

HG5152
.A2
A53
1973
c. 1 aa

DIRECT INVESTMENT IN CANADA BY NON-RESIDENTS SINCE 1945

OTTAWA
First printed
October, 1973

Foreign Investment Division
Research and Analysis Branch
Foreign Investment Review Agency

Amendment Number 1 is incorporated in this printing.

DIRECT INVESTMENT IN CANADA BY NON-RESIDENTS SINCE 1945

CONTENTS

ACCESS CODE CODE D'ACCÈS	BGXE
COPY / ISSUE EXEMPLAIRE / NUMÉRO	1

	<u>Page Number</u>
Summary	i
I. Introduction	1
II. Concepts and Definitions	3
III. Number of Canadian Concerns Controlled by Non-Residents	8
IV. Long-Term Investment in Canada by Non-Residents	11
V. Book Value of Direct Investment by Non-Residents	12
VI. Total Investment in Enterprises Controlled by Non-Residents	17
VII. Earnings Accruing from Direct Investment	25
VIII. Rates of Return	27
IX. Payment of Interest and Dividends	31
X. Capital Flows from Controlling Interests	34
XI. Total Capital Flows for Direct Investment	36
XII. Changes in Book Value	40
XIII. Direct Investment by Industry and Product	43
XIV. Total Investment in Enterprises Controlled by Non-Residents, by Industry and Product	51
XV. Degree of Non-Resident Control by Industry and Product	55
XVI. Dividend Payments by Industry and Product	62
XVII. Capital Flows, by Industry	67
XVIII. Some Effects on the Balance of Payments	70
Annex A	A1

- NOTE:
1. This document supersedes "Foreign Direct Investment in Canada Since the Second World War".
 2. Amendment Number 1 is incorporated in this printing.
 3. New material about the tables indicated below has been published in Statistics Canada Daily for the dates noted.

29 March 1974
17 April 1974

Tables CD-39 to CD-49
Table CD-3

SUMMARY

The number of Canadian business concerns which were controlled by residents of other countries increased from 2,522 in 1945 to 9,130 in 1968. The percentage of wholly-owned subsidiaries rose from 10.7 per cent in 1945 to 30.7 per cent in 1968.

Direct investment by non-residents in these business concerns increased from \$2,713 million at the end of 1945 to \$26,485 million at the end of 1970, at an average annual rate of 9.5 per cent. During the period, this direct investment rose from 38.3 per cent of all private long-term non-resident investment in Canada to 60.7 per cent.

Most of this direct investment was owned in the United States, but the proportion was declining slowly. In 1945 it was 85.0 per cent, and in 1970, 81.2 per cent. The percentage owned in the United Kingdom dropped from 12.8 per cent in 1945 to 9.5 per cent in 1970. The percentage owned in all other countries rose from 2.2 per cent in 1945 to 9.3 per cent in 1970.

Direct investment by foreigners was concentrated in the manufacturing industries and in the capital-intensive industries of petroleum and natural gas and of mining and smelting. This concentration increased from 64.1 per cent in 1945 to 78.1 per cent in 1970.

In 1967, non-residents controlled 74 per cent of the total capital employed in the petroleum and natural gas industry, 65 per cent in other mining and smelting and 57 per cent in manufacturing. Within manufacturing, non-residents controlled 100 per cent of the aluminum industries, 98 per cent of the rubber industries, and 96 per cent of the automobiles and parts industries. Over three-quarters of the capital employed in the chemical, the electrical apparatus, and the transportation equipment industries was also under non-resident control.

Net capital inflows for direct investment by controlling interests abroad were \$40 million in 1946, \$590 million in 1968 and \$680 million in 1972.

Earnings of interest and dividends from direct investment increased from \$279 million in 1946 to \$1,480 million in 1968. Of the 1968 total, \$810 million were retained, \$604 million remitted to the direct investors,

(ii)

and \$66 million claimed for withholding taxes. In 1971, remitted interest and dividends were \$731 million.

From the beginning of 1946 (end of 1945) to the end of 1968, the book value of direct investment rose by \$19,821 million. To achieve this increase, controlling or affiliated interests brought in a total of \$9,577 million for direct investment, and retained \$8,315 million of their earnings. The rest of the increase was made up out of other factors to the amount of \$1,929 million. During the same period, outgoing payments of interest and dividends on direct investment were \$8,136 million, only \$1,441 million less than the new capital brought in by controlling interests.

I. INTRODUCTION

This working paper reviews the growth of direct investment in Canada by non-residents since the beginning of 1945. It is based on material published up to September 1973 by Statistics Canada, in connection with the balance of payments and the international investment position.

It is the second working paper in a series, superseding "Foreign Direct Investment In Canada Since the Second World War", which was issued in January 1970 and updated or otherwise amended three times.

When this paper was being prepared, an essential initial step was to consolidate in a standard format a number of statistical series which have been published in various sources over the past twenty-eight years. The main tables are given in Annex A. The introduction to that Annex describes the series.

There is a companion working paper "Foreign Direct Investment in Canada, Selected Years from 1900 to 1945", which takes several of the main Canadian series back further in time.

The concepts used in the preparation of the data are reviewed in Chapter II. The data themselves are based on Canadian concerns identified as being controlled by non-residents. The number of these concerns is the subject of Chapter III.

Chapters IV, V and VI deal with stocks of capital under non-resident ownership or control.

The next five chapters review various flows of funds which are associated with the stock of direct investment capital. Various aspects of the earnings of non-residents from their direct investment are covered in Chapters VII, VIII and IX. Incoming flows of capital are the subject of Chapters X and XI.

Annual changes in the stock of direct investment are reviewed in Chapter XII, together with the components of the change.

The next five chapters, Chapters XIII to XVII, give a more detailed review, by industrial group, of the stocks of capital which are under non-resident ownership or control, of associated flows of funds, and of the degree of non-resident control. In four of these chapters, details by product group are also given.

Chapter XVIII reviews the effects on the balance of payments of some of the flows covered by the paper.

A problem of terminology was encountered with respect to the word "foreign". In the international literature on direct investment, this term is normally used to apply to any country other than the host country in which the direct investment occurs. When following this general usage, the literature on Canada often uses the term in a sense broader than that laid down in the Canadian Citizenship Act, which names nine countries to which the term "foreign" does not apply. In this paper, an attempt has been made to minimize the use of the word in contexts where it would apply to any of those nine countries.

Direct investment from the United States is a major component of the investment under study in this paper. The U.S. statistics about this item were the subject of an earlier paper "United States Direct Investment In Canada As Reported by U.S. Sources 1946-1967", which has been amended to cover 1969. A revised version now in preparation will bring the series up to 1972.

II. CONCEPTS AND DEFINITIONS

The purpose of this Chapter is to describe the concepts used in the preparation of data on direct investment by non-residents for use in conjunction with the balance of payments.

Book Value of Investment^{1/}

The basis for the valuation of international investments in Canada whether they are classified as direct, portfolio or miscellaneous, is book value. The term book value of investment as used by Statistics Canada refers to the depreciated value as carried by companies in their books. It is:

"....the value shown in the balance sheets for the different securities of the companies concerned. In the case of capital stock this is the value at which the stock is shown among the liabilities plus surpluses or less any deficits which may exist. These surpluses will include any capital surplus as well as earned surpluses. The resulting value is the total of the assets less specific reserves set aside, such as those for depreciation and depletion, and less other liabilities which the company may have. In effect, consequently, this is a measure of the equity which shareholders have in the depreciated value of the assets".

One consequence of using book values is that in a period of rising prices such values could well be less than market or replacement values.

Statistics Canada also notes that:

"For most purposes of analysis, the series of foreign investment must be limited to foreign investment as it relates to the Canadian economy, or in other words to foreign investment in Canada. But many of the companies in which foreign ownership is significant have important subsidiaries or branches abroad. These external assets are eliminated from the series on foreign investment in Canada through deduction proportionately to the ownership of the common stock...."

Foreign-Controlled Enterprise

One of the first steps in measuring direct investment is to determine which enterprises are controlled abroad. Once an enterprise has been identified as being under foreign control, it is included in the statistical base for calculating direct investment.

Statistics Canada uses the term "foreign-controlled enterprise" to refer to an enterprise of this type, and describes it as follows:

"In general an enterprise is considered to be foreign controlled if 50% or more of its voting stock is known to be held in one country outside Canada. The group is modified by the addition or deletion, as appropriate, of concerns where it is believed that because of the distribution of the stock, effective control is held with less than 50% of the voting stock. (Since complete knowledge of the share owners may not be available the classification of borderline cases involves a measure of judgment based upon all the known factors which could be relevant). The enterprise

includes all the corporations over which the group itself is in a position to exercise control. The concept of control which has been adopted is, therefore, one of potential control through stock ownership, and the degree, if any, of local autonomy permitted in practice by the owners is not relevant.

An exception is made in respect of companies established for the purpose of making portfolio investments in Canada. These have not been treated as foreign controlled regardless of their ownership since they do not in fact give rise to any measure of 'control' over Canadian industry". 2/

Statistics on foreign control can change sharply if control of an existing enterprise is acquired directly from residents by a foreign corporation or group of owners. Furthermore, substantial shifts can occur as a result of the introduction to Canada of a relatively small amount of capital if this, when added to previous foreign investment, causes an enterprise to pass from resident to non-resident control.

Foreign Direct Investment

The term foreign direct investment as used in Canadian statistics refers to two different statistical concepts. They differ both as to the nature of the concepts and as to their data bases.

In statistics of the international investment position, foreign direct investment refers to a stock of capital. It is the book value of foreign direct investment, usually at the end of the year. It "covers that part of total long-term investments in Canada in foreign-controlled companies which has been provided by all the residents of the country in which control is deemed to lie". 3/

In balance of payments statements, the term foreign direct investment refers to the net flow of capital into Canada for direct investment during a quarter or a year from controlling (or affiliated) interests. Investment by other residents of the country of control is not included, and Statistics Canada states that "As a consequence there are capital movements recorded on the statements under categories other than direct investment which directly affect the estimated value of direct investments. 4/

In this paper, the term direct investment will be used to refer only to the book value concept as used in statistics of the international investment position. The term net capital flow for direct investment will be used to refer to the capital flows which are included in balance of payments statements.

Book Value of Foreign Direct Investment

This is the direct investment component of the book value of foreign long-term investment.

Net Change in Book Value of Foreign Direct Investment

This is the change in book value of foreign direct investment from one period to another.

Net Capital Flow for Direct Investment

In this paper, the term net capital flow for direct investment by controlling interests is used wherever appropriate. This concept appears in quarterly and annual statements on the balance of payments by Statistics Canada, where it is referred to as direct investment. (See the entry above under "Direct Investment".)

Direct Investment Gross Inflows

Direct Investment Gross Outflows

These terms are used only in successive versions of a special table which deals with flows of capital between Canada and the United States, which are related to direct investment in Canada by the U.S. (See the entry below under "Net Capital Movement"). The types of transactions involved are indicated in the following description by Statistics Canada of foreign direct investment in Canada:

"Capital movements for direct investment include a great variety of transactions, large and small, inwards and outwards, recurring and non-recurring. They include funds to finance capital formation in Canada involving the use of Canadian labour, machinery and equipment. They include the financing of machinery and equipment imported from outside Canada, ranging from small components to massive installations of custom built equipment. They include the acquisition from residents of existing assets, such as land, or buildings, or going concerns. They include the provision of basic working capital necessary to finance normal inventory investment, receivables from customers, etc. While some parent companies are supplying additional capital for finance expansion in Canada others find that the funds generated in Canada from earnings, depreciation, etc. are greater than their foreseeable needs in this country and there is always some significant return of capital from Canada". 5/

Net Capital Inflow for Direct Investment

As used for balance of payments purposes, the net capital inflow for direct investment is a measure of the excess of gross inflows of capital for direct investment purposes over those gross outflows of capital which are attributable to the withdrawal of funds which had previously been a component of direct investment. This measure takes account of the following items:-

- (a) movements of equity capital belonging to the foreign investors who exercise control over the subsidiaries or branches in Canada.

- (b) movements of funds for making long-term loans by, or for repaying long-term loans to, the foreign investors who exercise control over the subsidiaries or branches in Canada.
- (c) a balancing item consisting of an amount equal to the undistributed profits of unincorporated Canadian branches of foreign companies. (This is to offset the inclusion of these undistributed profits with distributed earnings in the income account of the balance of payments.)

Net Capital Movements 6/

This term is used in connection with a special table which shows all capital movements between the United States and Canada which are connected with U.S. direct investment in Canada. It is the net flow of capital to direct investment enterprises by controlling or affiliated interests and other residents in the U.S. It thus has a broader statistical base than net capital flow.

The same type of presentation is not published for capital flows into Canada from all countries, and it is not possible from published data to derive a corresponding figure for net capital movements into Canada from all countries.

Earnings

These are comprised of profits earned by unincorporated branches in Canada of foreign companies (apart from insurance companies), profits of subsidiaries, and payments of interest on funded debt owned by parents (less corporate taxes).

Interest and Dividend Payments on Foreign Direct Investment

The statistical base for interest and dividend payments on foreign direct investment is greater than that for the book value of direct investment. Statistics Canada explains this in a broader context as follows:

"Figures included in the income account do not correspond precisely with statistics on non-resident investments in Canada. The latter data are net of investments located abroad appearing in the balance sheets of companies in Canada. On the other hand interest and dividend payments are based on total transactions in these forms by Canadian companies regardless of whether the income was earned in Canada or elsewhere." 7/

A series for dividend payments is published separately from total interest and dividends. "Dividends on direct investment paid by public companies controlled abroad include dividends remitted to all shareholders in the country of control, while the dividends paid by the same companies to minority shareholders resident elsewhere abroad are classified as returns on portfolio investment". 8/ Dividend payments on foreign direct investment include the net profits earned by unincorporated branches in Canada of foreign companies whether they are actually paid out or not.

Statistics Canada does not publish a series for interest paid on direct investment in Canada.

Industrial Classifications

The way in which individual respondents are assigned to industries is described by Statistics Canada as follows:-

"The book value series in statistics of international investment in corporations are generally derived from consolidated balance sheet data of the ENTERPRISES in Canada. (Enterprises are defined broadly as firms or aggregations of firms under common ownership and financial control). As a result the entire investment in Canada of a corporation together with its subsidiaries is normally attributed to their principal activity. Moreover a company established to provide facilities for a particular enterprise is normally classified with it. These two principles have far-reaching effects on figures for some industrial sub-divisions.

As an example of the first, railway subsidiaries established by mining companies, primarily to provide transportation of their output, are included as investment in the category OTHER MINING AND SMELTING in preference to the railway category. Under the second principle, companies established in connection with the lease-back of service station properties are shown with PETROLEUM AND NATURAL GAS, and companies established to provide specific chain or department store properties are included with MERCHANDISING." 9/

- 1/ Canada's International Investment Position, 1926-1954, DBS, Ottawa, 1956, pages 65-67.
- 2/ 3/ The Canadian Balance of International Payments 1961 and 1962 and International Investment Position, DBS, Ottawa, August 1964, page 96.
- 4/ 5/ The Canadian Balance of International Payments 1960 and International Investment Position, DBS, Ottawa, March 1962, page 35.
- 6/ The Canadian Balance of International Payments 1963, 1964 and 1965 and International Investment Position, DBS, Ottawa, August 1967, page 112.
- 7/ 8/ The Canadian Balance of International Payments 1961 and 1962 and International Investment Position, DBS, Ottawa, August 1964, page 18.
- 9/ The Canadian Balance of International Payments 1960 and International Investment Position, DBS, Ottawa, March 1962, page 55.

III. NUMBER OF CANADIAN CONCERNS CONTROLLED BY NON-RESIDENTS

The first step towards measuring direct investment is to identify those business concerns in Canada which are controlled by non-residents. The term "Canadian concern" as defined by Statistics Canada refers to "Canadian incorporated companies, their Canadian subsidiaries as well as Canadian unincorporated branches of foreign companies". 1/

Table CD-1 shows the number of Canadian concerns that were controlled by non-residents in selected years from 1945 to 1968. There is a geographical breakdown by the areas from which non-residents exercised control:- the United States, the United Kingdom and other countries. For each area of control, the Canadian concerns are broken down into three groups:- wholly-owned subsidiaries, other subsidiaries and controlled companies, and unincorporated branches.

In 1945, there were 2,522 Canadian concerns controlled by non-residents. Of these, 1,985 were controlled by residents of the U.S., 455 by residents of the U.K. and 82 by residents of other countries. By the end of 1968 non-residents controlled 9,130 Canadian concerns, of which 6,397 were controlled in the U.S., 1,629 controlled in the U.K., and 1,104 controlled by residents of other foreign countries.

Of the Canadian concerns controlled in the United States in 1945, 210 were wholly-owned subsidiaries, 1,384 were other subsidiaries and controlled companies and 391 were unincorporated branches. By 1968, U.S.- controlled concerns consisted of 1,743 wholly-owned subsidiaries, 3,971 other subsidiaries and controlled companies, and 683 unincorporated branches. Thus, over twenty-three years, wholly-owned subsidiaries increased in number by 730.0 per cent, other subsidiaries by 186.9 per cent, and unincorporated branches by 74.7 per cent. The much faster growth of wholly-owned subsidiaries is striking.

Canadian concerns controlled in the United Kingdom in 1945 consisted of 58 wholly-owned subsidiaries, 262 other subsidiaries and controlled companies and 135 unincorporated branches. By 1968, they had increased to 772 wholly-owned subsidiaries, 750 other subsidiaries and controlled companies and 107 unincorporated branches. Again, the faster growth of wholly-owned subsidiaries is striking, at 1231.0 per cent as compared with 186.3 per cent for other subsidiaries, and a decline of 20.7 per cent for unincorporated branches.

Of the Canadian concerns controlled in other countries abroad in 1945, two were wholly-owned subsidiaries, 54 were other subsidiaries and

companies and 26 were unincorporated branches. By 1968, Canadian concerns controlled in other countries abroad consisted of 286 wholly-owned subsidiaries, 745 other subsidiaries and controlled companies and 73 unincorporated branches.

The rapid increase in the relative importance of wholly-owned subsidiaries is reflected in Table III-1 below, which gives a percentage distribution of the different types of business concerns that were controlled by non-residents in 1945 and 1968.

TABLE III-1

PERCENTAGE DISTRIBUTION OF THE NUMBER OF CANADIAN CONCERNS
CONTROLLED BY RESIDENTS OF THE UNITED STATES, THE UNITED KINGDOM AND
OTHER COUNTRIES ABROAD, BY TYPE OF BUSINESS FOR THE YEARS 1945 AND 1968

(Per cent)

Type of concern	United States		United Kingdom		Other Countries abroad	
	1945	1968	1945	1968	1945	1968
Wholly-owned subsidiaries	10.6	27.2	12.7	47.4	2.4	25.9
Other subsidiaries and controlled companies	69.7	62.1	57.6	46.0	65.9	67.5
Unincorporated branches	19.7	10.7	29.7	6.6	31.7	6.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Table CD-1

Within the group of concerns under non-resident control, the importance of wholly-owned subsidiaries increased markedly during the period from 10.6 per cent to 27.2 per cent in the case of U.S. control; from 12.7 per cent to 47.4 per cent in the case of U.K. control; and from 2.4 per cent to 25.9 per cent in the case of concerns controlled in other countries abroad. Other subsidiaries and controlled corporations declined as a percentage of the total for U.S. and U.K. control, but increased slightly for other countries abroad.

Unincorporated branches showed significant proportional decreases over the period. For U.S. control, the share fell from 19.7 per cent in 1945 to 10.7 per cent in 1968; for U.K. control from 29.7 per cent to 6.6 per cent; and for other countries abroad from 31.7 per cent to 6.6 per cent.

Table CD-2 gives an industrial distribution of the number of Canadian

concerns controlled in the United States, the United Kingdom and other countries abroad. There is also a breakdown by subsidiaries or controlled companies, and by unincorporated branches. Thus, the data for wholly-owned subsidiaries and for other subsidiaries and controlled companies, which were stated separately in Table CD-1, are consolidated for the industrial breakdown. The data selected for this text cover 1968 only. Similar data are available for 1945, for 1948 and for the years from 1951 to 1968. 2/

Table CD-2 shows that out of 6,397 Canadian concerns controlled by U.S. interests in 1968, 2,571 were in manufacturing. Of these, 2,483 were subsidiaries and/or controlled companies and 88 were unincorporated branches. Merchandising concerns were the next largest group at 1,375. Of these, 1,256 were subsidiaries or controlled companies and 119 were unincorporated branches. The financial group had by far the highest proportion of unincorporated branches. They made up one third of all U.S.-controlled concerns in that industry, with 207.

Business concerns controlled in the U.K. numbered 1,629 in 1968. The largest group here was also manufacturing, which totaled 517, consisting of 513 subsidiaries or controlled companies and 4 unincorporated branches. Merchandising concerns were the next largest U.K.-controlled group with a total of 510, of which 482 were subsidiaries or controlled companies and 28 were unincorporated branches.

Canadian business concerns controlled in other foreign countries numbered 1,104 in 1968. The largest group was in finance, which numbered 353. Of these 310 were subsidiaries or controlled companies and 43 were unincorporated branches. Manufacturing was the next largest group with 228 concerns, all of which were subsidiaries or controlled companies.

Notes:

1/ Canada's International Investment Position 1926-1967, Statistics Canada, Ottawa, December 1971, Page 50.

2/ Data for these years are available from the sources listed for Table CD-1.

IV. LONG-TERM INVESTMENT IN CANADA BY NON-RESIDENTS

Direct investment will be discussed first in the broader context of all long-term investment by non-residents, in order to put it in perspective.

For statistical purposes, long-term investment in Canada by non-residents falls into three broad categories; direct investment, portfolio investment and miscellaneous investment. Direct investment has been defined in Chapter II. Portfolio investments are scattered minority holdings of public issues of Canadian stocks and bonds. Since ownership is widely distributed, this group of investments does not usually give rise to non-resident control of Canadian business. Miscellaneous investments are very much like portfolio investments and are made up of holdings of securities by private investment companies in Canada on behalf of non-residents. They include estate and trust funds, and real estate and mortgages.

Table CD-3 shows the book value of long-term investment in Canada by foreigners from 1945 to 1970 with a breakdown by direct, portfolio and miscellaneous investments.

The book value of long-term investment increased from \$7,092 million at the end of 1945 to \$43,600 million at the end of 1970. This represents an average annual rate of growth of 7.5 per cent. Over the same period the book value of direct investment rose at an average annual rate of 9.5 per cent to \$26,485 million. From 1945 to 1969, the book value of portfolio investment rose from \$4,095 million to \$14,513 million, at an average annual rate of 5.4 per cent. The book value of miscellaneous investment rose from \$284 million in 1945 to \$2,697 million in 1969 at an annual average rate of 9.8 per cent.

Up to the end of 1951, portfolio investment was greater than direct investment. Since then, the major vehicle for foreign long-term investment in Canada has been direct investment, which rose from 38.3 per cent of the total at the end of 1945 to 58.7 per cent at the end of 1969. From 1945 to 1969, miscellaneous investment rose from 4.0 per cent to 6.5 per cent, while portfolio investment fell from 57.7 per cent to 34.8 per cent. In 1970, direct investment was 60.7 per cent of all long-term investment by non-residents.

