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DOMINION BUREAU OF STATISTICS

INTERNAL TRADE BRANCE

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Dominion Statistician: R.H. Coats, B.A., F.S.S. (Hon.), F.R.S.C.

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CAPITAL INVESTMENTS BY BRITISH AND FOREIGN COUNTRIES  
IN CANADA AND CAPITAL INVESTMENTS BY CANADIANS IN  
OTHER COUNTRIES, 1927.

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The Dominion Bureau of Statistics presents herewith an estimate of foreign capital invested in Canada, at the beginning of 1927; of the amount of Canadian capital invested abroad at the same date; and of the net flow of capital in 1925 and 1926. Such calculations, owing to the paucity of data, must be taken as liable to a margin of error and as indicating only the approximate situation.

It is estimated that the total British and Foreign investment of capital in Canada on January 1st, 1927, was \$5,500,441,000. Of this sum \$2,192,467,000 was British capital, \$3,069,181,000 was from the United States, and \$238,793,000 was from other countries. Though these totals are large, it should be remembered that the National Wealth of the Dominion has been estimated to be at least \$25,000,000,000 and that it is inevitable that at the present stage Canada should seek the assistance of outside capital to develop the resources of the Dominion. It must also be borne in mind that Canadians have invested large amounts of capital abroad. The Bureau estimates that Canadian investments in foreign countries amounted to \$1,330,586,000 at the beginning of 1927, or nearly a quarter of the amount of outside investments in Canada. Of this, \$723,328,000 was placed in the United States, \$118,479,000 in Great Britain and \$488,779,000 in other countries. Side by side with these figures must also be placed the fact that recent prosperity has enabled Canada to buy back large amounts of Canadian securities held abroad. During the last two years the financial press has recorded a growing list of Canadian industrial concerns, the control of which has passed from abroad into Canadian hands. Among these have been mentioned Goodyear Tire, Windsor Hotel, Hiram Walker Distillery, Acadia Sugar, Canadian Bronze, Cosmos Imperial Mills, National Steel Car, Lake Superior Corporation and Noranda Mines. Important indications of the same tendency were seen in the increasing Canadian holdings of International Nickel, Canada Dry Ginger Ale and Christie Brown. Brazilian Traction, a company located abroad, but the result of Canadian organization, has also seen increases in the holdings of Canadians in recent years. It has also been estimated that at least \$12,000,000 in Canadian Public securities were disposed of to Canadian purchasers in 1927 by British holders because of prevailing high prices.

A comparison of the estimate of net capital imports and exports shows that net exports of capital from the Dominion were greater than net imports of capital by \$177 million and \$85 million respectively in the two years 1925 and 1926. On balance, therefore, there was a flow of capital funds outward rather than inward, which is accounted for by the heavy investments of Canadians in foreign securities and in the repurchase of Canadian securities, by direct investments abroad and by funds held abroad by the Canadian banks. The latter item increased about \$100,000,000 in 1925 and \$65,000,000 in 1926.

