ends, 1926-1954

| Industry classification | 1926 | 1930 | 1939 | 1948 | 1951 | 1952 | 1953 | 1954 |
|---|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|-----------|
| Percentage of total control by all non-residents: | | | | | | | | |
| Manufacturing ¹ | 35 | 36 | 38 | 43 | 48 | 51 | 51 | 54 |
| Mining, smelting and petroleum exploration and development ¹ | 38 | 47 | 42 | 40 | 53 | 56 | 57 | 59 |
| Steam railways | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| Other utilities | 20 | 29 | 26 | 24 | 22 | 12 ³ | 12 | 11 |
| Total of above industries and merchandising² | 17 | 20 | 21 | 25 | 27 | 27 | 28 | 28 |
| Percentage of total control by United States Residents: | | | | | | | | |
| Manufacturing ¹ | 30 | 31 | 32 | 39 | 41 | 44 | 44 | 45 |
| Mining, smelting and petroleum exploration and development ¹ | 32 | 42 | 38 | 37 | 51 | 53 | 55 | 57 |
| Steam railways | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| Other utilities | 20 | 29 | 26 | 24 | 21 | 12 ³ | 11 | 10 |
| Total of above industries and merchandising² | 15 | 18 | 19 | 22 | 24 | 24 | 24 | 25 |

1. Investments in exploration and development of petroleum by companies engaged principally in refining and production of petroleum products are included in manufacturing.

2. Corporations engaged in the construction industry are included in the post-war period.

3. Ratio altered significantly through unusually large reclassification between foreign and Canadian-controlled companies.

TABLE XV. Ownership and Control of Selected Canadian Industries, 1953 and 1954¹

| No. | Company Classification | Estimated Total Investment | Investment Owned in: | | | |
|-----|--|----------------------------------|-----------------------|------------------|-------------------|--------------------|
| | | | Canada | United States | United Kingdom | Other Countries |
| | End of 1953 ² | | (Millions of dollars) | | | |
| | Petroleum: ³ | | | | | |
| 1 | Exploration and development | 900 | 362 | 530 | 2 | 6 |
| 2 | Refining | 868 | 371 | 460 | 9 | 28 |
| 3 | Merchandising ⁴ | 73 | 38 | 35 | — | — |
| 4 | Transportation | 194 | 74 | 119 | — | 1 |
| 5 | Sub-total | 2,035 | 845 | 1,144 | 11 | 35 |
| | Mining: | | | | | |
| 6 | Smelting and refining of non-ferrous native ores | 620 | 258 | 260 | 71 | 31 |
| 7 | Other mining | 1,004 | 414 | 551 | 26 | 13 |
| 8 | Sub-total | 1,624 | 672 | 811 | 97 | 44 |
| | Other Manufacturing: ⁵ | | | | | |
| 9 | Pulp and paper | 1,285 | 615 | 539 | 129 | 2 |
| 10 | Textiles | 611 | 489 | 66 | 53 | 3 |
| 11 | Chemicals ⁶ | 572 | 220 | 262 | 77 | 13 |
| 12 | Transportation equipment n.o.p. | 214 | 146 | 43 | 25 | — |
| 13 | Electrical apparatus | 386 | 137 | 226 | 19 | 10 |
| 14 | Agricultural machinery | 164 | 104 | 54 | 9 | 2 |
| 15 | Primary iron and steel | 355 | 296 | 48 | 11 | 1 |
| 16 | Beverages | 336 | 244 | 80 | 3 | 1 |
| 17 | Automobiles and parts | 280 | 63 | 213 | — | — |
| 18 | Rubber ⁷ | 130 | 33 | 97 | — | — |
| 19 | Other | 3,522 | 1,929 | 1,256 | 295 | 42 |
| 20 | Sub-total | 7,855 | 4,276 | 2,894 | 621 | 74 |
| 21 | Total of above industries | 11,514 | 5,793 | 4,839 | 729 | 153 |
| | End of 1954 | | | | | |
| | Petroleum: ³ | | | | | |
| 22 | Exploration and development | 1,065 | 385 | 659 | 7 | 14 |
| 23 | Refining | 978 | 405 | 535 | 8 | 30 |
| 24 | Merchandising | 58 | 50 | 8 | — | — |
| 25 | Transportation | 214 | 55 | 158 | 1 | — |
| 26 | Sub-total | 2,315 | 895 | 1,360 | 16 | 44 |
| | Mining: | | | | | |
| 27 | Smelting and refining of non-ferrous native ores | 715 | 293 | 313 | 72 | 37 |
| 28 | Other mining | 1,148 | 458 | 642 | 33 | 15 |
| 29 | Sub-total | 1,863 | 751 | 955 | 105 | 52 |
| | Other Manufacturing: ⁵ | | | | | |
| 30 | Pulp and paper | 1,433 | 699 | 599 | 130 | 5 |
| 31 | Textiles | 805 | 477 | 70 | 55 | 3 |
| 32 | Chemicals | 654 | 233 | 285 | 121 | 15 |
| 33 | Transportation equipment n.o.p. | 245 | 161 | 47 | 37 | — |
| 34 | Electrical apparatus | 402 | 121 | 250 | 22 | 11 |
| 35 | Agricultural machinery | 155 | 100 | 53 | 9 | 2 |
| 36 | Primary iron and steel | 390 | 326 | 53 | 12 | 1 |
| 37 | Beverages | 330 | 235 | 82 | 1 | 1 |
| 38 | Automobiles and parts | 292 | 62 | 228 | 10 | — |
| 39 | Rubber | 134 | 30 | 94 | — | — |
| 40 | Other | 3,644 | 1,966 | 1,328 | 300 | 50 |
| 41 | Sub-total | 8,284 | 4,410 | 3,089 | 697 | 88 |
| 42 | Total of above industries | 12,462 | 6,056 | 5,404 | 818 | 184 |