V. BOOK VALUE OF DIRECT INVESTMENT BY NON-RESIDENTS

As shown in Chapter IV, direct investment by non-residents rose from \$2,713 million at the end of 1945 to \$26,485 million at the end of 1970, at an average annual rate of growth of 9.5 per cent.

Table V-1 below shows the annual rate of growth of direct investment in Canada from 1946 to 1970. The most rapid growth occurred between 1951 and 1957, when the rate varied between 12.7 and 15.4 per cent. After 1957 the rate of growth fluctuated downward to 5.7 per cent in 1963. In 1964 the apparent growth rate of 3.0 per cent was partly the result of a statistical reclassification. For the last six years, growth was fairly steady at rates ranging from 8.3 per cent to 9.5 per cent.

TABLE V-1

ANNUAL RATE OF GROWTH OF FOREIGN DIRECT INVESTMENT
IN CANADA, 1946-1970

Year	Rate of growth (per cent)
1946	4.2
1947	5.7
1948	9.5
1949	9.7
1950	10.8
1951	13.7
1952	15.4
1953	15.0
1954	12.7
1955	14.3
1956	14.8
1957	14.2
1958	7.4
1959	9.4
1960	8.1
1961	6.7
1962	6.7
1963	5.7
1964	3.0
1965	8.7
1966	9.5
1967	8.9
1968	8.9
1969	8.5
1970	8.3

Source: Computed from Table CD-3

Table CD-52 relates the value of direct investment to the gross national product. This relationship of a stock value to an annual flow of income gives a general measure of orientation, and also assists in grasping the magnitude of hypothetical operations such as buying back the industries controlled by non-residents. For orientation on the general implications for

the balance of payments, the relationship between two flows, such as income payable abroad and net domestic product, would be more appropriate. Such a relationship is discussed later in Chapter IX.

Direct investment fluctuated downwards from 22.9 per cent of GNP in 1945 to 21.5 per cent in 1951. The percentage then rose each year to 1961, when direct investment reached a proportional peak at 35.2 per cent of GNP. The proportion then decreased each year to 1966, when it was 30.9 per cent. By 1968 it had increased once more to 31.6 per cent, but had fallen to 30.9 per cent by 1970.

Table CD-4 shows how much of the book value of direct investment was attributable to residents of the United States, The United Kingdom, and other countries, from 1945 to 1970.

The geographical breakdown has a discontinuity in 1960, when the statistical treatment of some international groups of companies was changed to reflect more closely their ultimate corporate ownership. The net effect tended to reduce the value of direct investments owned in the United States and to increase the value of that owned by residents of the United Kingdom and other countries abroad.

Direct investment by residents of the United States made up the largest part of all foreign direct investment in Canada throughout the period under review. It was \$21,509 million in 1970 compared with \$2,304 million in 1945, the average annual increase being 9.3 per cent. In 1970, residents of the United Kingdom owned direct investments in Canada of \$2,505 million compared with \$348 million in 1945. Residents of all other countries owned direct investment in Canada of \$2,471 million in 1970 compared with \$61 million in 1945.

Table CD-4A shows the percentage distribution of the book value of non-resident direct investment in Canada by country of ownership from 1945 to 1970.

The proportion of direct investment which was owned in the United States was far greater than that owned in any other country. In 1945, it was 85.0 per cent. It reached a peak of 86.8 per cent in 1952 but declined to 81.2 per cent at the end of 1970. The share owned in the United Kingdom decreased slowly. It was 12.8 per cent in 1945, fell to 10.2 per cent in 1953 and was 9.5 per cent in 1970. The share for all other countries has increased in importance, from 2.2 per cent in 1945 to 9.3 per cent in 1970.

Table CD-5 gives a more detailed geographical breakdown of the book value of direct investment in Canada by residents of countries other than the United States and the United Kingdom, biennially from 1955 to 1965. Several of the geographic breakdowns in Table CD-5 have been discontinued since 1965.

Table CD-6 presents a more detailed geographic breakdown for 1963 and the years from 1965 to 1970. It also gives totals for the amounts of direct investment in Canada by residents of the developed countries, by residents of the developing countries and by residents of centrally planned economies. Table CD-6A gives a percentage distribution of the data in Table CD-6. Statistics Canada warns that:

"Some caution is required in using the data shown for the amount of direct investment owned in some of the North American (including the Caribbean) and South and Central American countries such as the Bahamas, Bermuda and Panama. Some of the investments from these countries have emanated from intermediary companies, established by owners in other parts of the world in order to avail themselves of tax and other advantages. In many cases ownership links have been traced to the ultimate corporate owners and such investments attributed to their countries of residence. Problems of geographic classification are further compounded as some of the investments shown as being owned in these countries belong ultimately to individuals who have taken up residence there, sometimes only on a nominal basis, to avail themselves of more equable physical and tax climates." 1/

North America (including Caribbean)

Foreign direct investment in Canada from North American countries (including Caribbean) amounted to \$21,635 million in 1970. As mentioned previously, the United States accounted for \$21,509 million of this. The balance of the North American total was accounted for by the Bahamas with \$84 million, Bermuda with \$29 million, Mexico with \$5 million, Netherland Antilles with \$7 million and other North American countries with \$1 million.

The proportion of total direct investment in Canada accounted for by North America (including Caribbean) was 81.7 per cent. The United States accounted for 81.2 per cent, the Bahamas accounted for 0.3 per cent, Bermuda for 0.1 per cent and other North American countries collectively for 0.1 per cent.

South and Central America

Direct investment by South and Central America decreased from \$26 million in 1963 to \$25 million in 1970. Of this, Panama owned \$17 million, Venezuela \$3 million, and other South and Central American countries \$5 million.

South and Central American countries as a group accounted for 0.1 per cent of all direct investment in Canada in 1970.

Europe

Direct investment in Canada by residents of Europe amounted to \$4,497 million in 1970. Over half of this was from the United Kingdom with \$2,505 million.

TABLE V-2

BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY RESIDENTS OF THE EUROPEAN ECONOMIC COMMUNITY, YEAR-ENDS 1963 AND 1965 TO 1970

(millions of dollars)

Year	Country of Ownership					
	Total European Economic Community	Belgium and Luxembourg	France	Italy	Netherlands	West Germany
	(1)	(2)	(3)	(4)	(5)	(6)
1963	680	201	145	11	225	98
1965	897	224	184	28	334	127
1966	982	235	215	56	332	144
1967	1,068	237	260	76	337	158
1968	1,106	228	328	53	344	153
1969	1,278	232	394	61	410	181
1970	1,426	261	434	68	448	215

Source: Table CD-6

Table V-2 shows that residents of the European Economic Community (E.E.C.) had substantial amounts of direct investment in Canada. Total direct investment of the Community amounted to \$1,426 million in 1970. Residents of the Netherlands, with \$448 million, had the largest direct investment of the E.E.C. Residents of France followed with \$434 million. Belgium and Luxembourg as a group had \$261 million. Residents of West Germany were next with \$215 million and Italy had \$68 million.

Other European countries with direct investment in Canada in 1970 were Switzerland with \$328 million, Sweden with \$126 million, Denmark with \$14 million, Ireland with \$6 million, Norway with \$5 million and Austria with \$3 million. Other European countries as a group had \$84 million.

The proportion of total direct investment in Canada by all of Europe amounted to 17.0 per cent. The United Kingdom alone accounted for 9.5 per cent, and the E.E.C. for a further 5.4 per cent.

Africa

Direct investment in Canada by residents of Africa amounted to \$180 million in 1970. This was 0.7 per cent of all direct investment in Canada.

Asia

Direct investment in Canada by residents of Asia amounted to \$129 million in 1970. Of this Japan owned \$103 million, Hong Kong \$20 million and other Asian countries as a group \$6 million. Asia had 0.5 per cent of all direct investment in Canada in 1970, of which Japan owned 0.4 per cent.

Australasia

Residents of Australasia had direct investments of \$19 million in Canada in 1970. Of this, residents of Australia owned \$12 million.

Residents of the developed countries of the world had direct investments amounting to \$26,307 million in Canada in 1970, those of the developing countries had \$177 million, and those of the centrally planned economies \$1 million. The developed countries accounted for 99.3 per cent of all direct investment in Canada in 1969.

1/ Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, page 29.

VI. TOTAL INVESTMENT IN ENTERPRISES CONTROLLED BY NON-RESIDENTS

Not all of the investment in a foreign-controlled enterprise necessarily belongs to the foreign controllers, or even to them and to other residents of their country. There may be a minority Canadian investment interest in such an enterprise, or portfolio investment from another country abroad. When this happens, total investment in the enterprise will naturally be greater than the direct investment.

The total amount of investment which is controlled by non-residents is more meaningful for certain types of analysis than the amount which is owned by the controlling interests and their compatriots. For instance, the decisions of those in control affect the allocation of all of the resources at the disposal of the enterprises concerned not just the direct investment component.

Table CD-15 shows the composition of the capital under non-resident control in Canada in 1960 and 1967, with additional data on capital controlled by residents of the United States in 1945 and 1954. The total of investment controlled by non-residents is broken down into three components: capital owned in the country of control; capital owned by residents of other countries abroad; and capital owned by residents of Canada. The Canadian component is further broken down between debt and equity.

Total investment in Canadian enterprises controlled by non-residents
million million
amounted to \$17,108/in 1960. Of this amount, \$12,872/was owned by residents
in the country of control, \$3,616 million by residents of Canada, and \$620
million by residents of third countries. By 1967, foreign-controlled invest-
ment had increased to \$28,066 million. Of this, \$20,699 million was owned by
residents of the country of control, \$6,316 million by residents of Canada, and
\$1,051 million by third-country residents.

Table VI-1 below shows the percentage distribution of this ownership. For all countries of control, the percentage of ownership by their residents decreased from 75.3 per cent in 1960 to 73.8 per cent in 1967. The amount owned in third countries rose from 3.6 to 3.7 per cent.

TABLE VI-1

PERCENTAGE DISTRIBUTION OF THE OWNERSHIP OF FOREIGN-CONTROLLED
INVESTMENT IN CANADA, BY COUNTRY OF CONTROL, SELECTED YEAR ENDS
1945 TO 1967

(per cent)

Country of Control	Total invest- ment controll- ed in Canada	Ownership of investment by		
		Residents of the country of control	Residents of Canada	Residents of other countries
	(1)	(2)	(3)	(4)
United States:				
1945	100.0	79.9	15.4	4.7
1954	100.0	78.1	18.9	3.0
1960	100.0	78.9	18.5	2.6
1967	100.0	78.8	19.1	2.1
United Kingdom:				
1960	100.0	58.2	34.0	7.8
1967	100.0	53.5	35.9	10.6
Other foreign countries:				
1960	100.0	71.4	22.7	5.9
1967	100.0	62.9	30.1	7.0
All foreign countries:				
1960	100.0	75.3	21.1	3.6
1967	100.0	73.8	22.5	3.7

Source: Calculated from Table CD-15

In the case of capital controlled from the United States, the proportion owned in the U.S. declined slightly from 78.9 per cent in 1960 to 78.8 per cent in 1967. The proportion owned in Canada rose from 18.5 per cent to 19.1 per cent, more than offsetting a decline in the percentage owned in third countries.

In the case of capital controlled from the United Kingdom, the percentage owned in the U.K. fell from 58.2 per cent in 1960 to 53.5 per cent in 1967. The percentage owned in Canada rose from 34.0 per cent to 35.9 per cent, but the major rise was in ownership in third countries, which increased from 7.8 to 10.6 per cent.

The breakdown of the Canadian-owned component between debt and equity is of interest, since it indicates the extent to which the Canadian minority ownership is associated with a potential for control.

Table CD-15 shows that, of the \$3,616 million invested by residents of Canada in foreign-controlled enterprises in 1960, \$1,853 million consisted of debt and \$1,763 million of equity. By 1967, the total had increased to \$6,316 million, of which \$3,592 was debt and \$2,724 was equity.

Table VI-2 below gives a percentage distribution of the type of Canadian ownership in foreign-controlled enterprises. In 1960, Canadian ownership broke down into 51.2 per cent of debt and 48.8 per cent of equity. By 1967, the equity component had decreased to 43.1 per cent. In the case of investment controlled in the United Kingdom, the equity component of Canadian ownership fell from 47.5 per cent in 1960 to 40.2 per cent in 1967. In the case of investment controlled in the United States, there is information for more years. The equity component of Canadian ownership was 75.5 per cent in 1945. By 1960, it was down to 51.2 per cent and by 1967 it had fallen to 47.0 per cent.

TABLE VI-2

PERCENTAGE DISTRIBUTION OF CANADIAN OWNERSHIP IN FOREIGN-CONTROLLED ENTERPRISES, BY COUNTRY OF CONTROL, SELECTED YEAR ENDS, 1945 to 1967

(per cent)

Country of Control	Ownership of investment by residents of Canada		
	Total	Debt	Equity
United States:			
1945	100.0	24.5	75.5
1954	100.0	44.7	55.3
1960	100.0	48.8	51.2
1967	100.0	53.0	47.0
United Kingdom:			
1960	100.0	52.5	47.5
1967	100.0	59.8	40.2
Other Foreign Countries:			
1960	100.0	70.5	29.5
1967	100.0	72.4	27.6
All Foreign Countries:			
1960	100.0	51.2	48.8
1967	100.0	56.9	43.1

Source: Calculated from Table CD-15

To sum up, Tables VI-1 and VI-2 show that Canadian investors have increased their minority holdings in foreign-controlled enterprises substantially

over the period from 1960 to 1967. However, this increase tended to be through the holding of debt, rather than through the ownership of equity which might give some influence over the way in which the enterprises are run.

Geographical Breakdown

Table CD-16 breaks down geographically by area of control the book value of total investment in Canadian enterprises under non-resident control. There are breakdowns for control by residents of the United States, of the United Kingdom and other countries combined. Data are given every two years from 1955 to 1965, then each year to 1969.

Table CD-17 gives data for the book value of investment controlled in a number of individual countries other than the United States and the United Kingdom, biennially from 1955 to 1965.

Statistics Canada have discontinued several of the geographical breakdowns given in Table CD-17 and expanded others. Table CD-18 gives details about more countries than CD-17. It also gives totals for the book value of the direct investment in Canada which is controlled by residents of the developed countries, of the developing countries, and of the centrally planned economies. Cover is given for 1963 and for the years from 1965 to 1969. Table CD-18A gives a percentage distribution of the data in Table CD-18.

North America

From 1963 to 1969, the book value of all investment in enterprises controlled by residents of North America increased from \$16,032 million to \$25,792 million. Of this, the amount under the control of U.S. residents was \$15,990 million in 1963 and \$25,640 million in 1969; residents of the Bahamas controlled \$31 million in 1963 and \$95 million in 1969; those of Bermuda \$8 million in 1963 and \$33 million in 1969; and those of Mexico, the Netherlands Antilles and other North American countries \$3 million in 1963 and \$24 million in 1969.

Of the total investment in Canada which was controlled abroad, the proportion controlled by residents of North America decreased from 78.8 per cent in 1963 to 76.0 per cent in 1969. This decrease was attributable to a decline in the proportion controlled by the United States from 78.6 per cent in 1963 to 75.6 per cent in 1969.

South and Central America

From 1963 to 1969, the book value of investment in Canada in enterprises controlled by residents of South and Central America increased

from \$29 million to \$30 million. In 1969, Panama accounted for \$22 million; Venezuela for \$4 million; and other South and Central American countries for \$4 million.

In both 1963 and 1969, residents of South and Central America controlled 0.1 per cent of the total investment in Canada that was controlled from abroad.

Europe

The book value of investment in Canada controlled by residents of Europe increased from \$4,228 million in 1963 to \$7,589 million in 1969. The United Kingdom accounted for the largest portion of these totals with \$2,929 million in 1963 and \$4,668 million in 1969. Other European countries whose residents controlled notable amounts of investment in Canadian enterprises were France with \$300 million in 1963 and \$878 million in 1969; the Netherlands with \$267 million in 1963 and \$553 million in 1969; Belgium and Luxembourg with \$310 million in 1963 and \$430 million in 1969; Switzerland with \$199 million in 1963 and \$453 million in 1969; and West Germany with \$123 million in 1963 and \$273 million in 1969.

Table VI-3 below shows that as a group, residents of the European Economic Community controlled a substantial amount of investment in Canadian enterprises. From 1963 to 1969 it increased from \$1,017 million to \$2,247 million.

TABLE VI-3

BOOK VALUE OF TOTAL INVESTMENT IN CANADIAN ENTERPRISES CONTROLLED BY RESIDENTS OF THE EUROPEAN ECONOMIC COMMUNITY, 1963 AND 1965 TO 1969

(millions of dollars)

Year	Country of Control					
	Total European Economic Community	Belgium and Luxembourg	France	Italy	Netherlands	West Germany
	(1)	(2)	(3)	(4)	(5)	(6)
1963	1,017	310	300	17	267	123
1965	1,382	340	377	35	416	214
1966	1,598	357	495	78	424	244
1967	1,720	373	563	96	425	263
1968	1,844	408	647	95	437	257
1969	2,247	430	878	113	553	273

Source: Table CD-18

It can be seen from Table CD-18A that, of the total investment in Canada which was controlled abroad, the share controlled by residents of Europe increased from 20.8 per cent in 1963 to 22.4 per cent in 1969. The proportion controlled by residents of the United Kingdom declined from 14.4 per cent in 1963 to 13.8 per cent in 1969. Residents of the European Economic Community controlled 5.0 per cent of all investment in Canadian enterprises in 1963, and 6.6 per cent in 1969.

Africa

From 1963 to 1969 the book value of investment in enterprises controlled by residents of Africa increased from \$36 million to \$386 million. This was an increase from 0.2 per cent to 1.1 per cent of total investment in Canada controlled abroad.

Asia

From 1963 to 1969, the book value of investment in Canada in enterprises controlled by residents of Asia increased from \$13 million to \$124 million. Of these totals Japan accounted for \$7 million in 1963 and \$99 million in 1969; and Hong Kong and other Asian countries for \$6 million in 1963 and \$25 million in 1969.

Out of total investment in Canada controlled abroad, the share controlled by residents of Asia was 0.1 per cent in 1963 and 0.4 per cent in 1969.

Australasia

From 1963 to 1969, the book value of investment in Canada in enterprises controlled by residents of Australasia increased from \$3 million to \$19 million. Of these totals Australia controlled \$1 million in 1963 and \$6 million in 1969. Other countries of Australasia controlled \$2 million in 1963 and \$13 million in 1969.

Developed Countries

Residents of the developed countries of the world controlled total investment in Canada of \$20,264 million in 1963. By 1969, this had increased to \$33,727 million. As a proportion of total investment in Canada controlled abroad, their share amounted to 99.6 per cent in 1963 and 99.4 per cent in 1969.

Developing Countries

Residents of the developing countries controlled total investment in Canada of \$77 million in 1963, which increased to \$213 million in 1969. As a

proportion of total investment in Canada controlled from abroad, it rose from 0.4 per cent in 1963 to 0.6 per cent in 1969.

Centrally Planned Economies

Residents of centrally planned economies controlled total investments in Canada of \$1 million in 1965 and \$1 million in 1969.

Leverage

The relation between the value of foreign direct investment in Canada and the total value of investment under control by the direct investors is of interest because it indicates the amount of leverage which the direct investors are capable of exerting when it comes to the allocation of capital resources.

Table VI-4 below shows this relationship in 1969, with a breakdown by countries and other geographical areas in which control lay.

In 1969, direct investors controlled investments in Canada which were 38.8 per cent greater than the amount which they owned.

For the individual areas in which control lay there were wide divergencies in the relationships between the amount of investment controlled and the amount of investment owned. Investment controlled was at least twice the investment owned in the case of Africa (335.7 per cent), Mexico (280 per cent), France (222.8 per cent), Austria (200.0 per cent), and other European countries as a group (277.8 per cent).

Residents of the United States, who were by far the largest investors, controlled 28.6 per cent more capital than they owned. This was one of the lowest degrees of leverage observed, and reflected the general preference of these residents for complete, or almost complete, ownership of their subsidiaries in Canada.

TABLE VI-4

INVESTMENT CONTROLLED BY NON-RESIDENTS AS PERCENTAGE OF BOOK VALUE
OF FOREIGN DIRECT INVESTMENT IN CANADA BY AREA, YEAR END 1969

	Owned	Controlled	Difference (2)-(1)	Controlled as a per cent of Owned
	(Millions of dollars)			(per cent)
	(1)	(2)	(3)	(4)
NORTH AMERICA:	20,054	25,792	5,738	128.6
United States	19,945	25,640	5,695	128.6
Bahamas	68	95	27	139.7
Bermuda	29	33	4	113.8
Mexico	5	14	9	280.0
Netherlands Antilles	6	9	3	150.0
Other	1	1	0	..
SOUTH AND CENTRAL AMERICA:	23	30	7	130.4
Panama	16	22	6	137.5
Venezuela	3	4	1	133.3
Other	4	4	0	..
EUROPE:	4,158	7,589	3,431	182.5
United Kingdom	2,457	4,668	2,211	190.0
Belgium and Luxembourg	232	430	198	185.3
France	394	878	484	222.8
Italy	61	113	52	185.2
Netherlands	410	553	143	134.9
West Germany	181	273	92	150.8
Denmark	12	18	6	150.0
Sweden	68	88	20	129.4
Switzerland	296	453	157	153.0
Norway	4	4	0	..
Austria	1	2	1	200.0
Ireland	6	10	4	166.7
Other	36	100	64	277.8
AFRICA:	115	386	271	335.7
ASIA:	93	124	31	133.3
Japan	71	99	28	139.4
Hong Kong	18	20	2	111.1
Other	5	5	0	..
AUSTRALASIA:	15	19	4	126.7
Australia	6	6	0	..
Other	9	13	4	144.4
WORLD TOTAL:	24,458	33,941	9,483	138.8
DEVELOPED COUNTRIES:	24,300	33,727	9,427	138.8
DEVELOPING COUNTRIES:	157	213	56	135.7
CENTRALLY PLANNED ECONOMIES	1	1	0	..

.. percentage not available because of insufficient digits in raw data

Source: Column (1) from Table CD-40
Column (2) from Table CD-41

VII. EARNINGS ACCRUING FROM DIRECT INVESTMENT

Thus far, only the book value of investment at a given point of time has been considered. There are, of course, annual flows associated with these accounting totals. The foreign investors have earnings, part of which are retained in Canada and part of which are withdrawn. There are also inward and outward annual flows of capital.

Table CD-21 shows the estimated total earnings which accrued to foreign countries of control from 1946 to 1968. These consist of profits of subsidiaries; profits earned by unincorporated branches in Canada of foreign companies, other than insurance companies; and payments of interest on funded debt owned by parents, less corporate taxes.