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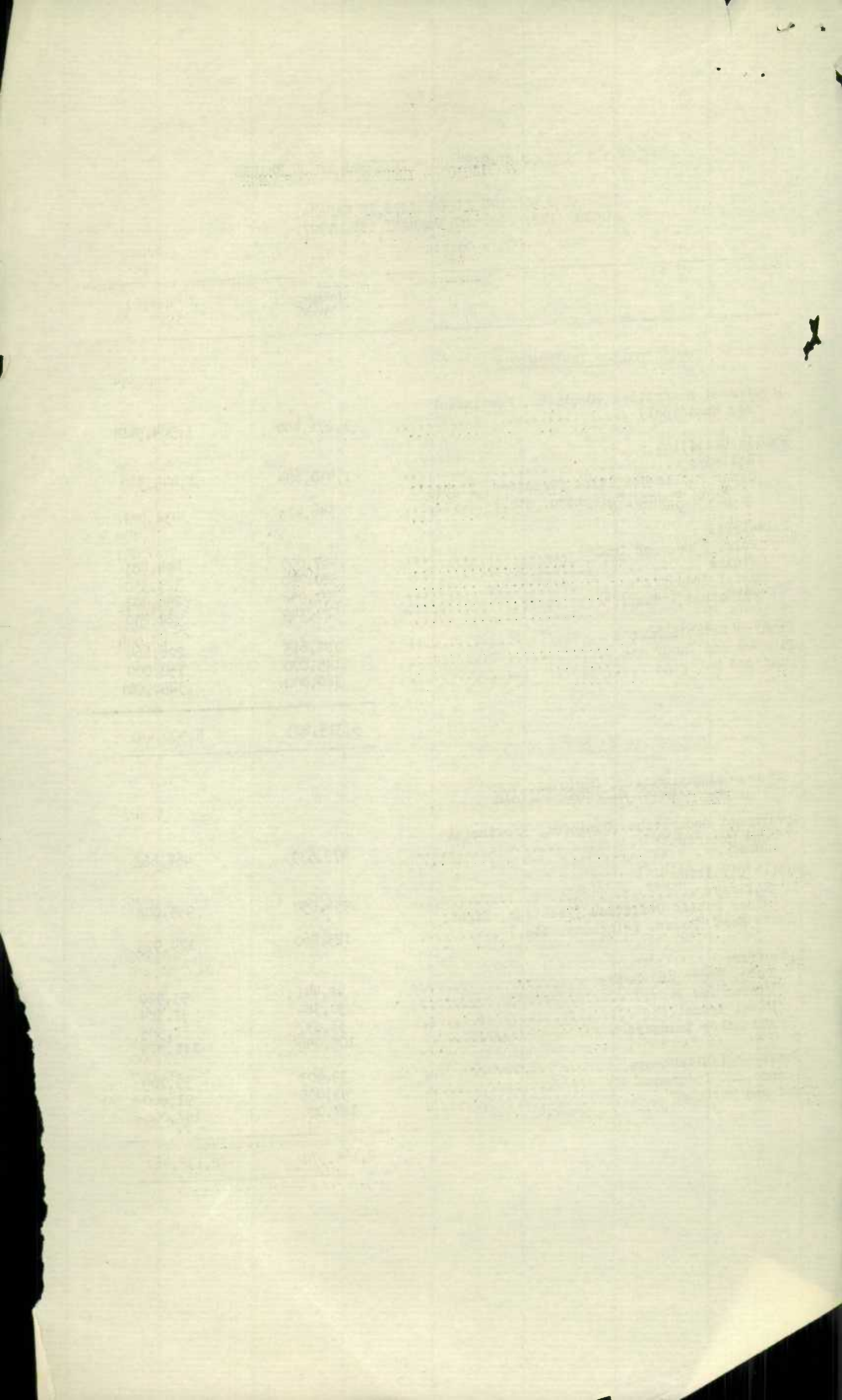
ESTIMATED FOREIGN INVESTMENTS IN CANADA,  
JANUARY 1ST, 1926 AND JANUARY 1ST, 1927.

000's Omitted

	January 1 1926	January 1 1927
<u>TOTAL FOREIGN INVESTMENTS</u>		
Government Securities (Dominion, Provincial and Municipal) .....	1,271,460	1,304,562
Public Utilities -		
Railways .....	1,430,604	1,445,520
Other Public Utilities (Traction, Light, Heat, Power, Telephone, etc.) .....	346,473	432,687
Industries -		
Pulp, Paper and Lumber .....	467,000	494,401
Mining .....	320,750	323,350
Metal Industries .....	301,952	296,007
All other Industries .....	521,349	522,250
Trading Establishments .....	188,615	206,664
Finance and Insurance .....	145,000	150,000
Land and Mortgage .....	320,000	325,000
	<u>5,313,203</u>	<u>5,500,441</u>

INVESTMENTS BY GREAT BRITAIN

Government Securities (Dominion, Provincial and Municipal) .....	479,539	466,668
Public Utilities -		
Railways .....	956,050	955,008
Other Public Utilities (Traction, Light, Heat, Power, Telephone, etc.) .....	123,260	124,995
Industries -		
Pulp, Paper and Lumber .....	42,441	53,920
Mining .....	90,384	91,384
Metal Industries .....	51,837	51,505
All other Industries .....	105,056	111,878
Trading Establishments .....	39,403	59,109
Finance and Insurance .....	91,000	91,000
Land and Mortgage .....	187,000	187,000
	<u>2,165,970</u>	<u>2,192,467</u>