1. The figures in this table are subject to important statistical qualifications which are described in "Canada's International Investment Position 1926-1954" pages 68 to 70. The corporate classifications of foreign investment used in this statement have been altered in some cases from those appearing elsewhere in this report to correspond more closely with the classification of estimated total investment. The equity of non-residents in the holding of Consolidated Mining and Smelting Company of Canada Limited by Canadian Pacific Railway Company has been included under mining.

2. Revised.

3. It should be noted that the sub-divisions in this group are corporate and do not reflect the division of operations within individual corporations.

TABLE XV. Ownership and Control of Selected Canadian Industries, 1953 and 1954¹

| Total Canadian and External Capital in Companies controlled in: | | | Percentage of Capital Employed Owned in: | | | | Percentage of Capital Employed Controlled in: | | | No. |
|--|------------------|--------------------------------|--|------------------|-------------------|--------------------|--|------------------|--------------------------------|-----|
| Canada | United States | Elsewhere Outside Canada | Canada | United States | United Kingdom | Other Countries | Canada | United States | Elsewhere Outside Canada | |
| (Millions of dollars) | | | % | % | % | % | % | % | % | |
| 363 | 529 | 8 | 40 | 59 | — | 1 | 40 | 59 | 1 | 1 |
| 219 | 616 | 33 | 43 | 53 | 1 | 3 | 25 | 71 | 4 | 2 |
| 38 | 35 | — | 52 | 48 | — | — | 52 | 48 | — | 3 |
| — | 194 | — | 38 | 61 | — | 1 | — | 100 | — | 4 |
| 620 | 1,374 | 41 | 41 | 56 | 1 | 2 | 30 | 68 | 2 | 5 |
| 250 | 370 | — | 42 | 42 | 11 | 5 | 40 | 60 | — | 6 |
| 476 | 491 | 37 | 41 | 55 | 3 | 1 | 47 | 49 | 4 | 7 |
| 726 | 861 | 37 | 41 | 50 | 6 | 3 | 45 | 53 | 2 | 8 |
| 582 | 544 | 159 | 48 | 42 | 10 | — | 45 | 42 | 13 | 9 |
| 513 | 53 | 45 | 80 | 11 | 9 | — | 84 | 9 | 7 | 10 |
| 159 | 309 | 104 | 39 | 46 | 13 | 2 | 28 | 54 | 18 | 11 |
| 140 | 47 | 27 | 68 | 20 | 12 | — | 65 | 22 | 13 | 12 |
| 108 | 240 | 38 | 35 | 59 | 3 | 2 | 28 | 62 | 10 | 13 |
| 109 | | | 63 | 33 | | | 66 | | | 14 |