From these earnings a portion is distributed. In the case of interest on debt, the amount to be paid is determined by the contract under which the debt was incurred. In the case of profits, the owners of the business have a choice between paying dividends and reinvesting the earnings within the firm. When dividends are paid, a proportion is held back for paying the tax on dividends distributed.

Table CD-21 breaks down total earnings into undistributed earnings and the two components of the distributed portion, which are remitted income and allowance for withholding tax. The remitted income shown in Column (2) is the amount of income actually sent to the foreign investors. It is the same as the total of interest and dividend payments in Table CD-22. The allowance for withholding taxes shown in column (3) is the portion of dividends which is withheld from the foreign investors to cover tax requirements. Table CD-21A gives the percentage distribution of these components.

In 1968, earnings amounted to \$1,480 million compared with \$279 million in 1946. Earnings doubled during the six years from 1946 to 1952, reaching \$556 million in 1952. Over the next twelve years, earnings very nearly doubled again, reaching \$1,100 million in 1964. In 1965 they rose to \$1,395 million but dropped to \$1,304 million in 1966. In 1967 they again rose, this time to \$1,544 million but declined to \$1,480 million in 1968.

In 1946, \$147 million of earnings were remitted to the countries of control. They followed an upward trend, with considerable fluctuations, until 1971 when \$731 million were remitted. Over half of total earnings

were remitted from 1946 to 1951. About two-fifths were remitted for the next six years, followed by four years of fluctuations between 49.4 per cent and 57.2 per cent. From 1962 to 1968, the proportion declined from 51.4 per cent to 40.8 per cent.

The allowance for withholding taxes rose from \$12 million in 1946 to \$66 million in 1968, with a peak of \$76 million in 1966. As a percentage of earnings, it ranged from 3.0 per cent to 8.2 per cent over the period. Its size was, of course, influenced both by the amount of income distributed and by the rate of tax.

Throughout the period covered, the general rate of withholding tax was 15 per cent. Up to 1960, a reduced rate of 5 per cent was levied on dividends paid to a non-resident parent corporation which owned all of the voting shares of the Canadian company. Late in 1960, this reduced rate was abolished, and in 1961 allowances for withholding taxes doubled. In 1963, a reduced rate of 5 per cent less than the general rate was established for firms with "a degree of Canadian ownership". Essentially, a company would be eligible for this reduced rate if it met the following requirements:- its shares were listed on a Canadian stock exchange, its voting stock was at least 25 per cent owned by residents of Canada, and at least one-fourth of its directors were residents of Canada.

Undistributed earnings rose from \$120 million in 1946 to \$810 million in 1968. As a proportion of earnings, they rose erratically from 43.0 per cent in 1946 to 54.7 per cent in 1968. The range over the period was from 31.0 per cent to 56.1 per cent.

VIII. RATES OF RETURN

The rate of return on capital is a significant indicator of the economic effectiveness of past investment and of the incentive to future investment. It is easier to analyze in the case of a specific investment project than in the case of aggregated data such as the series on direct investment. The only overall indicator which it is possible to develop from published statistics is the crude ratio of earnings to book value of direct investment. Such a ratio is presented on Table VIII-1 for the period from 1946 to 1967. For the book value at the beginning of the year the figure for book value at the end of the previous year is used.

TABLE VIII-1

BOOK VALUE, EARNINGS AND RATE OF RETURN ON DIRECT
INVESTMENT IN CANADA, 1946-1967

Year	Book value of direct investment at beginning of year	Earnings	Rate of return $\frac{(2)}{(3)} \times 100$
	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)
1946	2,713	279	10.3
1947	2,826	323	11.4
1948	2,986	348	11.7
1949	3,270	407	12.4
1950	3,586	484	13.5
1951	3,975	485	12.2
1952	4,520	556	12.3
1953	5,218	544	10.4
1954	6,003	532	8.9
1955	6,764	635	9.4
1956	7,728	736	9.5
1957	8,868	789	8.9
1958	10,129	597	5.9
1959	10,880	739	6.8
1960	11,906	626	5.3
1961	12,872	693	5.4
1962	13,737	775	5.6
1963	14,660	911	6.2
1964	15,502	1,100	7.1
1965	15,961	1,395	8.7
1966	17,356	1,304	7.5
1967	19,008	1,544	8.1

Source: Column (1) from Table CD-4 Note: Data in column (1) are for the beginning of the year, or the end of the previous year. Data in Table CD-4 are for the end of the year.

Column (2) from Table CD-21

Column (3) calculated from Columns (1) and (2)

When interpreting these data, care should be taken to allow for several factors which tend to distort the ratios. They fall into three main categories: the

structure and timing of industrial development, the business practices of international enterprises, and statistical problems of evaluation.

It is in the nature of investment that large expenditures may be required before any income is earned. This is especially true of investment in the resource industries. Because of this, rates of return may be low in years where there is a heavy outlay of capital on projects which have not yet come into production. This type of effect is inherent in the nature of investment and is likely to be observed in any series of overall ratios.

Within some multinational enterprises, Statistics Canada believes that parent companies provide their subsidiaries with "substantial amounts of long-term capital in the form of term or demand notes or even an open account. Sometimes the major part of an investment takes this form. In the case of some companies, these obligations carry interest at normal rates, but in the case of others they are interest free".^{1/} If the payments of interest on these loans were included in earnings, then this would tend to make earnings lower than might have been expected, because of the interest-free element. Again, there would be a low rate of return because of real factors.

However, since debt of this type is not funded, the interest is, for balance of payments purposes, included in miscellaneous income and left out of earnings from direct investment. This substitutes a downward bias on the rate of return, because of statistical procedures.

Interest paid on certain other types of long-term borrowing, such as bank loans from the country of control, could be classed as income from direct investment, because the loans themselves are defined as direct investment. To the extent that such interest is included with miscellaneous income, the figure for earnings from direct investment, and hence the rate of return, is biased downwards.

The series on book value of direct investment is comprised of the total value of long-term investment in Canada owned by all residents of the country in which control lies. That is, the book value of direct investment consists of a direct component supplied by the controlling interests plus any portfolio investment by residents of the country of control. Similarly, dividend payments on direct investment, which are a large component of earnings, include dividends remitted to all shareholders in the country of control. Thus, ratios based on

the book value of direct investment and earnings yield a ratio that represents a return to both direct investors and portfolio investors in the country of control. In this situation a bias may or may not exist with respect to the rate of return on the capital owned by the controlling interests.

The data base for earnings is broader than that for direct investment. Statistics on the book value of direct investment exclude investments located abroad which appear in the balance sheets of companies in Canada. Statistics on earnings, on the other hand, cover all transactions by foreign-controlled companies regardless of whether or not the earnings arose from Canadian operations. Thus, earnings expressed as a percentage of the value of direct investment would tend to impart an upward bias to the rate of return.

Canadian statistics tend to undervalue direct investment because it is computed at book value rather than market value. Because the market value of direct investment is understated, the ratio of earnings to investment tends to be biased upwards. Furthermore, Statistics Canada states that "there are some grounds for believing that the wholly owned subsidiaries often tend to carry assets at a more conservative figure than do public companies".^{1/} If this is so, there will be a further bias upwards on rates of return for direct investment so far as wholly-owned subsidiaries are concerned.

To sum up, the method of statistical computation affects the rates of return shown in Table VII-1 in three ways. The exclusion of interest on some forms of long-term loans from earnings will bias the rates downwards. The computation of direct investment at book value rather than market value will reduce its value as the denominator, and hence tend to inflate rates of return. The fact that the data base for earnings is broader than that for direct investment will bias the rates upward.

The rates used also tend to be depressed in the short run when heavy investment is occurring. This is a genuine observed difference which is inherent in any overall measurement of rates of return.

The indicated rate of return on direct investment in the period from 1946 to 1967 ranged from 5.3 per cent to 13.5 per cent. Three general levels are observable. From 1946 to 1950 the indicated rate increased steadily from 10.3 per cent to 13.5 per cent. In the period from 1951 to 1962 the rate fluctuated downwards from 12.2 per cent to 5.6 per cent. From 1963 to 1967,

it fluctuated upwards from 6.2 per cent to 8.1 per cent with an intermediate peak of 8.7 per cent.

1/ The Canadian Balance of International Payments, 1959 and International Investment Position, DBS, Ottawa, October 1960, page 23.

IX. PAYMENT OF INTEREST AND DIVIDENDS

As has been shown in Chapter VII, earnings can be broken down into four components:- interest, retained earnings, that portion of dividends paid which was sent to the shareholders, and that portion of dividends paid which was withheld for taxes. Of these items, two are sent out of Canada: interest, and distributed dividends net of withholding tax. Their total is given in column (2) of Table CD-21, where it is called remitted income.

It is remitted income which enters into the balance of payments. Table CD-22 displays it in column (1) and then shows how much of it went to the United States, the United Kingdom, and to all other countries.

The data base for interest and dividends is broader than the data base for direct investment in Canada by non-residents. Statistics on the book value of direct investment exclude those investments located abroad which appear in the balance sheets of companies in Canada. Statistics on payments of interest and dividends, on the other hand, cover all transactions by foreign-controlled Canadian companies regardless of whether or not the income was earned in Canada.

The payment abroad of interest and dividends does not necessarily follow directly on the realization of profits. The range of choice in the allocation of earnings is considerable, and decisions may be based on the priorities of the international enterprise as a whole, rather than those of the subsidiary. Factors such as investment programs, requirements for inventory and working capital, taxation, interest rates, and exchange rates may all affect the amounts to be remitted and their timing.

From 1946 to 1971, interest and dividend payments abroad on direct investment totalled \$10,135 million. Annual payments were somewhat erratic but there was a distinct upward trend, with payments rising from \$147 million in 1946 to \$731 million in 1971.

From 1946 to 1950 interest and dividend payments abroad rose sharply, reaching \$309 million in 1950. Part of this doubling in four years can be attributed to a relaxation of foreign exchange control regulations.

Payments declined during the next three years to \$217 million in 1953, but rose steadily thereafter to \$365 million in 1959. In 1960, a lag in payments of substantial amounts of dividends by a number of Canadian subsidiaries caused the remission of interest and dividends to fall to \$318 million.

After 1960, payments increased fairly steadily to 1967 when they reached \$627 million. In 1964, the increase was unusually big, because of an extraordinary dividend declared by a Canadian subsidiary to its parent in the United States, together with some other non-recurring dividends. Payments dropped in 1968 and in 1969, but had increased by 1971 to \$731 million.

Out of the \$10,135 million of interest and dividends sent abroad from 1946 to 1971, \$9,035 million, or 89.1 per cent, went to the United States. Payments to the United Kingdom totalled \$809 million, (8.0 per cent), and payments to all other countries amounted to \$291 million (2.9 per cent).

The annual pattern of payments to the United States was much the same as that for all countries as a group, reflecting the overwhelming dominance of payments to that country in the overall total. Payments to the United States rose sharply from \$134 million in 1946 to \$292 million in 1950, then declined to \$197 million in 1953. From 1954 on there was a fairly steady advance to \$563 million in 1967. This was interrupted in 1960 because of the lag in payments mentioned earlier and accelerated in 1964 because of the extraordinary dividends also mentioned earlier. Payments dropped in 1968 and 1969, but increased once more to \$671 million in 1971.

Annual payments to the United Kingdom ranged from \$11 million in 1946 to a peak of \$66 million in 1965 but fluctuated down to \$36 million in 1971. Payments to all other countries were \$24 million in 1971 compared with \$2 million in 1946.

Data on the payment of interest are not published by Statistics Canada but they can be computed from the series on payments of interest and dividends and from the series on payments of dividends. Table CD-23 gives a geographical breakdown of estimates of interest for selected years from 1958 to 1966. For the United States alone, figures are given for selected years from 1946.

Interest payments on foreign direct investment in Canada in 1966 were \$9 million compared with \$10 million in 1958. As a proportion of total interest and dividend payments on foreign direct investment in Canada they were one and a half per cent in 1966 compared with 3 per cent in 1958. The bulk of the interest on foreign direct investment went to the United States.

Table CD-24 shows dividend payments to non-residents on direct investment in Canada. It shows payments to the United States, the United Kingdom and other countries every two years from 1958 to 1962, and from then on

annually to 1966.

In 1966, the largest amount of dividends on foreign direct investment in Canada went to the United States. The total was \$515 million compared with \$293 million in 1958. Payments to the United Kingdom were \$44 million in 1966 compared with \$26 million in 1958, and payments to all other countries in 1966 were \$19 million compared with \$10 million in 1958.

Canada's ability to pay interest and dividends to foreigners will now be considered. In Chapter V, the value of foreign direct investment was related to gross national product for the general purpose of background orientation, and the drawbacks of this type of comparison were pointed out. In the case of an annual flow, a more direct relationship can be established with the flow of income within Canada out of which the payments must be made.

To express earnings as a percentage of net domestic product at factor cost shows how much of domestic production is potentially available for the use of non-residents because of their earnings from direct investment. To express remitted income as a percentage of net domestic product at factor cost shows how much of domestic production is available to non-resident direct investors for use outside the country.

Table CD-53 shows earnings from direct investment in Canada, remitted income, and net domestic product at factor cost from 1946 to 1968. Remitted income, as given in Column (2) of Table CD-53, is the same as interest and dividend payments, as given in column (1) of Table CD-22. Net domestic product at factor cost was obtained by subtracting capital consumption allowances and miscellaneous valuation adjustments from gross domestic product at factor cost.

Earnings as a percentage of net domestic product at factor cost varied between 2.2 per cent and 3.5 per cent over the period from 1946 to 1968. Year to year movements were, in most instances, slight and the data indicate a fairly stable relationship.

Remitted income as a percentage of net domestic product at factor cost varied between 1.1 per cent and 2.1 per cent over the same period. Again year to year changes were slight, indicating a stable relationship.

On the whole, the drain on the balance of payments caused by the remittance of interest and dividends on foreign direct investment does not appear to constitute an unduly heavy burden.

X. CAPITAL FLOWS FROM CONTROLLING INTERESTS

It has already been noted that direct investment gives rise to flows of funds which affect the balance of payments. Among these are flows of capital. The controlling and affiliated interests bring in funds for investment in the subsidiary. These funds arrive in many forms, and are used in some instances for new capital formation and in others for the purchase of existing enterprises or assets. At the same time, controlling and affiliated interests (whether the same or different ones) withdraw funds from capital account. These may be in repayment of capital funds brought in previously, or they may be taken out because a foreign investor is withdrawing from a Canadian enterprise. The total funds coming in make up the gross capital inflow, and the total funds going out make up the gross capital outflow. The difference, which may be positive or negative, is the net inflow of capital.

Capital Flows From Controlling Interests

So far as direct investment from all countries is concerned, figures are available only for net capital inflow from the controlling interests abroad. Net inflows from other residents of the country of control are not published, even though the investments of these people are included in direct investment. Data on the gross inflows and outflows, from which the net figures are derived, are not available.

For direct investment flows from the United States alone, additional series are available which are more complete. These will be discussed in Chapter XI.

Net Capital Inflow

Table CD-33 shows the annual net capital inflow for direct investment in Canada by controlling interests abroad, by area of control, from 1946 to 1970, with additional data to 1971 and 1972 for the U.S. and for the world total. The data are broken down by the United States, the United Kingdom, the rest of the sterling area, other O.E.C.D. Europe, and other countries.

Net inflows were relatively low from 1946 to 1949, increasing from \$40 million to \$94 million. In 1950 there was a sharp increase to \$225 million and net inflows fluctuated generally upwards during the next ten years, reaching peaks of \$650 million in 1956 and \$670 million in 1960. Capital inflows fell to \$560 million in 1961, then continued down to \$270 million in 1964, which was the lowest since 1950. According to Statistics Canada, the net capital flows were

interrupted in 1962 by a brief but severe exchange crisis and fell further in 1963 and 1964 because of various balance of payments measures in the United States. In 1965 net inflows increased once more to \$535 million and by 1966 had reached \$790 million. There was a decline in 1967 to \$691 million and again in 1968 to \$590 million. Following this, capital inflows increased each year to 1971 when they reached \$885 million, but dropped to \$680 million in 1972.

The net capital inflow from controlling interests abroad from 1946 to 1971 totalled \$12,017 million. Of this, \$8,996 million or 74.9 per cent came from the United States. In the same period, the net capital inflow from the United Kingdom (including the rest of the sterling area from 1946 to 1951) was \$1,287 million or 10.7 per cent. The net capital inflow from O.E.C.D. Europe (excluding the United Kingdom) amounted to \$1,420 million or 11.8 per cent of the total. Net capital inflow from all other countries was \$314 million or 2.6 per cent.

XI. TOTAL CAPITAL FLOWS FOR DIRECT INVESTMENT

In the case of the United States alone, series are available for the flows of those types of capital which make up direct investment. These are the flows of capital from the controlling interests, plus flows of capital from other residents of their country.

Table CD-35 gives these series from 1946 to 1968. Column (3) shows the net inflows of capital from the controlling interests, which are the same as the data in column (2) of Table CD-33. Net inflows from other residents of the United States are given in column (4), where they are consolidated with some classification adjustments. Column (5) shows the net capital movements associated with direct investment, using the same data base as for the book volume series.

For most years, net capital inflows for all direct investment were greater than net inflows from the controlling interests. In four years, net inflows from residents of the United States (combined with the statistical adjustment, if any) were negative, and so total inflows for direct investment were less than inflows from the controlling interests. Over the twenty-three years from 1946 to 1968, net capital inflows from controlling interests totalled \$7,252 million, and net capital flows for all direct investment were \$9,342 million, or \$2,090 million more.

Capital Flows From Controlling Interests

In the case of capital flows from controlling interests in the United States, data are published for the gross flows from which the net flow is derived. These are shown in the first two columns of Table CD-35.

Gross Capital Inflow

In 1968, the gross capital inflow for direct investment by controlling interests in the United States was \$788 million compared with \$63 million in 1946. As new investment proceeds in lumps, large fluctuations in the annual data are to be expected. Annual totals increased from \$63 million in 1946, with occasional fluctuations, to a peak of \$650 million in 1960. In 1961 and 1962 the totals were just below the 1960 peak, but in 1963 gross capital inflow fell to \$493 million. Following this it increased rapidly to \$976 million in 1967 but fell to \$788 million in 1968.

Gross Capital Outflow

In 1968 the gross capital outflow to controlling interests in the United States was \$434 million compared with \$25 million in 1946. Again, because of the nature of the transactions that make up gross outflows, large fluctuations in the annual data must be expected. To a large extent gross outflows consist of the repayment of loans to corporate parents in the United States. Payments of these

loans may be made in regularly scheduled instalments or may fall due in lump sums depending upon intercorporate arrangements. Similarly, other types of gross outflows such as those resulting from the complete or partial withdrawal from a Canadian enterprise or the retirement of shares, tend to create undulations in the annual data.

Table XI-1 shows the gross capital outflows to controlling interests in the United States as a percentage of gross capital inflows from them. Over the period from 1946 to 1968 this relationship ranged from 12.1 per cent to 71.0 per cent, with considerable fluctuations. The general tendency was for gross outflow to offset a higher proportion of gross inflow as the years went on.

TABLE XI-1

GROSS CAPITAL OUTFLOW TO CONTROLLING INTERESTS IN THE UNITED STATES AS A PERCENTAGE OF GROSS CAPITAL INFLOW FROM THEM, YEAR ENDS 1946 TO 1967

Year	Gross capital outflow	Gross Capital inflow	Column (1) as a percentage of Column (2)
	(millions of dollars)		(per cent)
	(1)	(2)	(3)
1946	25	63	39.7
1947	8	66	12.1
1948	18	79	22.8
1949	30	114	26.3
1950	43	245	17.6
1951	39	315	12.4
1952	53	376	14.1
1953	43	400	10.8
1954	65	370	17.6
1955	126	443	28.4
1956	107	572	18.7
1957	190	593	32.0
1958	141	445	31.7
1959	185	613	30.2
1960	189	650	29.1
1961	238	604	39.4
1962	309	637	48.5
1963	273	493	55.4
1964	461	649	71.0
1965	383	804	47.6
1966	241	959	25.1
1967	401	976	41.1

Source: Table CD-35

Table XI-2 below shows gross capital outflows to controlling interests in the United States as a percentage of the book value of direct investment in Canada by all persons in the United States. Over the period from 1946 to 1967, these gross capital outflows ranged between 0.3 per cent and 3.6 per cent of the book value of direct investment in Canada from all sources in the United States.

TABLE XI-2

GROSS CAPITAL OUTFLOW TO CONTROLLING INTERESTS IN THE UNITED STATES AS PER CENT OF BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY THE U. S. 1946-1967

Year	Gross capital outflow	Book value of direct investment at beginning of year	Column (1) as a percentage of Column (2)
	(millions of dollars)		(per cent)
	(1)	(2)	(3)
1946	25	2,304	1.1
1947	8	2,428	0.3
1948	18	2,548	0.7
1949	30	2,807	1.1
1950	43	3,095	1.4
1951	39	3,426	1.1
1952	53	3,896	1.4
1953	43	4,530	0.9
1954	65	5,206	1.2
1955	126	5,787	2.2
1956	107	6,513	1.6
1957	190	7,392	2.6
1958	141	8,472	1.7
1959	185	9,045	2.0
1960	189	9,912	1.9
1961	238	10,549	2.3
1962	309	11,284	2.7
1963	273	12,006	2.3
1964	461	12,785	3.6
1965	383	12,959	3.0
1966	241	14,059	1.7
1967	401	15,570	2.6

Source: Column (1) - Table CD-35

Column (2) - Canada's International Investment Position 1926-1967,
Ottawa, Statistics Canada, December 1971, Table IV, pages
116-117.

In general, this proportion has increased over the period, although with considerable fluctuations. The two lowest proportions were observed in 1947 and 1948. The three highest proportions were observed between 1962 and 1965. To some extent, the increase in gross outflows of capital compared with the book value of direct investment reflects an increase in debt financing by corporate parents vis a vis equity financing. The increased proportion of gross capital inflows which consist of debt financing must result sooner or later in increased repayments of debt to corporate parents.

These data for flows of funds with the United States illustrate the size of the gross flows compared with the net figures. The much larger size of the gross flows, and their differing effects, limit the usefulness for analysis of series on net inflows, such as the all-Canada series, which are unaccompanied by details of the gross inflows and outflows from which they are derived.

For instance, it is the gross inflows which affect expenditures on new

plant and equipment during the year in question, not the net inflows. The gross outflows have a potential for exerting substantial financial effects on exchange rates and the balance of payments. Net inflows are not necessarily positive, although the observations have been positive to date.

XII. CHANGES IN BOOK VALUE

In Chapter V, annual changes in the book value of foreign direct investment were mentioned, and the percentage rate of growth outlined. Two of the major contributions to this growth have since been discussed. The first was net capital inflow, or the net amount of new capital coming in from abroad. The second was undistributed earnings, or the accumulation of domestic funds by retaining profits instead of distributing them. In addition, there are other factors, which are aggregated in the Canadian statistics.