- 2 -

ESTIMATED FOREIGN INVESTMENTS IN CANADA  
 JANUARY 1ST, 1926 AND JANUARY 1ST, 1927  
 000's Omitted

	January 1 1926	January 1 1927
<u>INVESTMENTS OF UNITED STATES</u>		
Government Securities, (Dominion, Provincial and Municipal) .....	786,280	832,394
Public Utilities -		
Railways .....	437,054	450,512
Other Public Utilities (Traction, Light, Heat, Power, Telephone, etc.) .....	182,876	268,162
Industries -		
Pulp, Paper and Lumber .....	351,709	377,722
Mining .....	216,508	217,908
Metal Industries .....	246,463	240,883
All other Industries .....	409,779	403,896
Trading Establishments .....	144,312	142,704
Finance and Insurance .....	42,000	47,000
Land and Mortgage .....	83,000	88,000
	2,899,981	3,069,181

	January 1 1926	January 1 1927
<u>INVESTMENTS OF OTHER COUNTRIES</u>		
Government Securities (Dominion, Provincial and Municipal) .....	5,041	5,500
Public Utilities -		
Railways .....	37,500	40,000
Other Public Utilities (Traction, Light, Heat, Power, Telephone, etc.) .....	40,337	39,530
Industries -		
Pulp, Paper and Lumber .....	72,850	62,759
Mining .....	13,858	14,058
Metal Industries .....	3,652	3,619
All other Industries .....	6,514	6,476
Trading Establishments .....	4,900	4,851
Finance and Insurance .....	12,000	12,000
Land and Mortgage .....	50,000	50,000
	247,252	238,793

INVESTMENTS OF OTHER COUNTRIES

Government Securities (Dominion, Provincial and Municipal) .....		
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ESTIMATED CANADIAN INVESTMENTS ABROAD

000's Omitted

	1925	1926
<u>TOTAL</u>		
Canadian Government Credits & Balances Abroad .....	59,695	47,426
Balances of Chartered Banks Abroad .....	196,231	260,560
Foreign Securities Held by Banks .....	102,420	89,227
Investments of Insurance Companies Abroad .....	245,890	269,459
Direct Industrial Investments .....	260,000	275,000
Miscellaneous .....	275,179	388,914
	1,139,415	1,330,586
<u>IN GREAT BRITAIN</u>		
Canadian Government Credits & Balances Abroad .....	658	500
Balances of Chartered Banks Abroad .....	39,246	52,112
Foreign Securities Held by Banks .....	57,151	37,341
Investments of Insurance Companies Abroad .....	15,491	16,976
Direct Industrial Investments .....	1,700	1,700
Miscellaneous .....	10,000	9,850
	124,246	118,479
<u>IN UNITED STATES</u>		
Canadian Government Credits & Balances Abroad .....	22,549	10,815
Balances of Chartered Banks Abroad .....	117,739	156,336
Foreign Securities Held by Banks .....	22,495	21,571
Investments of Insurance Companies Abroad .....	151,222	165,717
Direct Industrial Investments .....	152,071	156,804
Miscellaneous .....	160,179	212,085
	626,255	723,328
<u>IN OTHER COUNTRIES</u>		
Canadian Government Credits & Balances Abroad .....	36,488	36,111
Balances of Chartered Banks Abroad .....	39,246	52,112
Foreign Securities Held by Banks .....	22,774	30,315
Investments of Insurance Companies Abroad .....	79,177	86,766
Direct Industrial Investments .....	106,229	116,496
Miscellaneous .....	105,000	166,979
	388,914	488,779





ESTIMATED NET FLOW OF CAPITAL, 1925 AND 1926

(a) Net Capital Imports

(Allowing for refunding, commissions, etc.)

000's Omitted.

	From Britain	From United States	From Other Countries	Total
1925	5,885 x	56,264	1,609	51,988
1926	26,247	159,268	8,459 x	177,056

x Net Withdrawals

(b) Net Repayments of Short Term Borrowings #  
(One year or less) 1925 and 1926

	From United States	Total
1925	10,000	10,000
1926	71,200	71,200

(c) Net Capital Exports  
1925 and 1926

	To Britain	To United States	To Other Countries	Total
1925	24,779	122,132	71,818	218,729
1926	5,767 +	97,073	99,865	191,171

(d) Net Outward Flow of Funds on Capital  
Account in 1925 and 1926

$c - (a-b) = d$

1925	30,664 +	75,868	70,209	176,741
1926	32,014 +	9,005	108,324	85,315

+ Inwards

# Not included in (a) or (c).

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