| 340 | | | 83 | 13 | 3 | 1 | 96 | | | 15 |
| 276 | 481 | 35 | 73 | 24 | 3 | — | 82 | 38 | 3 | 16 |
| 14 | | | 23 | 76 | 1 | — | 5 | | | 17 |
| 10 | | | 25 | 75 | — | — | 8 | | | 18 |
| 1,765 | 1,504 | 253 | 55 | 36 | 8 | 1 | 50 | 43 | 7 | 19 |
| 4,014 | 3,178 | 661 | 54 | 37 | 8 | 1 | 51 | 41 | 8 | 20 |
| 5,362 | 5,413 | 739 | 50 | 42 | 7 | 1 | 47 | 47 | 6 | 21 |
| 387 | 659 | 19 | 36 | 62 | 1 | 1 | 36 | 82 | 2 | 22 |
| 240 | 707 | 31 | 41 | 55 | 1 | 3 | 25 | 72 | 3 | 23 |
| 50 | 8 | — | 86 | 14 | — | — | 86 | 14 | — | 24 |
| 16 | 198 | — | 28 | 74 | — | — | 7 | 93 | — | 25 |
| 693 | 1,572 | 50 | 39 | 59 | — | 2 | 30 | 68 | 2 | 26 |
| 323 | 392 | — | 41 | 44 | 10 | 5 | 45 | 55 | — | 27 |
| 493 | 621 | 34 | 40 | 56 | 3 | 1 | 43 | 54 | 3 | 28 |
| 816 | 1,013 | 34 | 40 | 51 | 6 | 3 | 44 | 54 | 2 | 29 |
| 623 | 648 | 162 | 49 | 42 | 9 | — | 44 | 45 | 11 | 30 |
| 497 | 58 | 50 | 79 | 12 | 9 | — | 82 | 10 | 8 | 31 |
| 163 | 332 | 159 | 36 | 44 | 18 | 2 | 25 | 51 | 24 | 32 |
| 156 | 51 | 38 | 68 | 19 | 15 | — | 64 | 21 | 15 | 33 |
| 90 | 312 | 51 | 30 | 62 | 4 | 2 | 22 | 56 | 19 | 34 |
| 104 | | | 65 | 34 | | | 67 | | | 35 |
| 365 | 25 | — | 84 | 14 | 2 | — | 94 | 6 | — | 36 |
| 264 | 47 | 19 | 71 | 25 | 4 | — | 80 | 14 | 6 | 37 |
| 15 | 277 | — | 22 | 78 | — | — | 5 | 95 | — | 38 |
| 9 | 112 | 13 | 22 | 70 | 8 | — | 7 | 84 | 9 | 39 |
| 1,770 | 1,585 | 289 | 54 | 37 | 8 | 1 | 49 | 43 | 8 | 40 |
| 4,056 | 3,447 | 781 | 53 | 37 | 9 | 1 | 49 | 42 | 9 | 41 |
| 5,565 | 6,032 | 865 | 49 | 43 | 7 | 1 | 45 | 48 | 7 | 42 |

4. Merchandising companies controlled outside Canada and the United States have been included with refining companies.

5. Including "Other Enterprises".

6. Figures reflect the division of Canadian Industries Limited which did not actually take place until mid-1954.

7. United Kingdom owned investments in rubber companies have been included under United States; an offsetting correction has been made in the residual item of "Other Manufacturing".

TABLE XVI. Estimated Book Value, Ownership and Control of Capital Employed in Selected Canadian Industries, Selected Year Ends, 1926-1954

(Billions of dollars)