Table CD-37 shows the estimated constituents of the annual change in the book value of direct investment, from 1946 to 1968. Some of the figures in the table have appeared earlier in this paper. Column (1), net capital inflow, is the same as column (1) in Table CD-33. Column (2), increase in undistributed earnings, is the same as column (4) in Table CD-21. Column (3), "other factors", has not appeared previously. It includes items such as new issues, retirements, borrowing, and investment abroad which affect the total value of investment in Canada; and other factors including revaluations, reclassifications and similar accounting adjustments.

The annual net increase in book value grew from \$ 113 million in 1946 to \$785 million in 1953. It was down slightly at \$761 million in 1954 but rose in the next three years to a peak of \$1,261 million in 1957. In 1958 the increase was \$751 million. It grew to \$1,026 million in 1959, declined over the next two years to \$865 million in 1961, then rose to \$923 million in 1962. An apparent decline to \$459 million in 1964 coincided with a discontinuity in the statistical series. After that, the annual increase rose each year to a record \$1,835 million in 1968.

From 1946 to 1949, undistributed earnings made more of a contribution to the increase in book value than the net inflow of capital did. From 1950 to 1962, net inflow was the major component. From 1963 to 1965 undistributed earnings predominated. In 1966 net capital inflows once again contributed the largest portion but in 1967 and 1968 undistributed earnings made up the greater amount.

"Other factors" fluctuated erratically, as might be expected of a residual component. With the exception of 1964, when the statistical reclassification of the year produced a negative amount of \$291 million, "other factors" ranged between minus \$47 million and \$435 million in the period 1946 to 1968.

The published data do not provide a base for a geographical breakdown of the components of change using the same concepts as those in Table CD-37. However, the components of change in direct investment by the United States are available, using different concepts.

Table CD-38 reconciles the data for inflows of direct investment to Canada from residents of the United States with the change in book value of U.S. direct investment from 1946 to 1968. The components of the change are net capital inflow; "other capital movements"; net capital movements; and undistributed earnings and other factors.

"Other capital movements" are to be distinguished from "other factors" as given in Table CD-37, column (3), for flows from all countries. "Other capital movements" consist solely of capital flows which are not related to the controlling or affiliated interests. "Other factors" is a residual component of the net increase in book values which includes, not only the capital flows which are unrelated to controlling or affiliated interests, but also revaluations, reclassifications and other accounting adjustments. The U.S. data include some or all of the equivalent revaluations, etc., in the figure for undistributed earnings.

The difference in the conceptual approaches to the series consolidated in Tables CD-37 and CD-38 is illustrated in Table XII-1 below. Items b(ii) and f(ii) are conceptually very similar, but are included with "other factors" for all-country data and with "undistributed earnings and other factors" for U.S. data. Item e(ii) is an adjustment within the total for all countries, and so there is no need for an equivalent in Table CD-37.

TABLE XII-1

COMPONENTS OF ANNUAL INCREASE IN BOOK VALUE OF DIRECT INVESTMENT

All countries (Table CD-37)	U.S. only (Table CD-38)
a. <u>Net capital inflow</u> PLUS	d. <u>Net capital inflow</u> PLUS
b. <u>other factors</u> , consisting of (i) New issues, retirement, borrowing, investment abroad, etc. (ii) other factors including revaluations, reclassifications and similar accounting adjust- ments PLUS	e. <u>other capital movements</u> , consisting of (i) New issues, retirement, borrowing, investment abroad, etc. (ii) classification adjustment in respect of direct investment transactions involving significant investment in enterprises not con- trolled in the U.S. PLUS
c. <u>undistributed earnings</u>	f. <u>undistributed earnings and other factors</u> , consisting of (i) undistributed earnings (ii) revaluations, reclassifications and similar accounting adjust- ments

From 1946 to 1949 the annual net increase in book value of U.S. direct investment grew from \$124/^{million}to \$288 million. In the 1950's the annual increase in book values rose, with some fluctuations, from \$331 million in 1950 to a peak of \$1,080 million in 1957. For the next six years, the increase ranged from \$573 million to \$867 million. A sharp fall in 1964 to \$174 million coincided with the introduction of a new statistical series, not strictly comparable with earlier years. By 1968 the increase was \$1,510 million.

There were marked differences in the behaviour of the components of the increase in book values. Changes in undistributed earnings and other factors were quite erratic as were changes in "other capital movements". Net capital movements fluctuated somewhat more widely than net capital inflows.

Part of the erratic movement of undistributed earnings and other factors was caused by unusually large reclassification adjustments between United States direct and other investments, which were observed five times in nineteen years. The erratic changes in "other capital movements" can be explained in part by the nature of the concept. It is a residual flow which includes among other things new issues, retirements and borrowing. It also includes capital flow attributable to United States residents other than those who have a controlling or affiliated interest.

Net capital inflows relate solely to the investment of the controlling or affiliated interests. This might make them likely to fluctuate less than capital provided by unrelated persons. From 1946 to 1968, the total ranged from \$38 million to \$718 million.

"Other capital movements" from the United States ranged from minus \$66 million to \$269 million over the period.

Net capital movement ranged from minus \$5 million to \$844 million over the period. The movements of undistributed earnings and other factors were characterized by wide fluctuations, ranging from \$52 million to \$919 million.

XIII. DIRECT INVESTMENT BY INDUSTRY AND PRODUCT

Chapter V reviewed direct investment in Canada by non-residents, and analyzed its distribution according to the countries in which the controlling investors resided. The distribution of foreign direct investment between different industrial groups is also a matter of major interest. Table CD-7 gives such a breakdown in dollar terms from 1945 to 1970. Table CD-7A gives the breakdown in percentages.

Statistics Canada established the industrial groupings as follows. Reports were obtained from a large number of companies. Each company either constituted or was part of an enterprise. The reports were classified according to the principal kinds of business in which the enterprises were engaged. Although some large enterprises were active in several types of business, it was not feasible to carry the breakdown beyond the principal kind of business.

There was a change in the composition of the industrial groups during the period. For the years from 1946 to 1950 and for 1952, the petroleum and natural gas industry was not treated as a distinct group, but its data were included in other groups. (Petroleum mining with the non-metallic mineral group of manufacturing; exploration with mining and smelting; transportation of petroleum and natural gas with utilities; and marketing and distribution with merchandising). Consequently, data for all of these industrial groups have a discontinuity between 1952 and 1953.

All Foreign Countries

Foreign direct investment in Canada was, in 1970, heavily concentrated in manufacturing, in the capital-intensive group of petroleum and natural gas, and in the capital-intensive group of other mining and smelting. In 1970, the value of direct investment in these three groups was \$20,674 million, out of total direct investment of \$26,485 million. Direct investment in manufacturing was \$10,815 million in 1970 compared with \$1,359 million in 1945; direct investment in petroleum and natural gas rose to \$6,593 million in 1970 from \$141 million in 1945; and direct investment in mining and smelting rose to \$3,266 million from \$237 million over the same period.

The concentration of direct investment in these three groups increased during the period, as can be seen from Table CD-7A. The percentage of all direct investment which was in the three largest groups was 64.1 per cent in 1945, and 78.1 per cent in 1970. The proportion of direct investment which was in petroleum

and natural gas rose from 5.2 per cent in 1945 to 24.9 per cent in 1970, and in other mining and smelting it rose from 8.7 per cent to 12.3 per cent. The proportion invested in manufacturing fell from 50.2 per cent in 1945 to 40.9 per cent in 1970.

So far as the other groups were concerned, investment in finance was \$2,840 million in 1970 (10.7 per cent); in merchandising \$1,729 million (6.5 per cent); in utilities \$444 million (1.7 per cent); and in other enterprises \$798 million (3.0 per cent).

As has been seen manufacturing was the predominant field for direct investment. The way in which the manufacturing total was divided between types of major products is shown in Table CD-8, which gives details for nine product groups from 1945 to 1970. Table CD-8A gives the equivalent percentage breakdown.

In 1970, direct investment in iron and products was \$3,248 million; in wood and paper products \$2,059 million; in chemicals and allied products \$1,620 million; in non-ferrous metals \$1,611 million; and in vegetable products \$1,140 million. Table CD-8A shows that 89.4 per cent of total direct investment in manufacturing was in these five product groups in 1970. Foreign direct investment in the remaining four product groups in 1970 was \$421 million in non-metallic minerals; \$260 million in animal products; \$222 million in textiles; and \$234 million in miscellaneous manufacturing. Collectively, their share of total investment in manufacturing in 1970 was 10.6 per cent.

The distribution of direct investment in manufacturing between these product groups remained, on the whole, fairly stable over the period of observation. The proportion of investment which was in the predominant group of iron and products increased with minor fluctuations from 20.4 per cent in 1945 to 30.0 per cent in 1970.

The way in which foreign owners spread their investments over different industries and products varied from country to country. Tables CD-9, CD-11 and CD-13 all show the direct investment from one geographical area in the various industry groups. Separate tables are given for investors resident in the United States (Table CD-9); in the United Kingdom (Table CD-11) and in all other countries combined (Table CD-13).

Tables CD-10, CD-12 and CD-14 all show the direct investment from one

geographical area in the sub-groups of manufacturing. Table CD-10 gives data for investment from the United States, Table CD-12 covers that from the United Kingdom, and Table CD-14 covers that from all other countries.

Table XIII-1 below shows the percentage distribution of direct investment in Canada by country of ownership for each industrial group for 1945 and 1970.

United States investment in all industries as a proportion of total foreign investment fell from 84.9 per cent in 1945 to 81.2 per cent in 1970. During the same period investment by the United Kingdom also declined from 12.8 per cent to 9.5 per cent. Investments owned by residents of all other countries rose from 2.3 per cent in 1945 to 9.3 per cent in 1970.

TABLE XIII-1

PERCENTAGE DISTRIBUTION OF DIRECT INVESTMENT IN CANADA,
BY INDUSTRIAL GROUPS, BY COUNTRY OF OWNERSHIP
1945 AND 1970

(per cent of total for each industry)

Industrial Group	All Foreign Countries		United States		United Kingdom		Other Foreign Countries	
	1945	1970	1945	1970	1945	1970	1945	1970
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Petroleum and natural gas	100.0	100.0	100.0	80.7	0.0	8.1	0.0	11.2
Other mining and smelting	100.0	100.0	90.7	88.3	9.3	4.7	0.0	7.0
Manufacturing	100.0	100.0	87.6	85.6	11.5	7.8	0.9	6.6
Merchandising	100.0	100.0	72.8	74.8	25.2	17.2	2.0	8.0
Financial	100.0	100.0	58.4	61.4	28.9	19.2	12.7	19.4
Utilities	100.0	100.0	95.4	82.7	4.3	11.7	0.3	5.6
Other enterprises	100.0	100.0	90.0	81.1	8.3	9.9	1.7	9.0
Total	100.0	100.0	84.9	81.2	12.8	9.5	2.3	9.3

Source: Column (3) and (4) calculated from Table CD-9
Column (5) and (6) calculated from Table CD-11
Column (7) and (8) calculated from Table CD-13

Direct investment from the United States predominated in each industrial group in 1970. The proportion was 88.3 per cent in other mining and smelting; 85.6 per cent in manufacturing; 82.7 per cent in utilities; 80.7 per cent in petroleum and natural gas; 81.1 per cent in other enterprises; 74.8 per cent in merchandising; and 61.4 per cent in finance. The proportion of direct investment owned in the United Kingdom in 1970 was largest in financial at 19.2 per cent. Merchandising followed with 17.2 per cent. The proportion of investment owned in all other countries was largest in finance with 19.4 per cent, and in petroleum and natural gas with 11.2 per cent.

Between 1945 and 1970, the proportion of direct investment from the United States increased in finance and merchandising but declined in all other industrial groups. The proportion from the United Kingdom rose in petroleum and natural gas, in utilities, and in other enterprises but fell in all other groups. The share held by other countries rose for all industrial groups.

United States

The way in which direct investment by the United States was distributed between selected major industrial groups is shown in Table CD-9, in dollar terms. Table CD-9A gives the percentage breakdown.

In 1970, United States residents had more direct investment in manufacturing than in any other Canadian industrial group. The book value was \$9,253 million compared with \$1,191 million in 1945. In petroleum and natural gas, in 1970, the total was \$5,321 million compared with \$141 million in 1945. In other mining and smelting in 1970 it was \$2,884 million compared with \$215 million in 1945. United States investment in those three industrial groups in 1970 constituted 81.2 per cent of all United States direct investment in Canada.

Direct investment in finance by United States residents in 1970 was \$1,744 million, in merchandising it was \$1,293 million; in other enterprises it was \$647 million; and in utilities it was \$367 million. These four groups accounted for the remaining 18.8 per cent of all direct investment in Canada by United States residents.

Throughout the period from 1945 to 1970, the manufacturing group predominated in U.S. direct investment. Investment in this group dropped from 51.7 per cent of the U.S. total in 1945 to 39.8 per cent in 1962, but went up to 43.0 per cent by 1970. Direct investment in petroleum and natural gas rose from 6.1 per cent in 1945 to 28.7 per cent in 1958, then declined to 24.8 per cent in 1970. Investment in other mining and smelting showed a fairly steady increase from 9.3 per cent to 13.4 per cent.

U.S. direct investment in Canadian manufacturing was distributed between product groups as shown in Table CD-10, which gives book value in dollars from 1945 to 1970.

In 1970, United States residents had more direct investment in iron and products than in any other manufacturing group. This amounted to \$3,025 million compared with \$272 million in 1945. In wood and paper products, U.S.

residents owned direct investments of \$1,658 million in 1970 compared with \$316 million in 1945. In non-ferrous metals it was \$1,503 million in 1970 compared with \$203 million in 1945. In chemicals and allied products direct investment was \$1,285 million in 1970, from \$118 million in 1945. Vegetable products had U.S. direct investment of \$917 million in 1970 compared with \$140 million in 1945.

The value of direct investment in the four remaining product groups in 1970 was \$247 million in non-metallic minerals; \$233 million in animal products; \$228 million in miscellaneous manufactures; and \$157 million in textiles.

Table XIII-2 shows the percentage of U.S. direct investment which was in each product group at the end of 1945 and at the end of 1970. Investment in iron and products and in chemicals and allied products was proportionately greater at the end of 1970 than at the end of 1945. All other product groups had a smaller proportion in 1970 than in 1945.

TABLE XIII-2

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT INVESTMENT IN CANADIAN MANUFACTURING BY THE UNITED STATES, BY PRODUCT GROUP, 1945 AND 1970

(per cent)

Product Group	1945	1970
Vegetable products	11.8	9.9
Animal products	3.7	2.5
Textiles	2.4	1.7
Wood and paper products	26.5	17.9
Iron and products	22.8	32.7
Non-ferrous metals	17.0	16.2
Non-metallic minerals	3.3	2.7
Chemicals and allied products	9.9	13.9
Miscellaneous manufacturing	2.6	2.5
Total	100.0	100.0

Source: From Table CD-10

United Kingdom

Table CD-11 shows the industrial distribution of direct investment in Canada by residents of the United Kingdom from 1945 to 1970. Table CD-11A gives the equivalent percentage breakdown.

Direct investment by U.K. residents in Canadian manufacturing rose from \$156 million in 1945 to \$842 million in 1970, with gains in most years. As a

proportion of total U.K. direct investment, it rose from 44.8 per cent in 1945 to 63.4 per cent in 1952, then declined fairly steadily to 33.6 per cent in 1970. Direct investment by U.K. residents in finance in 1970 was \$545 million compared with \$98 million in 1945 (21.8 per cent of total U.K. direct investment compared with 28.2 per cent). Direct investment in petroleum and natural gas in 1970 was \$536 million, which constituted 21.4 per cent of U.K. direct investment in Canada. There was no significant direct investment recorded in this group before 1953.

U.K. direct investment in merchandising in 1970 was \$297 million compared with \$51 million in 1945 (11.9 per cent compared with 14.7 per cent). In 1970, investment in the remaining three industrial groups consisted of \$154 million in other mining and smelting (6.1 per cent); \$79 million in other enterprises (3.1 per cent); and \$52 million in utilities (2.1 per cent).

The distribution between product groups of U.K. direct investment in Canadian manufacturing is shown in Table CD-12 from 1945 to 1970. Table XIII-3 gives the percentage breakdown for 1945 and 1970.

At the end of 1970, direct investment in chemical and allied products by residents of the United Kingdom was \$232 million. Their direct investment in wood and paper products was \$170 million, and in iron and products \$146 million. In 1970 these three product groups shared 65.1 per cent of all the U.K. direct investment in manufacturing, compared with 34.0 per cent in 1945.

TABLE XIII-3

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT INVESTMENT IN CANADIAN
MANUFACTURING BY THE UNITED KINGDOM, BY PRODUCT GROUP,
1945 AND 1970

(per cent)

Product Group	1945	1970
Vegetable products	38.5	15.7
Animal products	1.9	0.8
Textiles	16.6	6.5
Wood and paper products	19.2	20.2
Iron and products	2.6	17.3
Non-ferrous metals	5.1	6.2
Non-metallic minerals	2.6	5.3
Chemicals and allied products	12.2	27.6
Miscellaneous manufactures	1.3	0.4
Total	100.0	100.0

Source: From Table CD-12

Direct investment in the remaining six product groups in 1970 consisted of \$132 million in vegetable products, \$55 million in textiles, \$52 million in non-ferrous metals, \$45 million in non-metallic minerals, \$7 million in animal

products, and \$3 million in miscellaneous manufacturing. Collectively, these six categories accounted for 34.9 per cent of U.K. direct investment in manufacturing in 1970.

The proportion of direct investment devoted to iron and products and to chemicals and allied products increased markedly during the period. The proportion devoted to vegetable products and to textiles decreased markedly.

Countries Other Than The United States and the United Kingdom

Direct investments in Canada which were owned by residents of countries other than the United States and United Kingdom were distributed between industrial groups as shown in Table CD-13. This table gives book value in dollars from 1945 to 1970. Table XIII-4 shows the equivalent percentage distribution.

TABLE XIII-4

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT INVESTMENT IN CANADA
BY RESIDENTS OF COUNTRIES OTHER THAN THE UNITED STATES AND
UNITED KINGDOM, BY INDUSTRIAL GROUP, 1945 AND 1970

(per cent)

Industrial group	1945	1970
Petroleum and natural gas	-	29.8
Other mining and smelting	-	9.2
Manufacturing	19.7	29.2
Merchandising	6.6	5.6
Financial	70.5	22.3
Utilities	1.6	1.0
Other enterprises	1.6	2.9
Total	100.0	100.0

Source: From Table CD-13

In 1970, residents of countries other than the United States and United Kingdom had the largest portion of their direct investment in Canada in petroleum and natural gas. The book value was \$736 million, or 29.8 per cent of their total. In 1945, it had not been measurable. Their direct investment in financial enterprises was \$551 million in 1970 (22.3 per cent) compared with \$43 million (70.5 per cent) in 1945. Direct investment in manufacturing was \$720 million (29.2 per cent) in 1970 compared with \$12 million (19.7 per cent) in 1945.

Direct investment in the four remaining industrial groups in 1970 consisted of \$228 million in other mining and smelting; \$139 million in merchandising; \$72 million in other enterprises; and \$25 million in utilities. Investment in these groups was 18.7 per cent of the total.

Direct investment in Canadian manufacturing by residents of countries

other than the United States and the United Kingdom was distributed between product groups as shown in Table CD-14 from 1945 to 1970. Table XIII-5 gives equivalent percentage breakdowns.

TABLE XIII-5

PERCENTAGE DISTRIBUTION OF DIRECT INVESTMENT IN CANADA OWNED BY
RESIDENTS OF COUNTRIES OTHER THAN THE UNITED STATES AND
UNITED KINGDOM, BY PRODUCT GROUP,
1945 AND 1970

(per cent)

Product group	1945	1970
Vegetable products	-	12.6
Animal products	-	2.8
Textiles	16.7	1.4
Wood and paper products	16.7	32.1
Iron and products	8.3	10.7
Non-ferrous metals	-	7.8
Non-metallic minerals	-	17.9
Chemicals and allied products	58.3	14.3
Miscellaneous manufactures	-	0.4
Total	100.0	100.0

Source: From Table CD-14

In 1970, direct investment in wood and paper products by residents of countries other than the United Kingdom and United States was \$231 million, or 32.1 per cent of direct investment in manufacturing. Their direct investment in non-metallic minerals was \$129 million, or 17.9 per cent. In chemicals and allied products it was \$103 million, or 14.3 per cent; and in iron and products \$77 million or 10.7 per cent.

Direct investment in the remaining five product groups in 1970 totalled \$180 million, or 25.0 per cent.

Between 1945 and 1970, there was a substantial decline in the proportion of investment which went to chemicals and allied products and to textiles. The proportion going to each of the other product groups increased.

XIV. TOTAL INVESTMENT IN ENTERPRISES CONTROLLED BY NON-RESIDENTS, BY INDUSTRY AND PRODUCT

It was seen in Chapter V that total investment in foreign-controlled enterprises is greater than the investment owned in the country of control. In that chapter the geographical distribution of total investment was examined. In this chapter its industrial distribution will be analyzed.

Table CD-19 gives the industrial distribution of total investment in those enterprises which were controlled by residents of the United States, the United Kingdom and all other foreign countries as a group for selected years from 1945 to 1967.

All Foreign Countries

In 1967, total investment controlled by non-residents was highest in manufacturing, at \$11,066 million. The next largest investment was in petroleum and natural gas, at \$7,229 million. Mining and smelting followed with \$3,378 million, and the financial industry ranked fourth with \$3,195 million. Merchandising was fifth with \$1,644 million, followed by utilities at \$864 million and other enterprises at \$690 million.

The book value of total investment in manufacturing which was controlled by residents of the United States was \$8,826 million in 1967. It was \$5,836 million in petroleum and natural gas, \$2,919 million in other mining and smelting, and \$1,714 million in the financial industry. Merchandising accounted for \$977 million, utilities for \$786 million, and other enterprises for \$529 million.

The predominance of control from the United States is illustrated in Table XIV-1 below.

TABLE XIV-1

TOTAL INVESTMENT CONTROLLED BY THE UNITED STATES AS A PERCENTAGE
OF ALL FOREIGN-CONTROLLED INVESTMENT IN CANADA, BY INDUSTRIAL GROUPS,
YEAR ENDS 1960 AND 1967

(per cent)

Industrial group	1960	1967
Petroleum and natural gas	78.1	76.9
Mining and smelting	87.1	80.7
Manufacturing	86.5	86.4
Merchandising	74.7	79.8
Financial	58.2	59.4
Utilities	70.2	53.6
Other enterprises	82.5	91.0
Total	74.4	76.7

Source: Derived from Table CD-19

Table XIV-1 shows, for industrial groups, the proportion of all foreign-controlled investment in Canada which was controlled from the United States at the end of 1960 and at the end of 1967. Over this period residents of the United States increased their proportion of total foreign-controlled investment from 74.4 per cent to 76.7 per cent. The proportion controlled by them in merchandising, financial services and other enterprises increased, and the proportion controlled in the other industrial groups decreased. They controlled over three-quarters of the investment under non-resident control in five of the industrial groups.

Residents of the United Kingdom controlled \$1,709 million of investment in manufacturing in 1967. In petroleum and natural gas they controlled \$701 million, and in finance \$594 million. U.K. investors controlled investments of \$281 million in other mining and smelting, \$115 million in other enterprises, and \$71 million in utilities.

In 1967 the book value of total investment controlled from other foreign countries was highest in finance with \$887 million. Petroleum and natural gas followed with \$692 million. Manufacturing ranked third with \$531 million, followed by other mining and smelting with \$178 million, merchandising with \$117 million, other enterprises with \$46 million, and utilities with \$7 million.

Table CD-20 breaks down the manufacturing investment controlled by each of these three groups of residents into nine product groups. It gives the book value of total investment in each product group, by the country or area of control.

Certain product groups ranked high for all areas of control. In particular, both the iron and products group and the wood and paper products group were among the three biggest groups in each of the three areas.

As Table CD-20 shows, total investment in the manufacturing controlled by non-residents was highest in iron and products in 1967, at \$2,970 million. Wood and paper products were next with investment of \$2,052 million. Investment in non-ferrous metals ranked third with \$1,921 million, chemicals and allied products fourth with \$1,777 million, and vegetable products fifth at \$1,232 million. They were followed by non-metallic minerals at \$469 million, animal products at \$276 million, textiles at \$191 million, and miscellaneous manufactures at \$178 million.

Of the various product groups that make up the manufacturing industry, U.S.-controlled investment in 1967 was highest in iron and products with \$2,552 million. Non-ferrous metals was next with \$1,703 million, wood and paper products

ranked third with \$1,604 million, and chemicals and allied products followed with \$1,361 million. In aggregate, these four product groups accounted for 81.8 per cent of U.S. controlled manufacturing in Canada in 1967. For the remaining product groups, the 1967 figures were: vegetable products, \$853 million; non-metallic minerals, \$227 million; animal products, \$224 million; miscellaneous manufacturing, \$170 million; and textiles, \$132 million. U.K.-controlled investments in manufacturing in 1967 were notable in chemicals and allied products with \$359 million; in iron and products with \$347 million; in wood and paper products with \$345 million; and in vegetable products with \$332 million.

Investments which residents of other countries abroad controlled in the product groups of manufacturing in 1967 included \$195 million in non-metallic minerals, \$103 million in wood and paper products, and \$71 million in iron and products.

The effect on the Canadian economy of foreign control can, for some purposes, be more effectively analyzed on the basis of total investment under foreign control than on that of ownership by the controlling interests. For matters such as capital expenditures within Canada, some direct investors exert an influence greater than that of their ownership alone. They exert a type of "leverage" effect, as was seen in Chapter VI. Table XIV-2 illustrates this.

TABLE XIV-2

BOOK VALUE OF FOREIGN DIRECT INVESTMENT IN CANADA AND VALUE OF INVESTMENT CONTROLLED, BY INDUSTRIAL GROUP, YEAR END 1967

Industrial Group	Direct invest- ment owned	Total invest- ment controlled	Investment con- trolled as a per cent of investment owned
	(millions of dollars)		(per cent)
	(1)	(2)	(3)
Petroleum and natural gas	5,269	7,229	137.2
Mining and smelting	2,547	3,378	132.6
Manufacturing	8,599	11,066	128.7
Merchandising	1,252	1,644	131.3
Financial	2,170	3,195	147.2
Utilities	344	864	251.2
Other enterprises	518	690	133.2
Total	20,699	28,066	135.6

Source: Column (1) from Table CD-7
Column (2) from Table CD-19

For total direct investment in 1967, the amount of investment which the foreign owners controlled was 35.6 per cent greater than the amount of direct investment which they owned. In effect, each \$100 of direct investment resulted in control of \$137 of capital. The leverage effect was greatest in utilities, where it brought an extra 151.2 per cent of investment under control, and least in manufacturing, where it brought under control an extra 28.7 per cent.

The leverage effect in each industrial group for each of the three geographical areas is shown in Table XIV-3 below.

TABLE XIV-3

BOOK VALUE OF FOREIGN DIRECT INVESTMENT IN CANADA AND VALUE OF INVESTMENT CONTROLLED, BY INDUSTRIAL GROUP, YEAR END 1967

Industrial Group	Investment Controlled as Percentage of Investment Owned (per cent)			
	All Countries	U.S.	U.K.	Other Countries
	(1)	(2)	(3)	(4)
Petroleum and natural gas	137.2	136.0	147.0	137.8
Mining and smelting	132.6	125.7	228.5	176.2
Manufacturing	128.7	118.7	196.4	181.8
Merchandising	131.3	116.2	180.9	109.3
Financial	147.2	125.0	202.7	175.3
Utilities	251.2	248.7	338.1	100.0
Other enterprises	133.2	125.4	179.7	143.8
Total	135.6	127.0	186.8	158.9

Source: (1) Calculated from Tables CD-7 and CD-19
 (2) Calculated from Tables CD-9 and CD-19
 (3) Calculated from Tables CD-11 and CD-19
 (4) Calculated from Tables CD-13 and CD-19

For all investment under non-resident control, the leverage was highest in the case of the United Kingdom, which controlled \$186.8 for every \$100 invested. Their direct investors thus had the potential for an additional 87 per cent of control. The leverage was lowest in the case of the U.S., which had an extra 27 per cent of capital under control. This reflects the preference of U.S. direct investors for having full, or almost full, ownership of their subsidiaries.

The highest leverage observed for an industrial group was an extra 238.1 per cent of capital under control in utilities by the U.K.. The lowest was the zero leverage which the other countries group had over capital employed in utilities.

XV. DEGREE OF NON-RESIDENT CONTROL BY INDUSTRY AND PRODUCT

The industrial distribution of foreign-controlled investment in Canada has already been discussed. This chapter seeks to place this investment in perspective by comparing it, wherever possible, with the total capital employed in the industrial groups concerned.

Statistics Canada have made estimates of the value of total capital in some areas of the national wealth. This series differs in several important respects from those on the foreign investment position. The relationship between them has been described as follows:

"It is pointed out that estimates of all capital invested in Canadian industry are only possible for some separate industrial subdivisions. This is because of the limiting factors inherent in using corporate financial data originating from different sources. The other aspect of the data to bear in mind is that the statistics on investments in industry which have been presented only cover that sector of Canada's National Wealth. Not covered are large sectors of Canadian wealth which are predominantly Canadian-owned and controlled such as investments in agriculture and social capital, other kinds of personal property and Canadian investments outside of Canada.

Briefly, while the principal source of the Bureau's estimates of the foreign investment position is the capital structure reflected on Consolidated Balance Sheets of enterprises, classified according to the principal activity pursued, the source utilized most extensively for estimating the comparable aggregate capital value of selected Canadian industries is the summation of Unconsolidated Balance Sheets of fully tabulated companies found in "Taxation Statistics", as compiled by the Department of National Revenue, classified according to the activity of the individual company. Additional difficulties of comparison arise from variations in accounting practices, in reporting dates, in the classifications of incorporated enterprises, and the inclusion or exclusion of non-corporate enterprises, Crown corporations, and of foreign branches and subsidiaries. These necessitate further adjustments in order to provide a more accurate statistical basis for comparison."¹

Table CD-39 gives the estimated book value of capital employed in an aggregation of selected groups of Canadian industries, by country of control, for the years 1960 to 1967. There is a breakdown between enterprises controlled in Canada and those controlled elsewhere. Enterprises controlled in Canada are further broken down between government enterprises and private enterprises. Those controlled elsewhere are further broken down between those controlled in the United States and those controlled in other countries. The table also gives a percentage breakdown.

The industrial groups selected for aggregation are manufacturing; petroleum and natural gas; other mining and smelting; railways; other utilities; and merchandising and construction.

Table CD-40 gives a similar presentation for the manufacturing group by itself. Tables CD-41 and CD-44 give percentage breakdowns on control of the capital

employed in individual groups of manufacturing industries. There is one table for each of the following geographical areas of control:- Canada, the rest of the world; the United States, and countries other than Canada or the United States.

Tables CD-45 and CD-49 give geographical breakdowns on the same lines as Tables CD-39 and CD-60, individually for petroleum and natural gas; other mining and smelting; railways; other utilities; and for merchandising and construction.

It can be seen from Table CD-39 that in 1967, the estimated book value of capital employed in the industrial groups concerned amounted to \$71.6 billion. Of these totals Canadian-controlled enterprises accounted for \$46.8 billion and enterprises controlled elsewhere accounted for \$24.9 billion. In 1960, the total had been \$45.6 billion, of which \$30.3 billion were under Canadian control and \$15.2 billion under foreign control.

Of the capital employed in Canadian-controlled enterprises in 1967, \$16.0 billion was in government enterprises and \$30.8 billion was in private enterprises. Of the capital employed in enterprises controlled abroad in 1967, \$19.9 billion was controlled in the United States and \$5.0 billion in other countries.

Over the period from 1960 to 1967, the estimated book value of capital employed in these selected industries increased by some \$26.0 billion. Canadian-controlled enterprises received \$16.5 billion of this increase, of which \$6.2 billion went to government enterprises and \$10.3 billion to private enterprises.

The remaining \$9.7 billion of the increase was in the sector controlled abroad. Of it, \$7.9 billion was in U.S.- controlled enterprises and \$1.8 billion in enterprises controlled in other countries.

The proportion of total capital employed in these selected industries which were controlled by residents dropped from 67 per cent in 1960 to 65 per cent in 1967. The decrease was due to a decline in the private sector's share from 45 per cent to 43 per cent. The share held by Canadian government enterprises was 22 per cent at both the beginning and end of the period with a rise to 24 per cent in between.

The proportion of capital controlled outside Canada rose from 33 per cent in 1960 to 35 per cent in 1967. The increase was due to a rise in U.S. control from 26 per cent to 28 per cent. Control from other countries was steady at 7 per cent.

Manufacturing

Table CD-40 shows that in 1967 the estimated book value employed in the manufacturing industry in Canada amounted to \$20.5 billion. Of this total, residents controlled \$8.8 billion (43 per cent) and non-residents \$11.8 billion (57 per cent)

Of the Canadian-controlled enterprises, government enterprises accounted for \$0.2 billion (1 per cent) and private enterprises accounted for \$8.6 billion (42 per cent). Of the enterprises controlled elsewhere, U.S. residents controlled \$9.4 billion of the total capital employed (45 per cent) and other foreign countries controlled \$2.4 billion (12 per cent).

Over the period from 1960 to 1967, the estimated book value of capital employed in Canadian manufacturing increased by \$8.3 billion. Of this increase, \$3.7 billion occurred in the Canadian-controlled sector, \$3.8 billion of it in private enterprises and minus \$0.1 billion in government enterprises. In the foreign-controlled sector, the increase was \$4.6 billion, \$4.0 billion of which was attributable to enterprises controlled in the U.S. and \$0.6 billion to enterprises controlled in other countries.

From 1960 to 1967, the proportion of total capital employed in manufacturing which was controlled by residents rose from 41 per cent to 43 per cent. This rise was caused by an increase in the share of Canadian-controlled private enterprises from 39 per cent to 42 per cent, partly offset by a decline in government enterprises from 2 per cent to 1 per cent. The foreign-controlled sector of Canadian manufacturing dropped from 59 per cent in 1960 to 57 per cent in 1967. This was due to a decrease in the share of countries other than the U.S. from 15 per cent to 12 per cent, partly offset by a rise in the share of the U.S. from 44 per cent to 45 per cent.

Table CD-41^{2/} gives a finer breakdown of the manufacturing which was controlled by residents of Canada, from 1954 to 1967. The percentage of capital controlled by residents is given for each of 12 groups of manufacturing industries. Table CD-42 gives similar information on non-resident control and Tables CD-43 and CD-44 break down this non-resident control by the U.S. and other foreign countries.

Table CD-41 shows that between 1954 and 1967, Canadian control decreased in all manufacturing groups except two. In pulp and paper there was an increase from 44 per cent to 51 per cent. In electrical apparatus the level of Canadian control was 23 per cent at both the beginning and the end of the period.

In 1967 the following manufacturing groups were over 50 per cent controlled by Canadians; beverages (79 per cent), textiles (78 per cent), pulp and paper (51 per cent), agricultural machinery (61 per cent), and iron and steel mills (90 per cent).

Table CD-42 shows the proportion of capital employed in individual manufacturing groups which was controlled by non-residents. Over the period from 1954 to 1967, non-resident control increased in the following groups; beverages, rubber, textiles, agricultural machinery, automobiles and parts, transportation equipment, iron and steel mills, chemicals, and other manufacturing. In 1967 the following product groups were more than 50 per cent under non-resident control; rubber (98 per cent), automobiles and parts (96 per cent), transportation equipment n.o.p. (76 per cent), aluminum (100 per cent), electrical apparatus (77 per cent), chemicals (79 per cent), and other manufacturing (53 per cent).

Table CD-43 shows the proportion of capital employed in the manufacturing groups that was controlled by residents of the United States. In this case, data are available for only eight out of twelve product groups. In one of these groups (automobiles and parts) data are given only from 1954 to 1958. Over the period from 1954 to 1967, residents of the U.S. increased their control in textiles, transportation equipment, electrical apparatus, and chemicals.

In 1967 residents of the U.S. controlled 67 per cent of the electrical apparatus group, and 61 per cent of the chemicals group. Data for five groups are not available for that year. In one of these, automobiles and parts, residents of the U.S. increased their control from 95 per cent in 1954 to 97 per cent in 1958.

Table CD-44 shows the percentage of capital employed in manufacturing groups which was controlled by residents of countries abroad other than the United States. These data are available for only eight out of the twelve groups, and in the case of automobiles and parts only for some years. Over the period from 1954 to 1967, residents of other countries abroad increased their proportion of control in transportation equipment, in iron and steel mills, and in other manufacturing. In pulp and paper their percentage in 1967 was the same as it had been in 1954 although it changed frequently between these years.

Of the product groups for which data are available, residents of other foreign countries registered their highest level of control in 1967 in transportation equipment, at 28 per cent.

Petroleum and Natural Gas

Table CD-45 gives the estimated book value and percentage distribution of capital employed in the petroleum and natural gas industry, by area of control, from 1960 to 1967.

In 1967, the estimated book value of capital employed in the petroleum and natural gas industry amounted to \$9.7 billion. Of this, Canadian-controlled enterprises accounted for \$2.6 billion and enterprises controlled elsewhere accounted for \$7.2 billion. Of the Canadian-controlled capital, \$0.3 billion was attributable to government enterprises and \$2.3 billion to private enterprises. Of the capital controlled elsewhere, \$5.8 billion was attributable to U.S.- controlled enterprises and \$1.4 billion to those controlled in other countries.

In 1960, 27 per cent of capital employed in the petroleum and natural gas industry was under Canadian control. By 1967 this proportion had decreased to 26 per cent. This decrease of one percentage point was due to a decrease in the share controlled by Canadian private enterprises from 25 per cent to 23 per cent, partly offset by an increase in the share controlled by government enterprises from 2 per cent to 3 per cent.

Non-resident control of the petroleum and natural gas industry rose from 73 per cent in 1960 to 74 per cent in 1967. This increase was due to an increase in control by countries other than the U.S. from 9 per cent of capital employed in 1960 to 14 per cent in 1967, partially offset by a decrease in U.S. control from 64 per cent to 60 per cent.

Mining and Smelting

Table CD-46 gives the estimated book value and percentage distribution of capital employed in the other mining and smelting group, by country of control, for the years 1960 to 1967.

In 1967 the book value of capital employed in other mining and smelting amounted to \$5.2 billion, of which \$1.8 billion was in Canadian-controlled enterprises and 3.4 billion in enterprises controlled elsewhere. Of the Canadian-controlled portion, \$0.1 billion was in government enterprises and \$1.7 billion in private enterprises. Of the capital controlled elsewhere, the U.S. controlled \$2.9 billion and all other countries controlled \$0.5 billion.

Residents of Canada controlled 39 per cent of capital employed in the mining and smelting industry in 1960, and this had decreased to 35 per cent in 1967, after going up to 42 per cent in 1962. The decline from 39 per cent to 35 per cent was caused by a decrease in the share of government-controlled enter-

prises from 2 per cent to 1 per cent and a decrease in the share of private enterprises from 37 per cent to 34 per cent.

Non-residents controlled 61 per cent of the capital employed in the mining and smelting industry in 1960, and this increased to 65 per cent by 1967. Most of the increase was due to a rise in the U.S. percentage of control from 53 per cent to 56 per cent. Other countries increased their share of control from 8 per cent to 9 per cent.

Railways

Table CD-47 gives the estimated book value and percentage distribution of capital employed in railways, by country of control, for the years from 1960 to 1967.

In 1967 the book value of capital employed in railways amounted to \$5.5 billion, of which \$5.4 billion was under Canadian control. Non-residents controlled \$0.1 billion. Of the Canadian-controlled capital, government enterprises were using \$3.9 billion and private enterprises \$1.5 billion. The capital under non-resident control was \$0.1 billion, all of which was under U.S. control.

Canadians controlled 98 per cent of the capital employed in railways throughout the period. However, the mix between private and public enterprise changed considerably. In 1960, government enterprises used 68 per cent and private enterprises 30 per cent. By 1967, government enterprises used 71 per cent and private enterprises 27 per cent.

The proportion controlled from the U.S. was constant throughout the period at 2 per cent.

Other Utilities

Table CD-48 gives the estimated book value and percentage distribution of capital employed in other utilities (utilities other than railroads), by country of control, for the years from 1960 to 1967.

In 1967 the book value of capital employed in other utilities amounted to \$16.2 billion, of which Canadians controlled \$15.4 billion and non-residents controlled \$0.8 billion. Of the Canadian-controlled capital, \$11.4 billion was in government enterprises and \$4.0 billion in private enterprises. Of the capital controlled elsewhere, \$0.7 billion was controlled from the U.S. and \$0.1 billion from other countries.

Canadian residents controlled 95 per cent of capital employed in other utilities in both 1960 and 1967. The mix between public and private enterprises

was 61 per cent public and 34 per cent private in 1960; 70 per cent public and 25 per cent private in 1967.

The U.S. was responsible for all of the foreign-controlled proportion in 1967, with 5 per cent. In 1960, the foreign-controlled share was also 5 per cent but in that year the U.S. controlled only 4 per cent.

Merchandising and Construction

Table CD-49 shows the estimated book value and percentage distribution of capital employed in merchandising and construction, by country of control, for the years from 1960 to 1967.

In 1967, the book value of capital employed in merchandising and construction amounted to \$14.4 billion, of which \$12.8 billion was under Canadian control and \$1.7 billion under non-resident control. Of the capital under Canadian control, \$0.1 billion was in government enterprises and \$12.7 billion in private enterprises. Of the capital under non-resident control, U.S. residents controlled \$1.0 billion and residents of other countries controlled \$0.7 billion.

Canadians controlled 89 per cent of capital employed in merchandising and construction in both 1960 and 1967. Throughout the period, one per cent was in government enterprises and either 88 or 87 per cent in private enterprises. Non-residents controlled 11 per cent in 1960 and 1967. This was made up of 7 per cent under U.S. control and 4 per cent under other control.

1/ The Canadian Balance of International Payments, 1960 and International Investment Position, DBS, Ottawa, March 1962, page 62.

2/ Since the final text of this working paper was determined, Statistics Canada have published data on control of selected manufacturing industries up to 1969 which would update Tables CD-41 to CD-44. See Statistics Canada Daily, October 16, 1973, page 4.

XVI. DIVIDEND PAYMENTS, BY INDUSTRY AND PRODUCT

Dividends were discussed in Chapter IX, with special reference to their geographical distribution. The type of industry in which they were earned will now be examined.

Table CD-25 shows dividend payments on direct investment in Canada by non-residents, by industrial group, biennially from 1958 to 1966.

Dividend payments on direct investment in manufacturing were larger than for any other industrial group in 1966. They were \$303 million compared with \$161 million in 1958. Payments from direct investment in mining and smelting were \$116 million in 1966 compared with \$70 million in 1958. Over the same period, dividend payments from petroleum and natural gas increased to \$86 million from \$38 million. Smaller payments were made from merchandising, finance, utilities and other enterprises. Payments from these groups totalled \$73 million in 1966 compared with \$61 million in 1958.

Table XVI-1 below shows the percentage distribution of dividend payments, by industrial group from which they came, in 1958 and 1966.

TABLE XVI-1

PERCENTAGE DISTRIBUTION OF DIVIDEND PAYMENTS TO ALL COUNTRIES
FROM DIRECT INVESTMENT IN CANADA, BY INDUSTRIAL GROUP,
1958 AND 1966

(per cent)

Industrial group	1958	1966
Petroleum	11.5	14.9
Other mining and smelting	21.2	20.1
Manufacturing	48.9	52.3
Merchandising	8.2	5.2
Financial	4.8	4.0
Utilities	2.4	1.2
Other enterprises	3.0	2.3
Total	100.0	100.0

Source: Calculated from Table CD-25

In 1966, 52.3 per cent of dividend payments were from manufacturing, 20.1 per cent from mining and smelting, and 14.9 per cent from petroleum. The 87.3 per cent of dividends which came from these three groups in 1966 showed increased concentration since 1958, when they were 81.6 per cent.

Table CD-26 gives a finer breakdown of the dividend payments on direct investment in Canadian manufacturing. It gives figures for nine product

groups biennially from 1958 to 1966. Table XVI-2 below shows the percentage distribution in 1958 and in 1966.

TABLE XVI-2

PERCENTAGE DISTRIBUTION OF DIVIDEND PAYMENTS TO ALL COUNTRIES FROM DIRECT INVESTMENT IN CANADIAN MANUFACTURING, BY PRODUCT GROUP, 1958 AND 1966.

(per cent)

Product group	1958	1966
Vegetable products	11.9	10.3
Animal products	1.9	1.0
Textiles	1.9	1.0
Wood and paper products	12.5	9.9
Iron and its products	37.4	46.3
Non-ferrous metals	13.1	12.9
Non-metallic minerals	2.5	1.7
Chemicals and allied products	16.3	15.2
Miscellaneous manufacturing	2.5	1.7
Total manufacturing	100.0	100.0

Source: Calculated from Table CD-26

In 1966 dividend payments from the iron and products group were \$140 million (46.3 per cent); from the chemical and allied products group \$46 million (15.2 per cent); and from the non-ferrous metals group \$39 million (12.9 per cent). Thus, these three groups provided 74.4 per cent of all the dividends from manufacturing in 1966, compared with 66.8 per cent in 1958.

Dividend payments from the wood and paper products group were \$30 million in 1966 (9.9 per cent) and from the vegetable products group, \$31 million (10.3 per cent). Payments from the non-metallic minerals, textiles, miscellaneous manufacturing, and animal products groups were small in 1966, the total being \$16 million (5.4 per cent). The only group to increase its percentage from 1958 to 1966 was iron and its products.

A breakdown by industrial group of dividend payments from direct investment is available in the case of payments to the United States for earlier years than in the case of payments to all areas. Table CD-27 shows them for selected years from 1946 to 1966. Table XVI-3 below gives the percentage distribution at the end of 1958 and at the end of 1966.