| | 1926 | 1930 | 1939 | 1948 | 1953 | 1954 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Total Capital Employed:¹ | | | | | | |
| Manufacturing ² | 3.1 | 3.9 | 3.5 | 5.7 | 8.7 | 9.2 |
| Mining and smelting ² | 0.6 | 0.8 | 0.8 | 1.1 | 2.5 | 2.9 |
| Steam railways | 8.5 | 4.0 | 3.4 | 3.4 | 3.9 | 4.1 |
| Other utilities | 1.3 | 1.7 | 2.1 | 2.6 | 5.1 | 5.6 |
| Merchandising ³ and construction ⁴ | 2.1 | 2.5 | 2.1 | 3.2 | 5.6 | 6.2 |
| Total of above | 10.6 | 12.9 | 11.9 | 16.0 | 25.8 | 28.6 |
| Resident Owned Capital: | | | | | | |
| Manufacturing | 1.9 | 2.3 | 2.0 | 3.3 | 4.6 | 4.8 |
| Mining and smelting | 0.4 | 0.5 | 0.5 | 0.7 | 1.1 | 1.2 |
| Steam railways | 1.6 | 1.7 | 1.5 | 1.9 | 2.5 | 2.6 |
| Other utilities | 0.9 | 1.1 | 1.5 | 2.1 | 4.3 | 4.7 |
| Merchandising and construction | 1.9 | 2.3 | 1.9 | 2.9 | 5.0 | 5.6 |
| Total of above | 6.7 | 7.9 | 7.4 | 10.9 | 17.5 | 18.9 |
| Non-Resident Owned Capital:⁵ | | | | | | |
| Manufacturing | 1.2 | 1.6 | 1.5 | 2.4 | 4.1 | 4.4 |
| Mining and smelting | 0.2 | 0.3 | 0.3 | 0.4 | 1.4 | 1.7 |
| Steam railways | 1.9 | 2.3 | 1.9 | 1.5 | 1.4 | 1.5 |
| Other utilities | 0.4 | 0.6 | 0.6 | 0.5 | 0.8 | 0.9 |
| Merchandising | 0.2 | 0.2 | 0.2 | 0.3 | 0.6 | 0.6 |
| Total of above | 3.9 | 5.0 | 4.5 | 5.1 | 8.3 | 9.1 |
| United States Owned Investments:⁵ | | | | | | |
| Manufacturing | 0.9 | 1.3 | 1.2 | 2.0 | 3.4 | 3.6 |
| Mining and smelting | 0.2 | 0.3 | 0.2 | 0.4 | 1.3 | 1.6 |
| Steam railways | 0.5 | 0.8 | 0.6 | 0.7 | 0.6 | 0.6 |
| Other utilities | 0.3 | 0.5 | 0.5 | 0.4 | 0.7 | 0.8 |
| Merchandising | 0.1 | 0.1 | 0.1 | 0.2 | 0.4 | 0.4 |
| Total of above | 2.0 | 3.0 | 2.6 | 3.7 | 6.4 | 7.0 |
| Total Canadian and External Investment in All Companies Controlled Outside of Canada: | | | | | | |
| Manufacturing | 1.1 | 1.4 | 1.3 | 2.5 | 4.5 | 5.0 |
| Mining and smelting | 0.2 | 0.3 | 0.3 | 0.4 | 1.4 | 1.7 |
| Steam railways | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other utilities | 0.3 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 |
| Merchandising | 0.1 | 0.2 | 0.2 | 0.3 | 0.5 | 0.5 |
| Total of above | 1.8 | 2.5 | 2.5 | 3.9 | 7.1 | 7.9 |
| Total Canadian and External Investment in Companies Controlled in the United States: | | | | | | |
| Manufacturing | 0.9 | 1.2 | 1.1 | 2.2 | 3.8 | 4.2 |
| Mining and smelting | 0.2 | 0.3 | 0.3 | 0.4 | 1.4 | 1.6 |
| Steam railways | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other utilities | 0.2 | 0.5 | 0.6 | 0.6 | 0.5 | 0.6 |
| Merchandising | 0.1 | 0.1 | 0.1 | 0.2 | 0.4 | 0.4 |
| Total of above | 1.5 | 2.2 | 2.2 | 3.5 | 6.2 | 6.9 |

1. Based largely on reported statistics of capital employed 1926-1939 and estimated from Taxation Statistics and other sources for subsequent years (See Statistical Notes pages 68-70 in Canada's International Investment Position 1926-1954).

2. Investments in exploration and development of petroleum by companies engaged principally in refining and production of petroleum products are included in manufacturing.

3. Estimates of total capital employed in merchandising are founded on less satisfactory data than for other series and must be regarded as illustrating broad relative magnitudes only.

4. Corporations engaged in the construction industry are included in the post-war period.

5. For the post-war years the figures shown are in some cases somewhat larger than the corresponding data in preceding tables. "Other enterprises" have been included with manufacturing, and some funded debt of governments and municipalities relevant to undertakings in "Other utilities" has also been included.

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