TABLE XVI-3

PERCENTAGE DISTRIBUTION OF DIVIDEND PAYMENTS TO THE UNITED STATES
FROM DIRECT INVESTMENT IN CANADA, BY INDUSTRIAL GROUP,
1958 AND 1966

(per cent)

Industrial group	1958	1966
Petroleum and natural gas	13.0	15.7
Mining and smelting	23.5	22.5
Manufacturing	48.1	53.4
Merchandising	7.2	2.5
Financial	4.1	2.5
Utilities	1.0	1.3
Other enterprises	3.1	2.1
Total	100.0	100.0

Source: Calculated from Table CD-27

In 1966, more than half of all dividend payments to the United States from direct investment in Canada came from manufacturing. This was \$275 million (53.4 per cent) compared with \$71 million (48.1 per cent) in 1946. Dividend payments going to the United States in 1966 from direct investment in mining and smelting were \$116 million (22.5 per cent), and from petroleum and natural gas, \$81 million (15.7 per cent). Dividend payments in 1966 from those three industries represented 91.6 per cent of all dividend payments going to the United States from direct investment in Canada, compared with 84.6 per cent in 1958.

Dividend payments to the United States in 1966 from direct investment in all other industries were \$44 million, or 8.4 per cent. In 1946, the total was \$16 million, or 15.4 per cent.

Dividend payments on direct investment by the United States in Canadian manufacturing are further broken down by product group. Table CD-28 gives a breakdown into nine product groups for selected years from 1946 to 1966. Table XVI-4 below gives the percentage distribution for 1958 and 1966.

In 1966, dividend payments to the United States from direct investment in Canada in iron and products were \$134 million (48.7 per cent); from chemicals and allied products they were \$41 million (14.9 per cent); and from non-ferrous metals \$37 million (13.5 per cent). These three product groups in 1966 were the source of 77.1 per cent of the dividends from direct investment in manufacturing which went to the United States from Canada, an increase from 69.8 per cent in 1958.

TABLE XVI-4

PERCENTAGE DISTRIBUTION OF DIVIDEND PAYMENTS TO THE UNITED STATES
FROM DIRECT INVESTMENT IN CANADIAN MANUFACTURING, BY PRODUCT GROUP,
1958 AND 1966

(per cent)

Product group	1958	1966
Vegetable products	10.6	8.8
Animal products	2.1	0.7
Textiles	1.4	0.7
Wood and paper products	10.5	9.1
Iron and products	40.9	48.7
Non-ferrous metals	14.8	13.5
Non-metallic minerals	2.8	1.8
Chemicals and allied products	14.1	14.9
Miscellaneous manufacturing	2.8	1.8
Total manufacturing	100.0	100.0

Source: Calculated from Table CD-28

Dividend payments in the remaining six product groups were \$63 million in 1966, and made up 22.9 per cent of dividends from manufacturing.

Table CD-29 shows dividend payments on direct investment in Canada by the United Kingdom, by industrial group, biennially from 1958 to 1966.

Table XVI-5 below shows the percentage distribution in 1958 and in 1966.

TABLE XVI-5

PERCENTAGE DISTRIBUTION OF DIVIDEND PAYMENTS TO THE UNITED KINGDOM
FROM DIRECT INVESTMENT IN CANADA, BY INDUSTRIAL GROUP,
1958 AND 1966

(per cent)

Industrial group	1958	1966
Petroleum and natural gas	-	-
Mining and smelting	-	-
Manufacturing	69.2	50.0
Merchandising	23.1	36.6
Financial	7.7	11.2
Utilities	-	-
Other enterprises	-	2.2
Total	100.0	100.0

Source: Calculated from Table CD-29

In 1966, dividend payments to the United Kingdom from direct investment in manufacturing were as large as those from all other industrial groups combined. They were \$22 million out of total payments of \$44 million. This compared with \$18 million from manufacturing in 1958. From merchandising,

dividend payments were \$17 million in 1966 compared with \$6 million in 1958. Table XVI-5 above shows that 86.6 per cent of the dividends came from manufacturing and merchandising in 1966, down from 92.3 per cent in 1958. Dividend payments on direct investment in all other industries in 1966 were \$6 million compared with \$2 million in 1958.

Table CD-30 shows dividend payments to the United Kingdom from direct investment in Canadian manufacturing, by product group, biennially from 1958 to 1966.

In 1966, dividend payments to the United Kingdom from direct investment in vegetable products were \$7 million; from chemicals and allied products they were \$5 million; and from wood and paper products \$5 million. Dividend payments from direct investment in the other six manufacturing product groups amounted to \$4 million in 1966.

Table CD-31 shows dividend payments to countries other than the United States and United Kingdom from direct investment in Canada, by industrial group, biennially from 1958 to 1966.

Dividend payments from direct investment in manufacturing to countries other than the United States and United Kingdom were \$6 million in 1966 compared with \$2 million in 1958. Dividend payments from finance were also \$6 million in 1966 compared with \$2 million in 1958. Payments from petroleum and natural gas were \$5 million in 1966. In 1958 the total was small and not published separately. Payments from the remaining groups were \$3 million in 1966, compared with \$6 million in 1958.

Table CD-32 shows dividend payments to countries other than the United States and the United Kingdom from direct investment in Canadian manufacturing, by product groups biennially from 1958 to 1966. In 1966, dividends to countries other than the United States and the United Kingdom from direct investment in iron and products were \$5 million, and from chemicals and allied products \$1 million.

XVII. CAPITAL FLOWS, BY INDUSTRY

There is no industrial breakdown of total capital flows into Canada from all countries for direct investment. However, in the case of capital flows from the United States two series are available by industry. One is for net capital inflows and another for net capital movements.

Net movements of capital from the United States for all purposes defined as direct investment are usually greater than net capital inflow. As well as movements of capital from the controlling interests, they include new issues, retirements, borrowing, investment abroad, and other items which affect the total value of investment in Canada by U.S. residents in U.S.-controlled enterprises.

Table CD-34 shows the annual net capital inflow from controlling interests in the U.S. for direct investment in Canada, by industrial group from 1952 to 1968. This is a breakdown of column (2) of Table CD-33.

In the seventeen years covered by the table, net capital inflow for direct investment in Canada by the United States totalled \$6,533 million. Approximately 85 per cent of the total went to three industrial groups: petroleum and natural gas; mining and smelting; and manufacturing. Of the total, \$2,567 million or 39.3 per cent was in petroleum and natural gas; \$1,526 million or 23.4 per cent was in mining; and \$1,479 million or 22.6 per cent was in manufacturing.

In petroleum and natural gas the inflow was \$177 million in 1952. It fell slightly the following year and then rose to a peak of \$237 million in 1957. In 1958 the flow reached \$201 million but fluctuated downward to \$60 million in 1964. By 1968 it had increased to a level of \$131 million.

In mining and smelting the inflow was \$95 million in 1952. It rose to \$106 million in 1953 but fell to \$53 million in 1955. Over the next five years it continued to rise and reached a peak of \$196 million in 1960. Following fluctuations in 1961 and 1962, the inflow fell sharply to \$11 million in 1964. In 1968 it was \$63 million.

In manufacturing, net capital inflows in 1952 and 1953 were \$48 million. They fell to \$23 million in 1954, rose to \$99 million in 1956, fluctuated downwards to \$28 million in 1962 and rose again to \$253 million in 1966. By 1968 they had decreased to \$115 million.

Net capital inflows in the remaining industry groups were smaller. In pulp and paper, they ranged between \$87 million and minus \$16 million, fluctuating considerably. In finance they ranged between \$38 million and minus \$6 million; in utilities between \$22 million and minus \$8 million; in merchandising between \$37 million and minus \$20 million; and in miscellaneous enterprises between \$55 million and minus \$11 million.

Table CD-36 gives a breakdown of net movements of capital from the United States, by industrial group, from 1952 to 1968.

In the period of seventeen years covered, net capital movements for direct investment in Canada by the United States totalled \$8,613 million. More than 76 per cent of the total was directed into petroleum and natural gas; other mining and smelting; and manufacturing.

Net capital movements to all industries amounted to \$458 million in 1952, and reached a peak of \$844 million in 1966. By 1968 the total had decreased to \$591 million.

In petroleum and natural gas, net capital movements ranged between a high of \$367 million and a low of \$23 million during the period. The heaviest movements occurred in the 1950's.

In other mining and smelting, net capital movements ranged between a high of \$220 million and a low of \$24 million in the period from 1952 to 1968. In this case the heaviest movements of capital occurred in the late 1950's and early 1960's. Heavy movements were again registered in 1966, 1967 and 1968.

Net capital movements into the manufacturing industry in the period from 1952 to 1968 ranged from a high of \$222 million to a low of \$2 million with the heaviest movements occurring in the late 1950's and between 1965 and 1967.

In the pulp and paper industry, net capital movements from 1952 to 1968 were relatively small and erratic at first, with substantial inflows from 1965 to 1967. They ranged between a high of \$129 million and a low of minus \$15 million.

Over the period from 1952 to 1968, net capital movements to the financial industries ranged between a high of \$147 million and a low of \$18 million. There was a period of heavy movements in the early 1960's.

Net movements of capital in the utilities group and in the merchandising group were relatively small and erratic from 1952 to 1968.

In the utilities group they ranged between a high of \$19 million and a low of minus \$5 million. In the merchandising group they ranged between \$34 million and minus \$18 million.

In the miscellaneous manufacturing group, they ranged between \$59 million and minus \$12 million.

XVIII. SOME EFFECTS ON THE BALANCE OF PAYMENTS

Earlier chapters have dealt with the flows of several types of funds which enter into the balance of payments. These include net capital inflow, and dividends and interest paid abroad. In order to give some perspective to the flow of these and related funds, they have been cumulated from 1946 to 1972 in Table CD-50.

From 1946 to 1968, controlling or affiliated interests and portfolio investors in the country of control earned \$17,282 million from direct investment in Canada. This included certain amounts which the Canadian enterprises under control had themselves earned from investments outside Canada. Out of their earnings, controlling interests and portfolio investors in the country of control received \$8,136 million in interest and dividends.

The book value of their investment increased by \$19,821 million during the period. Contributing to this increase were \$8,315 million of retained earnings, \$9,577 million of capital brought in by controlling or affiliated interests, and \$1,929 million attributed to other factors.

The large amount of earnings retained in Canada for direct investment is one of the highlights of Table CD-50. Such earnings are an important source of corporate financing and have been a significant factor in the rapid growth of the equity of non-residents in Canada. In the period from 1946 to 1968, 42.0 per cent of the increase in book value of direct investment in Canada was due to undistributed earnings.

It would have been interesting to compare the total movements of funds inwards and outwards, but the data base for net capital inflow differs from that for dividends and interest paid abroad. Net capital inflow relates only to controlling or affiliated interests, while dividends and interest include payments of dividends both to controlling or affiliated interests and to portfolio investors in the countries of control. Data for net capital movements from all residents in the countries of control are not available on a world-wide basis.

In the case of direct investment in Canada by the United States, data are available for net capital movements to controlled enterprises, whether or

not the capital is owned by the controlling interests. Consequently, inward capital movements can in this case be meaningfully related to outgoing current payments.

Table XV-1 below relates capital movements from the United States to payments of interest and dividends to that country, to provide an estimate of the annual net contribution to the Canadian balance of payments from these two types of transaction. It also gives the annual rate of growth of the book value of U.S. direct investment

TABLE XVIII-1

BALANCE OF PAYMENTS EFFECT OF U.S. DIRECT INVESTMENT IN CANADA,
AND ANNUAL RATE OF GROWTH OF THE BOOK VALUE OF SUCH
INVESTMENT, 1946 - 1967

A minus (-) indicates an outflow from Canada.

Year	Net capital movements from the U.S.	Payments of interest and dividends to the U.S.	Contribution to Canadian balance of payments (1) - (2)	Annual rate of growth of book value of U.S. direct investment
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)	(4)
1946	-5	134	-139	5.4
1947	23	170	-147	4.9
1948	81	162	- 81	10.2
1949	101	216	-115	10.3
1950	219	292	- 73	10.7
1951	310	258	52	13.7
1952	458	214	244	16.3
1953	354	197	157	14.9
1954	341	205	136	11.2
1955	380	243	137	12.5
1956	734	280	454	13.5
1957	644	307	337	14.6
1958	486	303	183	6.8
1959	537	320	217	9.6
1960	538	280	258	6.4
1961	623	350	273	7.0
1962	445	352	93	6.4
1963	272	372	-100	6.5
1964	122	485	-363	1.4
1965	658	495	163	8.5
1966	844	523	321	10.7
1967	586	563	23	9.2
1968	591	518	73	8.9

Source: Col. (1) from Table CD-35, col. (5)
Col. (2) from Table CD-22, col. (2)
Col. (4) calculated from Table CD-4, col. (2).

From 1946 to 1950, more money was leaving Canada for the U.S. in dividends and interest than was coming in as net capital movements from

the U.S. Over these five years, there was an aggregate adverse balance of \$555 million. During this period the annual growth rate for U.S. direct investment was less than 11 per cent. It approximated 5 per cent in 1946 and 1947, in which years fairly large negative effects were observed. It was between 10 and 11 per cent for the next three years, during which the adverse balance became smaller.

From 1951 to 1962, favourable effects on the balance of payments were observed. These rose to a peak of \$454 million in 1956, then declined irregularly to \$93 million in 1962. Over these twelve years, there was a total contribution of \$2,541 million to the balance of payments. For the years up to 1957, when the contribution was below the 1956 peak but still substantial, the annual growth rate of U.S. direct investment was above 11 per cent, ranging from 11.2 per cent to 16.3 per cent. During the last five years of below-peak contributions, the growth rate ranged from 6.4 to 9.6 per cent.

In 1963 and 1964, the contribution was again negative, the adverse effect being \$100 million in 1963 and \$363 million in 1964. Annual growth of U.S. direct investment was 6.5 per cent in 1963, and 1.4 per cent in 1964. Thus, the lowest growth rate observed over the period coincided with the largest adverse effect on the balance of payments.

From 1965 to 1968, favourable effects on the balance of payments were again observed. From \$163 million in 1965, the contribution rose to \$321 million in 1966, and dropped to \$23 million in 1967. The annual growth of U.S. direct investment in this period ranged from 8.5 per cent to 10.7 per cent.

Interest and dividends rose fairly steadily over the twenty-two year period. It was the net capital movements which fluctuated widely, and made for fluctuations in the net effect.

As was to be expected, the balance of payments was most helped insofar as the components covered by this Chapter are concerned, when foreign direct investment was increasing briskly.

Table CD-51 shows selected cumulative series related to direct investment in Canada by United States residents, from 1946 to 1972. It shows cumulative figures for net capital movements and for its two components of

net capital inflow and other capital movements. It also shows undistributed earnings and other factors; net increase in book value; and dividends and interest paid abroad. All of the series are complete up to 1968 and some are complete to later years.

A comparison of Table CD-50 and CD-51 shows that, from 1946 to 1968, residents of the U.S. accounted for 75.7 per cent of the cumulative net capital inflow from all countries, 89.0 per cent of cumulative interest and dividends, and 81.8 per cent of cumulative increase in book value.

From 1946 to 1968 the cumulative net increase in book value of direct investment by residents of the United States was \$16,206 million. Two of the contributors to the increase were a net capital inflow of \$7,252 million and other capital movements of \$2,090 million, giving total net capital movements of \$9,342 million.

During the same period, \$7,239 million was paid out in interest and dividends. This was \$2,103 million less than the cumulative net capital movements of \$9,342 million. Thus, the balance of payments benefitted by \$2,103 million from these two capital-related transactions.

At the end of 1945 (beginning of 1946), the book value of U.S. direct investment in Canada was \$2,304 million. At the end of 1968, it was \$18,510 million. This increase of \$16,206 million accompanied the net contribution to the balance of payments of \$2,103 million mentioned above.

An attempt will now be made to estimate the direct effects on the Canadian balance of payments of U.S. direct investment in various industry groups, by relating net capital movements to payments of dividends. Data are available by industrial group for six years only. Data on interest and dividends are not available by industry group, but the difference caused by omitting interest is small, as will be seen shortly in the discussion of Table XVIII-3.

When the data for individual industrial groups are presented separately later in this chapter, each table will associate the effects on the balance of payments with the annual percentage increase in the book value of U.S. direct investment in the field concerned.

Table XVIII-2 shows, for six selected years from 1953 to 1966, net capital movements from the U.S. into seven industrial groups; the equivalent

TABLE XVIII-2

DIFFERENCE BETWEEN ANNUAL NET CAPITAL MOVEMENTS FOR DIRECT INVESTMENT IN
CANADA BY THE UNITED STATES AND DIVIDEND PAYMENTS TO THE UNITED
STATES ON THIS DIRECT INVESTMENT, BY INDUSTRIAL GROUP,
SELECTED YEARS 1953-1966

(millions of dollars)

Industrial group	1953	1958	1960	1962	1964	1966
<u>Total</u>						
Net capital movements	354	486	538	445	122	844
Dividend payments	<u>183</u>	<u>293</u>	<u>272</u>	<u>345</u>	<u>479</u>	<u>515</u>
Difference	<u>171</u>	<u>193</u>	<u>266</u>	<u>100</u>	<u>-357</u>	<u>329</u>
<u>Petroleum and natural gas</u>						
Net capital movements	185	248	148	155	23	225
Dividend payments	<u>18</u>	<u>38</u>	<u>52</u>	<u>72</u>	<u>79</u>	<u>81</u>
Difference	<u>167</u>	<u>210</u>	<u>96</u>	<u>83</u>	<u>-56</u>	<u>144</u>
<u>Other mining and smelting</u>						
Net capital movements	104	126	220	127	76	136
Dividend payments	<u>29</u>	<u>69</u>	<u>41</u>	<u>53</u>	<u>108</u>	<u>116</u>
Difference	<u>75</u>	<u>57</u>	<u>179</u>	<u>74</u>	<u>-32</u>	<u>20</u>
<u>Manufacturing</u>						
Net capital movements	46	78	72	23	-8	330
Dividend payments	<u>100</u>	<u>141</u>	<u>142</u>	<u>181</u>	<u>248</u>	<u>275</u>
Difference	<u>-64</u>	<u>-63</u>	<u>-70</u>	<u>-158</u>	<u>-256</u>	<u>55</u>
<u>Merchandising</u>						
Net capital movements	5	-2	-4	34	-18	27
Dividend payments	<u>..</u>	<u>21</u>	<u>8</u>	<u>15</u>	<u>13</u>	<u>13</u>
Difference	<u>..</u>	<u>-23</u>	<u>-12</u>	<u>19</u>	<u>-31</u>	<u>14</u>
<u>Financing</u>						
Net capital movements	18	35	95	102	31	72
Dividend payments	<u>..</u>	<u>12</u>	<u>14</u>	<u>13</u>	<u>9</u>	<u>13</u>
Difference	<u>..</u>	<u>23</u>	<u>81</u>	<u>89</u>	<u>22</u>	<u>59</u>
<u>Utilities</u>						
Net capital movements	-5	1	-2	7	19	17
Dividend payments	<u>6</u>	<u>3</u>	<u>6</u>	<u>4</u>	<u>5</u>	<u>7</u>
Difference	<u>-11</u>	<u>-2</u>	<u>-8</u>	<u>3</u>	<u>14</u>	<u>10</u>
<u>Other Enterprises</u>						
Net capital movements	1	-	9	-3	-1	37
Dividend payments	<u>..</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>18</u>	<u>11</u>
Difference	<u>..</u>	<u>-9</u>	<u>-</u>	<u>-10</u>	<u>-19</u>	<u>26</u>

Totals may not add due to rounding.

... Not available.

Source: Data on net capital movements taken from Table CD-36.
Date on dividend payments taken from Table CD-27.

outward movements of dividends; and the difference. The differences shown for the total of the group are bigger than the contributions to the Canadian balance of payments shown in Table XVIII-1. This is because interest is omitted from the outgoing payments in Table XVIII-2. Table XVIII-3 illustrates this.

TABLE XVIII-3

COMPARISON OF CONTRIBUTION TO CANADIAN BALANCE OF PAYMENTS
FROM SELECTED TRANSACTIONS WITH THE U.S. AS SHOWN IN
TABLES XVIII-1 AND XVIII-2

(millions of dollars)

Year	Contribution to Canadian balance of payments		
	Table XVIII-1	Table XVIII-2	Difference (imputed interest) (2) - (1)
	(1)	(2)	(3)
1953	157	171	14
1958	183	193	10
1960	258	266	8
1962	93	100	7
1964	-363	-357	6
1966	321	329	8

The tables for individual industrial groups which follow relate to Table XVIII-2 rather than to Table XVIII-1.

Table XVIII-4 below gives the effects on the balance of payments for the petroleum and natural gas industries.

TABLE XVIII-4

EFFECT ON CANADIAN BALANCE OF PAYMENTS OF TRANSACTIONS RELATED TO
U.S. DIRECT INVESTMENT IN THE PETROLEUM AND NATURAL GAS
INDUSTRIES, SELECTED YEARS FROM 1953 TO 1966

Year	Net capital movements from the U.S.	Dividend payments to the U.S.	Contribution to the Canadian balance of payments (1) - (2)	Annual growth rate of U.S. direct investment
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)	(4)
1953	185	18 k	167	..
1958	248	38	210	9.2 ₁
1960	148	52	96	1.7 ₁
1962	155	72	83	7.1
1964	23	79	-56	0.9
1966	225	81	144	11.2

.. Not available

1/ Change in the nature of the series may have made this figure unreliable.

In the petroleum and natural gas industries net capital movements from the U.S. were larger than dividend payments to that country in five out of the six years for which data are available. Reliable data on the annual growth of the book value of U.S. direct investment in the industry are available for only four of the six years selected. They show positive contributions associated with growth rates ranging from 7.1 to 11.2 per cent, and a drain on the balance with a growth rate of 0.9 per cent.

TABLE XVIII-5

EFFECT ON CANADIAN BALANCE OF PAYMENTS OF TRANSACTION RELATED TO U.S.
DIRECT INVESTMENT IN THE CANADIAN MINING AND SMELTING INDUSTRIES,
SELECTED YEARS FROM 1953 TO 1966

Year	Net capital movements from the U.S.	Dividend payments to the U.S.	Contribution to Canadian balance of payments (1) - (2)	Annual growth rate of U.S. direct investment
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)	(4)
1953	104	29	75	32.0
1958	126	69	57	6.1
1960	220	41	179	17.6
1962	127	53	74	9.9
1964	76	108	-32	6.2
1966	136	116	20	12.4

.. Not available

Table XVIII-5 shows that in the mining and smelting industries, net capital movements from the U.S. fluctuated, and were larger than dividend payments to that country in five of the years observed. The contribution to the balance of payments fluctuated widely when positive, and there was a net drain in 1964. The net drain was caused, partly because net capital movements were substantially lower than in the other years observed, and partly because dividend payments were greater, as earlier investment became productive.

Table XVIII-6 shows that in the manufacturing industries, in five of the six years for which data are available, dividend payments to the U.S. exceeded net capital movements from that country. There was thus a drain on the balance of payments in each of these years. Between 1958 and 1964, the adverse effect on the balance of payments became larger in each successive

biennial period, increasing from an adverse balance of \$63 million in 1958 to an adverse balance of \$256 million in 1964. Net capital movements in this period were not large on any of the observed dates and they decreased from 1958 until there was a net withdrawal of capital in 1964. Meanwhile, dividend payments increased steadily.

TABLE XVIII-6

EFFECT ON CANADIAN BALANCE OF PAYMENTS OF TRANSACTIONS RELATED TO U.S.
DIRECT INVESTMENT IN THE CANADIAN MANUFACTURING INDUSTRIES;
SELECTED YEARS FROM 1953 TO 1966

Year	Net capital movements from the U.S.	Dividend payments to the U.S.	Contribution to Canadian balance of payments (1) - (2)	Annual growth rate of U.S. direct investment
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)	(4)
1953	46	110	-64	-6.6
1958	78	141	-63	6.0
1960	72	142	-70	6.1
1962	23	181	-158	3.7
1964	-8	248	-256	6.3
1966	330	275	55	9.8

In 1966, however, net capital movements of \$330 million reversed the trend, resulting in a net contribution to the balance of payments of \$55 million.

TABLE XVIII-7

EFFECT ON CANADIAN BALANCE OF PAYMENTS OF TRANSACTIONS RELATED TO U.S.
DIRECT INVESTMENT IN THE CANADIAN MERCHANDISING INDUSTRIES,
SELECTED YEARS FROM 1953 TO 1966

Year	Net capital movements from the U.S.	Dividend payments to the U.S.	Contribution to Canadian balance of payments (1) - (2)	Annual growth rate of U.S. direct investment
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)	(4)
1953	5	..	..	-1.6
1958	-2	21	-23	8.3
1960	-4	8	-12	-0.8
1962	34	15	19	8.7
1964	-18	13	-31	6.1
1966	27	13	14	9.1

.. Not available

In the merchandising industries, as Table XVIII-7 shows, net capital movements fluctuated between an inflow of \$34 million and an outflow of \$18 million. Dividend payments also fluctuated, with some downward trend. The balance of payments effect was negative in three of the five years for which data are available. One negative effect was accompanied by a decrease in the total of direct investment, but the other two were accompanied by annual increases of 6.1 per cent or more.

TABLE XVIII-8

EFFECT ON CANADIAN BALANCE OF PAYMENTS OF TRANSACTIONS RELATED TO U.S.
DIRECT INVESTMENT IN THE CANADIAN FINANCIAL INDUSTRIES,
SELECTED YEARS FROM 1953 TO 1966

Year	Net capital movements from the U.S.	Dividend payments to the U.S.	Contribution to Canadian balance of payments (1) - (2)	Annual growth rate of U.S. direct investment
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)	(4)
1953	18	..	..	20.1
1958	35	12	23	4.3
1960	95	14	81	13.7
1962	102	13	89	9.9
1964	31	9	22	-26.3 ^{1/}
1966	72	13	59	12.8

.. Not available

^{1/} Change in statistical series makes this figure a doubtful indicator.

In the financial industries, as Table XV-8 shows, net capital movements from the U.S. were larger than dividend payments going to that country in the five years for which data are available. As a result there was a positive contribution to the balance of payments each year. Net capital movements rose from \$18 million in 1953 to \$102 million in 1962, fell back to \$31 million by 1964, and increased to \$72 million in 1966.

In the utilities industries net capital movements were small, as Table XVIII-9 shows. They ranged from an inflow of \$19 million to an outflow of \$5 million. Dividends were relatively small, between \$3 million and \$7 million. The contribution to the balance of payments was negative in three of the years for which data are available.

TABLE XVIII-9

EFFECT ON CANADIAN BALANCE OF PAYMENTS OF TRANSACTIONS RELATED TO U.S.
DIRECT INVESTMENT IN THE CANADIAN UTILITIES INDUSTRIES,
SELECTED YEARS FROM 1953 to 1966

Year	Net capital movements from the U.S.	Dividend payments to the U.S.	Contribution to Canadian balance of payments (1) - (2)	Annual growth rate of U.S. direct investment
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(per cent)
	(1)	(2)	(3)	(4)
1953	- 5	6	-11	-22.0
1958	1	3	- 2	0.5
1960	- 2	6	- 8	3.2
1962	7	4	3	4.4
1964	19	5	14	10.0
1966	17	7	10	6.1

Data for other enterprises are given in Table XVIII-10. Net capital movements from the U.S. were generally small and ranged from an inflow of \$37 million to an outflow of \$3 million. Dividend payments were also small.

TABLE XVIII-10

EFFECT ON CANADIAN BALANCE OF PAYMENTS OF TRANSACTIONS RELATED TO U.S.
DIRECT INVESTMENT IN OTHER CANADIAN ENTERPRISES,
SELECTED YEARS FROM 1953 TO 1966

Year	Net capital movements to the U.S.	Dividend payments to the U.S.	Contribution to Canadian balance of payments	Annual growth rate of U.S. direct investment
	(1)	(2)	(3)	(4)
	(millions of dollars)	(millions of dollars)	(millions of dollars)	(millions of dollars)
1953	1	..	..	13.0
1958	-	9	-9	7.5
1960	9	9	0	3.9
1962	-3	7	-10	7.2
1964	-1	18	-19	8.3
1966	37	11	26	15.9

.. Not available

ANNEX A

DIRECT INVESTMENT IN CANADA BY NON-RESIDENTS SINCE 1945LIST OF CONTENTS

		<u>Page Number</u>
Introduction		A-5
Basic Statistical Tables		
<u>Table Number</u>	<u>Title</u>	
CD-1	Number of Canadian concerns controlled by residents of the United States, United Kingdom, and other countries abroad, by type of business, selected year ends 1945 to 1968.	A-6
CD-2	Number of Canadian concerns controlled by residents of the United States, United Kingdom and other countries abroad, by industry and by type of business, for the year end 1968.	A-8
CD-3	Book value of long-term investment in Canada by non-residents, year ends 1945-1970.	A-9
CD-4	Book value of direct investment in Canada by the United States, the United Kingdom, and other countries, year ends 1945-1970.	A-10
CD-4A	Percentage distribution of book value of direct investment in Canada by the United States, the United Kingdom, and other countries, year ends 1945-1970.	A-11
CD-5	Book value of direct investment in Canada by countries other than the United States and the United Kingdom, year ends biennially from 1955 to 1965.	A-12
CD-6	Book value of direct investment in Canada by area of ownership, selected years from 1963 to 1970.	A-13
CD-6A	Percentage distribution of the book value of direct investment in Canada by area of ownership, selected years from 1963 to 1970.	A-15
CD-7	Book value of direct investment in Canada, by industrial group, year ends 1945-1970.	A-16
CD-7A	Percentage distribution of book value of direct investment in Canada, by industrial group, year ends 1945-1970.	A-17
CD-8	Book value of direct investment in Canadian manufacturing, by product group, year ends 1945 - 1970.	A-18
CD-8A	Percentage distribution of book value of direct investment in Canadian manufacturing, by product group, year ends 1945-1970.	A-20
CD-9	Book value of direct investment in Canada by the United States, by industrial group, year ends 1946-1970.	A-21

<u>Table Number</u>	<u>Title</u>	<u>Page Number</u>
CD-9A	Percentage distribution of book value of direct investment in Canada by the United States, by industrial group, year ends 1945-1970.	A-22
CD-10	Book value of direct investment in Canadian manufacturing by the United States, by product group, year ends 1945-1970.	A-23
CD-11	Book value of direct investment in Canada by the United Kingdom by industrial group, year ends 1945-1970.	A-25
CD-11A	Percentage distribution of book value of direct investment in Canada by the United Kingdom, by industrial group, year ends 1945-1970.	A-26
CD-12	Book value of direct investment in Canadian manufacturing by the United Kingdom, by product group, year ends 1945-1970.	A-27
CD-13	Book value of direct investment in Canada by countries other than the United States and the United Kingdom, by industrial group, year ends 1945-1970.	A-29
CD-14	Book value of direct investment in Canadian manufacturing by countries other than the United States and the United Kingdom, by product group, year ends 1945-1970.	A-30
CD-15	Ownership of investment in Canada under non-resident control by area of ownership and of control, selected year ends 1945 to 1967	A-32
CD-16	Book value of total investment in Canadian enterprises controlled from the United States, the United Kingdom and other countries abroad, selected year ends from 1955-1969.	A-33
CD-17	Book value of total investment in Canadian enterprises controlled by countries abroad, other than the United States and the United Kingdom, year ends biennially from 1955 to 1965.	A-34
CD-18	Book value of total investment in Canadian enterprises controlled by non-residents, by area of control, year ends 1963 and 1965 to 1969.	A-35
CD-18A	Percentage distribution of the book value of total investment in Canadian enterprises controlled by non-residents, by area of control, year ends 1963 and 1965 to 1969.	A-37
CD-19	Book value of total investment in Canadian enterprises controlled abroad by residents of the United States, the United Kingdom and other countries, by industry, selected year ends 1945 to 1967.	A-38
CD-20	Book value of total investment in Canadian manufacturing enterprises controlled abroad by residents of the United States, the United Kingdom and other countries, by product group, 1960 and 1967.	A-39
CD-21	Estimated earnings from direct investment in Canada accruing to countries of control, 1946-1968.	A-40
CD-21A	Percentage distribution of estimated earnings from direct investment in Canada accruing to countries of control, 1946-1968.	A-41

<u>Table Number</u>	<u>Title</u>	<u>Page Number</u>
CD-22	Interest and dividend payments to the United States, the United Kingdom and other countries on direct investment in Canada, 1946-1971.	A-42
CD-23	Estimated interest payments to the United States, the United Kingdom and other countries on direct investment in Canada, selected years from 1958 to 1966, and partial data from 1946.	A-43
CD-24	Dividend payments to the United States, the United Kingdom and other countries on direct investment in Canada, selected years from 1958 to 1966.	A-44
CD-25	Dividend payments on direct investment in Canada by industrial group, biennially from 1958 to 1966.	A-45
CD-26	Dividend payments on direct investment in Canadian manufacturing, by product group, biennially from 1958 to 1966.	A-46
CD-27	Dividend payments to the United States on direct investment in Canada, by industrial group, selected years from 1946 to 1966.	A-47
CD-28	Dividend payments to the United States on direct investment in Canadian manufacturing, by product group, selected years from 1946 to 1966.	A-48
CD-29	Dividend payments to the United Kingdom on direct investment in Canada, by industrial group, biennially from 1958 to 1966.	A-49
CD-30	Dividend payments to the United Kingdom on direct investment in Canadian manufacturing, by product group, biennially from 1958 to 1966.	A-50
CD-31	Dividend payments to countries other than the United States and the United Kingdom on direct investment in Canada, by industrial group, biennially from 1958 to 1966.	A-51
CD-32	Dividend payments to countries other than the United States and the United Kingdom on direct investment in Canadian manufacturing, by product group, biennially from 1958 to 1966.	A-52
CD-33	Annual net capital inflow for direct investment in Canada from controlling interests abroad, by country of control, 1946-1972.	A-53
CD-34	Annual net capital inflow for direct investment in Canada from controlling interests in the United States, by industrial group, 1952-1968.	A-54
CD-35	Components of annual net capital movements for direct investment in Canada from controlling interests and other investors in the United States, 1946-1968.	A-55
CD-36	Annual net capital movements for direct investment in Canada from controlling interests and other investors in the United States, by industrial group, 1952-1968.	A-56
CD-37	Direct investment in Canada, estimated constituents in change 1946-1968.	A-57

<u>Table Number</u>	<u>Title</u>	<u>Page Number</u>
CD-38	Direct investment in Canada by the United States, estimated constituents in change, 1946-1972.	A-58
CD-39	Estimated book value and percentage distribution of capital employed in selected Canadian industries, by country of control, year ends 1960 to 1967.	A-59
CD-40	Estimated book value and percentage distribution of capital employed in the manufacturing industry, by country of control, year ends 1960 to 1967.	A-60
CD-41 <i>Manu.</i>	Percentage of capital employed in Canadian manufacturing industries which was controlled by residents of Canada, by manufacturing group, year ends 1954 to 1967.	A-61
CD-42 <i>m/s gr/mf.</i>	Percentage of capital employed in Canadian manufacturing industries which was controlled by non-residents, by manufacturing group, year ends 1954 to 1967.	A-62
CD-43 <i>m/s.</i>	Percentage of capital employed in Canadian manufacturing industries which was controlled by residents of the United States, by manufacturing group, year ends 1954 to 1967.	A-63
CD-44 <i>m/s.</i>	Percentage of capital employed in Canadian manufacturing industries which was controlled by residents of countries abroad other than the United States, by manufacturing group, year ends 1954 to 1967.	A-64
CD-45	Estimated book value and percentage distribution of capital employed in the petroleum and natural gas industry, by country of control, year ends 1960 to 1967.	A-65
CD-46	Estimated book value and percentage distribution of capital employed in other mining and smelting, by country of control, year ends 1960 to 1967.	A-66
CD-47	Estimated book value and percentage distribution of capital employed in railways, by country of control, year ends 1960 to 1967.	A-67
CD-48	Estimated book value and percentage distribution of capital employed in other utilities, by country of control, year ends 1960 to 1967.	A-68
CD-49	Estimated book value and percentage distribution of capital employed in merchandising and construction, by country of control, year ends 1960 to 1967.	A-69
CD-50	Direct investment in Canada, selected cumulative series, 1946-1972.	A-70
CD-51	Direct investment in Canada by the United States, selected cumulative series, 1946-1972.	A-71
CD-52	Book value of direct investment in Canada as a percentage of gross national product, 1945-1970.	A-72
CD-53	Earnings from direct investment in Canada and remitted income as a percentage of net domestic product at factor cost, 1946-1968.	A-73

ANNEX A

Introduction

All data in these tables have been taken from publications of Statistics Canada. A full statement of the sources used is appended to each main table.

The main statistical tables are numbered in accordance with a general system used in reports by this Division. Each of them is identified by a reference which consists of the letters CD and one or two figures. The letters CD indicate that the series deal with foreign investment in Canada and that the statistical sources are Canadian.

Some of the main tables are followed by subsidiary tables which are based on them. These are identified by the reference number of the appropriate main table with a letter added at the end.

For much of the series, published material was available from 1945 on. This included the basic data on foreign long-term and direct investment in Canada, and the number of Canadian concerns controlled by non-residents. Data for 1945 were also available on the book value of total investment in U.S.-controlled enterprises, although data for other countries of control in this series were available only from 1955. Series commencing in 1946 included those on earnings, combined interest and dividends, net capital inflows, and net capital movements. The series on dividend payments, other than those to the United States began in 1958. The series covering Canadian and foreign control of capital employed in selected industries were available from 1960.

In September 1973, the latest dates at which figures were available ranged from 1966 to 1972. For book value of direct investment, data were available up to 1970. Breakdowns by industrial group and by manufacturing product group were available to 1969. The book value of total investment controlled by non-residents was available to 1969, while the number of Canadian business concerns controlled by non-residents was available to 1968.

Data on combined payments of interest and dividends were available up to 1971. Separate data on dividends were available up to 1966.

Data on net capital inflows were available up to 1972 in total with a breakdown for inflows from the United States. Other geographical detail was available to 1971. Industrial detail was available to 1968.

Other series available up to 1968 were earnings, and net capital movements by investors in the United States. Estimates of the capital employed in selected Canadian industries were available up to 1967.

TABLE CD-1

NUMBER OF CANADIAN CONCERNS CONTROLLED^{1/} BY RESIDENTS OF THE UNITED STATES, UNITED KINGDOM
AND OTHER COUNTRIES ABROAD, BY TYPE OF BUSINESS, SELECTED YEAR ENDS 1945 TO 1968

Year	Controlled outside Canada	Controlled in United States				Controlled in United Kingdom				Controlled in other foreign countries			
	Total	Total U.S.	Wholly-owned subsidiaries	Other subsidiaries and controlled companies	Unincorporated branches	Total U.K.	Wholly-owned subsidiaries	Other subsidiaries and controlled companies	Unincorporated branches	Total other foreign countries	Wholly-owned subsidiaries	Other subsidiaries and controlled companies	Unincorporated branches
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1945	2,522	1,985	210	1,384	391	455	58	262	135	82	2	54	26
1948	2,732	2,172	286	1,503	383	475	73	269	133	85	5	57	23
1951	3,623	2,821	381	1,948	492	641	116	388	137	161	4	126	31
1952	3,820	2,915	392	2,003	520	713	138	435	140	192	10	149	33
1953	4,253	3,235	564	2,132	539	801	152	503	146	217	14	162	41
1954	4,481	3,361	584	2,212	565	872	160	562	150	248	22	172	54
1955	4,957	3,707	674	2,429	604	947	198	592	157	303	32	217	54
1956	5,460	4,043	711	2,703	629	1,019	239	622	158	398	46	288	64
1957	6,005	4,449	881	2,914	654	1,121	294	674	153	435	57	315	63
1958	6,355	4,671	959	3,034	678	1,210	353	710	147	474	63	339	72
1959	6,712	4,917	986	3,254	677	1,277	393	737	147	518	72	374	72
1960	7,030	5,078	1,026	3,369	683	1,372	449	778	145	580	92	413	75
1961	7,250	5,205	1,109	3,459	637	1,423	517	763	143	622	134	415	73
1962	7,422	5,354	1,132	3,567	655	1,422	515	766	141	646	133	435	78
1963	7,467	5,404	1,179	3,575	650	1,413	532	746	135	650	128	445	77
1964	7,808	5,590	1,195	3,762	633	1,400	523	748	129	818	188	558	72
1965	8,326	5,887	1,327	3,916	644	1,536	620	794	122	903	202	631	70
1966	8,475	5,949	1,456	3,859	634	1,556	652	785	119	970	237	666	67
1967	8,701	6,080	1,519	3,908	653	1,630	753	767	110	991	249	668	74
1968	9,130	6,397	1,743	3,971	683	1,629	772	750	107	1,104	286	745	73

^{1/} The book value of investment in these companies by residents of the country in which control lies is shown as direct investment in Table CD-3, and in succeeding tables.

(Source on next page)

Source: 1945 and 1959 The Canadian Balance of International Payments, 1960 and International Investment Position, DBS, Ottawa, March 1962, Table XI, page 80.

1948 Canada's International Investment Position Selected Years 1926 to 1949, DBS, Ottawa, Table 8, page 37, Table 16, page 41 and Table 17, page 42.

1951 The Canadian Balance of International Payments in the Post-war Years, 1946-1952, DBS, Ottawa, July 31, 1953, Table XV, page 112.

1952 The Canadian Balance of International Payments, 1953 and International Investment Position, DBS, Ottawa, 1954, Table IX, page 41.

1953 The Canadian Balance of International Payments, 1954 and International Investment Position, DBS, Ottawa, 1955, Table XI, page 41.

1954 Canada's International Investment Position 1926-1954, DBS, Ottawa, 1956, Table XII, page 87.

1955 The Canadian Balance of International Payments, 1956 and International Investment Position, DBS, Ottawa, 1957, Table XI, page 52.

1956 The Canadian Balance of International Payments, 1957 and International Investment Position, DBS, Ottawa, 1958, Table XI, page 50.

1957 The Canadian Balance of International Payments, 1958 and International Investment Position, DBS, Ottawa, November 1959, Table XI, page 60.

1958 The Canadian Balance of International Payments, 1959 and International Investment Position, DBS, Ottawa, October 1960, Table XI, page 70.

1960 - 1961 The Canadian Balance of International Payments, 1961 and 1962 and International Investment Position, DBS, Ottawa, August 1964, Table XI, page 132.

1962 - 1963 The Canadian Balance of International Payments, 1963, 1964 and 1965 and International Investment Position, DBS, Ottawa, August 1967, Table XI, pages 124-125.

1964 Canada's International Investment Position 1926 to 1967, Statistics Canada, December 1971, Table XV, page 146.

1965 - 1968 Quarterly Estimate of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, June 1972, Table XV, pages 58-59.

A-7

TABLE CD-2

NUMBER OF CANADIAN CONCERNS CONTROLLED^{1/} BY RESIDENTS OF THE UNITED STATES, UNITED KINGDOM,
AND OTHER COUNTRIES ABROAD, BY INDUSTRY AND BY TYPE OF BUSINESS FOR THE YEAR END 1968

Industry	Controlled outside Canada	Controlled in United States			Controlled in United Kingdom			Controlled in other foreign countries		
	Total	Total U.S.	Subsidiaries or controlled companies	Unincor- porated branches	Total U.K.	Subsidiaries or controlled companies	Unincor- porated branches	Total other foreign countries	Subsidiaries or controlled companies	Unincor- porated branches
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total all industries	9,130	6,397	5,714	683	1,629	1,522	107	1,104	1,031	73
Manufacturing	3,316	2,571	2,483	88	517	513	4	228	228	-
Petroleum and natural gas	623	491	362	129	57	57	-	75	73	2
Mining and smelting	464	374	336	38	42	42	-	48	47	1
Utilities	197	131	102	29	35	32	3	31	18	13
Merchandising	2,105	1,375	1,256	119	510	482	28	220	212	8
Financial ^{2/}	1,262	627	420	207	282	216	66	353	310	43
Other enterprises	1,163	828	755	73	186	180	6	149	143	6

^{1/} The book value of investment in these companies by residents of the country in which control lies is shown as direct investment in the succeeding tables.

^{2/} Excludes non-resident owned investment corporations included with miscellaneous investment.

Source: Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972, Table XV, page 59.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-3

BOOK VALUE OF LONG-TERM INVESTMENT IN CANADA BY NON-RESIDENTS,
YEAR ENDS 1945-1970

Year	Long-term investment							
	Total		Direct investment		Portfolio investment		Miscellaneous investment	
	(millions of dollars)	(percent of total)	(millions of dollars)	(percent of total)	(millions of dollars)	(percent of total)	(millions of dollars)	(percent of total)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	7,092	100.0	2,713	38.3	4,095	57.7	284	4.0
1946	7,181	100.0	2,826	39.4	4,075	56.7	282	3.9
1947	7,191	100.0	2,986	41.5	3,915	54.5	290	4.0
1948	7,509	100.0	3,270	43.5	3,941	52.5	298	4.0
1949	7,963	100.0	3,586	45.0	4,075	51.2	302	3.8
1950	8,664	100.0	3,975	45.9	4,369	50.4	320	3.7
1951	9,477	100.0	4,520	47.7	4,629	48.8	328 _{1/}	3.5
1952	10,385	100.0	5,218	50.2	4,720	45.5	447 _{1/}	4.3
1953	11,461	100.0	6,003	52.4	4,991	43.5	467	4.1
1954	12,597	100.0	6,764	53.7	5,272	41.8	561	4.5
1955	13,527	100.0	7,728	57.1	5,158	38.1	641	4.8
1956	15,627	100.0	8,868	56.8	5,941	38.0	818	5.2
1957	17,464	100.0	10,129	58.0	6,456	37.0	879 _{1/}	5.0
1958	19,010	100.0	10,880	57.2	7,067	37.2	1,063 _{1/}	5.6
1959	20,857	100.0	11,906	57.1	7,666	36.8	1,285	6.1
1960	22,214	100.0	12,872	58.0	7,914	35.6	1,428	6.4
1961	23,609	100.0	13,737	58.2	8,176	34.6	1,696	7.2
1962	24,890	100.0	14,660	58.9	8,477	34.1	1,753	7.0
1963	26,205	100.0	15,502 _{1/}	59.2	8,932	34.1	1,771	6.7
1964	27,474	100.0	15,961 _{1/}	58.1	9,456	34.4	2,057	7.5
1965	29,603	100.0	17,356	58.6	10,076	34.1	2,171	7.3
1966	32,090	100.0	19,008	59.2	10,818	33.7	2,264	7.1
1967	34,702	100.0	20,699	59.6	11,572	33.4	2,431	7.0
1968	37,979	100.0	22,534	59.3	12,881	33.9	2,564	6.8
1969	41,634 _{2/}	100.0	24,424	58.7	14,513	34.8	2,697	6.5
1970 _p	43,600 _{2/}	100.0	26,485	60.7	..	..	..	..

.. Not available.

p Preliminary figures.

{1/} New series not strictly comparable to earlier years.{2/} Data published to nearest 100 million dollars.

Source: 1945-1958

Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table III, page 115.

1959-1966

Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972, Table IV, Page 51.

1967-1968

Statistics Canada Daily, August 10, 1973, Page 4.

1969(Col.5, Col.7)

1969(Col.3)
1970 (Col.3)Statistics Canada Daily, September 26, 1973.
Page 3

1969(Col.1)

Figure published originally in Statistics Canada Daily, August 10, 1973, Page 4, was \$41,668 million. When figure for direct investment in 1969 was revised by Statistics Canada on September 26, 1973, this total was revised by the editors of the working paper.

1970(Col.1)

Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972. Table I, page 47.

TABLE CD-4

BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY THE UNITED STATES,
THE UNITED KINGDOM, AND OTHER COUNTRIES, YEAR ENDS 1945-1970.

(millions of dollars)

Year	Country of ownership			
	Total	United States	United Kingdom	Other Countries
	(1)	(2)	(3)	(4)
1945	2,713	2,304	348	61
1946	2,826	2,428	335	63
1947	2,986	2,548	372	66
1948	3,270	2,807	400	63
1949	3,586	3,095	428	63
1950	3,975	3,426	468	81
1951	4,520	3,896	497	127
1952	5,218	4,530	544	144
1953	6,003	5,206	612	185
1954	6,764	5,787	759	218
1955	7,728	6,513	890	325
1956	8,868	7,392	1,048	428
1957	10,129	8,472	1,163	494
1958	10,880	9,045	1,296	539
1959	11,906	9,912	1,384	610
1960	12,872	10,549	1,535	788
1961	13,737	11,284	1,613	840
1962	14,660	12,006	1,706	948
1963	15,502	12,785	1,161	956
1964	15,961 ^{1/}	12,959 ^{1/}	1,933	1,069
1965	17,356	14,059	2,033	1,264
1966	19,008	15,570	2,046	1,392
1967	20,699	17,000	2,152	1,547
1968	22,534	18,510	2,310	1,714
1969r	24,424	19,959	2,426	2,039
1970p	26,485	21,509	2,505	2,471

r Revised figure.

p Preliminary figures.

^{1/} New series not strictly comparable with earlier years.

Source: 1945-1958 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table III,
Pages 112-115.

1959-1966 Quarterly Estimates of the Canadian Balance of International
Payments, First Quarter 1972, Statistics Canada, Ottawa,
June 1972, Table IV, Pages 54-55.

1967-1970 Statistics Canada Daily, September 26, 1973, Page 3.

TABLE CD-4A

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT INVESTMENT IN
CANADA BY THE UNITED STATES, THE UNITED KINGDOM, AND OTHER COUNTRIES,
YEAR ENDS 1945-1970

(per cent)

Year	Country of ownership			
	Total	United States	United Kingdom	Other Countries
	(1)	(2)	(3)	(4)
1945	100.0	85.0	12.8	2.2
1946	100.0	85.9	11.9	2.2
1947	100.0	85.3	12.5	2.2
1948	100.0	85.9	12.2	1.9
1949	100.0	86.3	11.9	1.8
1950	100.0	86.2	11.8	2.0
1951	100.0	86.2	11.0	2.8
1952	100.0	86.8	10.4	2.8
1953	100.0	86.7	10.2	3.1
1954	100.0	85.6	11.2	3.2
1955	100.0	84.3	11.5	4.2
1956	100.0	83.4	11.8	4.8
1957	100.0	83.6	11.5	4.9
1958	100.0	83.1	11.9	5.0
1959	100.0	83.3	11.6	5.1
1960	100.0	82.0	11.9	6.1
1961	100.0	82.2	11.7	6.1
1962	100.0	81.9	11.6	6.5
1963	100.0 ^{1/}	82.5 ^{1/}	11.3	6.2
1964	100.0 ^{1/}	81.2 ^{1/}	12.1	6.7
1965	100.0	81.0	11.7	7.3
1966	100.0	81.9	10.8	7.3
1967	100.0	82.1	10.4	7.5
1968	100.0	82.1	10.3	7.6
1969	100.0	81.7	9.9	8.4
1970	100.0	81.2	9.5	9.3

^{1/} New series not strictly comparable with earlier years.

Source: Table CD-4

TABLE CD-5

BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY COUNTRIES OTHER THAN THE
UNITED STATES AND THE UNITED KINGDOM, YEAR ENDS BIENNIALY FROM 1955 TO 1965

(millions of dollars)

Year	Country of ownership excluding the U.S. and the U.K.														
	Total	Australia	Sterling Area in Western Hemisphere	Other Sterling Area	Belgium and Luxembourg	Denmark	France	Germany	Nether- lands	Sweden	Switzerland	Other OECD Europe	Panama	Other Latin American countries	Other countries
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1955	325	6	-	8	107	7	64	14	9	12	72	3	2	1	20
1957	494	6	4	10	139	7	92	56	23	19	92	4	6	3	33
1959	610	7	9	22	164	9	107	82	34	27	101	4	6	2	36
1961	840	7	16	22	197	9	143	102	141	34	128	5	10	1	25
1963	943	1	18	13	199	6	146	109	224	35	142	9	12	2	27
1965	1,255	-	49	35	220	13	177	135	335	35	189	16	..	-	51

- Nil or less than 0.5 million.

.. Not available.

Source: 1955-1963 The Canadian Balance of International Payments 1963, 1964 and 1965 and International Investment Position, DBS, Ottawa, August 1967, Statement 58, page 69.

1965 Quarterly Estimates of the Canadian Balance of International Payments, Third Quarter 1968, DBS, Ottawa, December 1968, page 17.

TABLE CD-6

BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY AREA OF OWNERSHIP, SELECTED YEARS FROM 1963 TO 1970

(millions of dollars)

Area	1963	1965	1966	1967	1968	1969 ^r	1970
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>NORTH AMERICA:</u> ^{1/}							
United States	12,785	14,059	15,570	17,000	18,510	19,959	21,509
Bahamas	18	47 ^r	50	57	65	68	84
Bermuda	6	8 ^r	14	20	23	29	29
Mexico		3	3	4	4	5	5
Netherland Antilles	3	5	5	5	6	6	7
Other			1	1	2	1	1
Total North America	12,812	14,122	15,643	17,087	18,610	20,068	21,635
<u>SOUTH AND CENTRAL AMERICA:</u>							
Panama	25	24	24	21	22	16	17
Venezuela	1	3	3	4	3	3	3
Other	-	1	1	1	2	4	5
Total South and Central America	26	28	28	26	27	23	25
<u>EUROPE:</u>							
United Kingdom	1,761	2,033	2,046	2,152	2,310	2,426	2,505
Belgium and Luxembourg	201	224	235	237	228	232	261
France	145	184	215	260	328	394	434
Italy	11	28	56	76	53	61	68
Netherlands	225	334	332	337	344	410	448
West Germany	98	127	144	158	153	181	215
Denmark	5	12	13	16	15	12	14
Sweden	33	36	35	40	54	68	126
Switzerland	155	179	190	197	230	296	328
Norway		2	2	2	3	4	5
Austria	5				1	1	3
Ireland		5	9	10	6	6	6
Other					32	36	84
Total Europe	2,639	3,164	3,277	3,485	3,757	4,127	4,497
<u>AFRICA:</u>	9	16	24	46	48	98	180
<u>ASIA:</u>							
Japan	7	10	17	34	62	70	103
Hong Kong	6	11	12	13	15	18	20
Other					5	5	6
Total Asia	13	21	29	47	82	93	129
<u>AUSTRALASIA:</u>							
Australia	1	2	2	3	4	6	12
Other	2	3	5	5	6	9	7
Total Australasia	3	5	7	8	10	15	19
<u>TOTALS:</u> ^{2/}	15,502	17,356	19,008	20,699	22,534	24,424	26,485
<u>DEVELOPED COUNTRIES:</u>	15,442	17,251	18,892	20,571	22,379	24,266	26,307
<u>DEVELOPING COUNTRIES:</u>	60	104	115	127	153	157	177
<u>CENTRALLY PLANNED ECONOMIES</u>	-	1	1	1	2	1	1

(Source on next page)

1/ Including Caribbean

2/ Totals may not add due to rounding

r Revised

- Nil

.. Not available

Source: 1963 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table VII,
Page 132.

1965 Quarterly Estimates of the Canadian Balance of
International Payments, First Quarter 1972,
Statistics Canada, Ottawa, June, 1972, Table VII, Page 56.

1966 Statistics Canada Daily, July 31, 1973, Page 4.

1967-1970 Statistics Canada Daily, September 26, 1973, Pages 2-3.

A-15
TABLE CD-6A

PERCENTAGE DISTRIBUTION OF THE BOOK VALUE OF DIRECT INVESTMENT
IN CANADA BY AREA OF OWNERSHIP, SELECTED YEARS FROM 1963-1970

(per cent)

Area	1963	1965	1966	1967	1968	1969	1970
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>NORTH AMERICA:</u>							
United States	82.5	81.0	81.9	82.1	82.2	81.7	81.2
Bahamas	0.1	0.3	0.3	0.3	0.3	0.3	0.3
Bermuda	-	-	0.1	0.1	0.1	0.1	0.1
Mexico	-	-	-	-	-	-	-
Netherland	-	-	-	-	-	-	-
Antilles	-	-	-	-	-	-	0.1
Other	-	-	-	-	-	-	-
Total North America	82.6	81.4	82.3	82.5	82.6	82.1	81.7
<u>SOUTH AND CENTRAL AMERICA:</u>							
Panama	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Venezuela	-	0.1	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total South and Central America	0.2	0.2	0.1	0.1	0.1	0.1	0.1
<u>EUROPE:</u>							
United Kingdom	11.4	11.7	10.8	10.4	10.3	9.9	9.5
Belgium and Luxembourg	1.3	1.3	1.2	1.1	1.0	1.0	1.0
France	0.9	1.1	1.1	1.3	1.5	1.6	1.6
Italy	0.1	0.2	0.3	0.4	0.2	0.3	0.3
Netherlands	1.5	1.9	1.8	1.6	1.5	1.7	1.7
West Germany	0.6	0.7	0.8	0.8	0.7	0.7	0.8
Denmark	-	0.1	0.1	0.1	0.1	0.1	0.1
Sweden	0.2	0.2	0.2	0.2	0.2	0.3	0.5
Switzerland	1.0	1.0	1.0	1.0	1.0	1.2	1.2
Norway	-	-	-	-	-	-	-
Austria	-	-	-	-	-	-	-
Ireland	-	-	-	-	-	-	-
Other	-	-	-	-	0.2	0.1	0.3
Total Europe	17.0	18.2	17.3	16.9	16.7	16.9	17.0
<u>AFRICA:</u>	0.1	0.1	0.1	0.2	0.2	0.4	0.7
<u>ASIA:</u>							
Japan	0.1	-	0.1	0.2	0.3	0.3	0.4
Hong Kong	-	0.1	0.1	0.1	0.1	0.1	0.1
Other	-	-	-	-	-	-	-
Total Asia	0.1	0.1	0.2	0.3	0.4	0.4	0.5
<u>AUSTRALASIA:</u>							
Australia	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Australasia	-	-	-	-	-	-	-
<u>TOTALS</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<u>DEVELOPED COUNTRIES:</u>	99.6	99.4	99.4	99.4	99.3	99.4	99.3
<u>DEVELOPING COUNTRIES:</u>	0.4	0.6	0.6	0.6	0.7	0.6	0.7
<u>CENTRALLY PLANNED ECONOMIES</u>	-	-	-	-	-	-	-

Source: Calculated from Table CD-6

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-7

BOOK VALUE OF DIRECT INVESTMENT IN CANADA,
BY INDUSTRIAL GROUP, YEAR ENDS 1945 - 1970

(millions of dollars)

Year	Industrial group							
	Total	Petro- leum and natural gas	Other mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utilities	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	2,713	141	237	1,359	202	339	375	60
1946	2,826	...	264	1,534	225	358	385	60
1947	2,986	...	272	1,680	247	356	367	64
1948	3,270	...	294	1,938	260	339	368	71
1949	3,586	...	349	2,146	281	336	397	77
1950	3,975	...	476	2,331	313	364	399	92
1951	4,520	641	419	2,248	361	378	361	112
1952	5,218	...	850	2,993	431	417	404	123
1953	6,003	1,164	580	2,860	434	504	320	141
1954	6,764	1,384	671	3,156	501	590	319	143
1955	7,728	1,754	811	3,434	538	706	320	165
1956	8,868	2,144	908	3,906	605	818	292	195
1957	10,129	2,559	1,044	4,376	621	1,026	286	217
1958	10,880	2,816	1,116	4,668	684	1,073	287	236
1959	11,906	3,082	1,223	5,011	761	1,289	282	258
1960	12,872	3,313	1,439	5,342	757	1,464	285	272
1961	13,737	3,534	1,549	5,589	804	1,660	289	312
1962	14,660	3,901	1,686	5,819	859	1,769	294	332
1963	15,502 ^{1/}	4,158	1,736	6,209	898	1,874	300	327
1964	15,961 ^{1/}	4,251	1,888	6,591	968	1,600	301	362
1965	17,356	4,600	2,017	7,255	1,061	1,694	301	428
1966	19,008	5,012	2,279	7,890	1,132	1,889	318	488
1967	20,699	5,269	2,547	8,599	1,252	2,170	344	518
1968	22,534	5,643	2,931	9,204	1,408	2,360	423	565
1969 ^r	24,424	6,103	3,077	10,042	1,560	2,535	412	695
1970	26,485	6,593	3,266	10,815	1,729	2,840	444	798

^r Revised figure

... Figures not appropriate or applicable.

^{1/} New series not strictly comparable with earlier years.Source: 1945-1958 Canada's International Investment Position 1926-1967, Statistics Canada, Ottawa, December 1971, Table VI, pages 130-131.1959-1966 Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972, Table VI, Page 55.1967 Statistics Canada Daily, July 31, 1973, page 5.1968-1970 Statistics Canada Daily, September 26, 1973, pages 3-4.Foreign Investment Division
Investment Analysis Branch

TABLE CD-7A

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT
INVESTMENT IN CANADA, BY INDUSTRIAL GROUP,
YEAR ENDS 1946-1970

(per cent)

Year	Industrial group							
	Total	Petro- leum and natural gas	Other mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	100.0	5.2	8.7	50.2	7.4	12.5	13.8	2.2
1946	100.0	...	9.3	54.3	8.0	12.7	13.6	2.1
1947	100.0	...	9.1	56.3	8.3	11.9	12.3	2.1
1948	100.0	...	9.0	59.3	8.0	10.4	11.2	2.2
1949	100.0	...	9.7	59.8	7.8	9.4	11.1	2.2
1950	100.0	...	12.0	58.6	7.9	9.2	10.0	2.3
1951	100.0	14.2	9.3	49.7	8.0	8.4	8.0	2.5
1952	100.0	...	16.3	57.3	8.3	8.0	7.7	2.4
1953	100.0	19.4	9.7	47.7	7.2	8.4	5.3	2.3
1954	100.0	20.5	9.9	46.7	7.4	8.7	4.7	2.1
1955	100.0	22.7	10.5	44.4	7.0	9.1	4.1	2.1
1956	100.0	24.2	10.2	44.0	6.8	9.2	3.3	2.2
1957	100.0	25.3	10.3	43.2	6.1	10.1	2.8	2.1
1958	100.0	25.9	10.2	42.9	6.3	9.9	2.6	2.2
1959	100.0	25.9	10.3	42.1	6.4	10.8	2.4	2.2
1960	100.0	25.7	11.2	41.5	5.9	11.4	2.2	2.1
1961	100.0	25.7	11.3	40.7	5.8	12.1	2.1	2.3
1962	100.0	26.6	11.5	39.7	5.8	12.1	2.0	2.3
1963	100.0	26.8	11.2	40.0	5.8	12.1	2.0	2.1
1964	100.0 ^{1/}	26.6	11.8	41.3	6.1	10.0	1.9	2.3
1965	100.0	26.5	11.6	41.8	6.1	9.8	1.7	2.5
1966	100.0	26.4	12.0	41.5	5.9	9.9	1.7	2.6
1967	100.0	25.4	12.3	41.5	6.1	10.5	1.7	2.5
1968	100.0	25.0	13.0	40.9	6.2	10.5	1.9	2.5
1969r	100.0	25.0	12.6	41.1	6.4	10.4	1.7	2.8
1970	100.0	24.9	12.3	40.9	6.5	10.7	1.7	3.0

r Revised figure

... Figures not appropriate or applicable.

Totals may not add due to rounding

^{1/} New series not strictly comparable with earlier years.

Source: Table CD-7

Foreign Investment Division
Investment Analysis Branch

TABLE CD-8

BOOK VALUE OF DIRECT INVESTMENT IN CANADIAN MANUFACTURING,
BY PRODUCT GROUP, YEAR ENDS 1945 - 1970

(millions of dollars)

Year	Product group									
	Total	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1945	1,359	200	47	56	348	277	211	43 ^{1/}	144	33
1946	1,534	206	45	58	383	288	214	142	160	38
1947	1,680	223	50	64	418	318	230	158	176	43
1948	1,938	248	53	70	462	354	257	244	200	50
1949	2,146	250	61	70	529	387	280	294	218	57
1950	2,331	268	64	80	538	442	322	327	230	60
1951	2,248	291	66	86	564	467	375	74 ^{1/}	257	68
1952	2,993	315	73	87	610	548	486	494 ^{1/}	295	85
1953	2,860	351	77	85	682	617	541	99	317	91
1954	3,156	373	84	92	763	638 ^{1/}	570	111	411	114 ^{1/}
1955	3,434	397	91	98	784	805 ^{1/}	624	122	456	57 ^{1/}
1956	3,906	441	91	105	847	978	728	143	507	66
1957	4,376	492	98	108	924	1,089	867	157	561	80
1958	4,668	521	105	115	945	1,205	926	174	595	82
1959	5,011	578	119	117	951	1,345	977	198	637	89
1960	5,342	637	122	118	1,033	1,441	983	240	671	97
1961	5,589	648	135	122	1,064	1,504	1,020	249	741	106
1962	5,819	691	140	124	1,098	1,584	1,022	265	780	115
1963	6,209	745	153	128	1,190	1,647	1,036	273	916	121
1964	6,591	740	160	130	1,307	1,793	1,014	271	1,045	131
1965	7,255	793	188	141	1,423	2,008	1,118	261	1,175	148
1966	7,890	822	212	155	1,534	2,181	1,234	282	1,316	154
1967	8,599	899	223	167	1,618	2,469	1,369	314	1,373	167
1968	9,204	958	232	183	1,694	2,715	1,427	350	1,462	183
1969 ^r	10,042	1,039	262	205	1,808	3,091	1,492	411	1,530	204
1970	10,815	1,140	260	222	2,059	3,248	1,611	421	1,620	234

^r Revised figure^{1/} New series not strictly comparable with earlier years.

(Source on next page)

Source: 1945-1958 Canada's International Investment Position, 1926-1967, Statistics Canada, Ottawa, December 1971, Table VI, pages 130-131.
1959-1966 Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972, Table VI, page 55.
1967 Statistics Canada Daily, July 31, 1973, page 5.
1968-1970 Statistics Canada Daily, September 26, 1973, page 3.

TABLE CD-8A

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT INVESTMENT IN CANADIAN MANUFACTURING,
BY PRODUCT GROUP, YEAR ENDS 1945-1970

(per cent)

Year	Total	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1945	100.0	14.7	3.5	4.1	25.6	20.4	15.5	3.2 ^{1/}	10.6	2.4
1946	100.0	13.4	2.9	3.8	25.0	18.8	14.0	9.2	10.4	2.5
1947	100.0	13.3	3.0	3.8	24.9	18.9	13.7	9.4	10.5	2.6
1948	100.0	12.8	2.7	3.6	23.8	18.3	13.3	12.6	10.3	2.6
1949	100.0	11.6	2.8	3.3	24.6	18.0	13.0	13.7	10.2	2.6
1950	100.0	11.5	2.7	3.4	23.1	19.0	13.8	14.0	9.9	2.6
1951	100.0	13.0	2.9	3.8	25.1	20.8	16.7	3.3 ^{1/}	11.4	3.0
1952	100.0	10.6	2.4	2.9	20.4	18.3	16.2	16.5 ^{1/}	9.8	2.8
1953	100.0	12.3	2.7	3.0	23.8	21.6	18.9	3.4	11.1	3.2
1954	100.0 ^{1/}	11.8	2.7	2.9	24.2	20.2 ^{1/}	18.1	3.5	13.0	3.6 ^{1/}
1955	100.0 ^{1/}	11.6	2.6	2.8	22.8	23.4 ^{1/}	18.2	3.6	13.3	1.7 ^{1/}
1956	100.0	11.3	2.3	2.7	21.7	25.0	18.6	3.7	13.0	1.7
1957	100.0	11.2	2.2	2.5	21.1	24.9	19.8	3.6	12.8	1.8
1958	100.0	11.2	2.2	2.5	20.2	25.8	19.8	3.7	12.7	1.8
1959	100.0	11.5	2.4	2.3	19.0	26.8	19.5	4.0	12.7	1.8
1960	100.0	11.9	2.3	2.2	19.3	27.0	18.4	4.5	12.6	1.8
1961	100.0	11.6	2.4	2.2	19.0	26.9	18.2	4.5	13.3	1.9
1962	100.0	11.9	2.4	2.1	18.9	27.2	17.6	4.6	13.4	2.0
1963	100.0	12.0	2.5	2.1	19.2	26.5	16.7	4.4	14.7	1.9
1964	100.0	11.2	2.4	2.0	19.8	27.2	15.4	4.1	15.9	2.0
1965	100.0	10.9	2.6	1.9	19.6	27.7	15.4	3.6	16.2	2.1
1966	100.0	10.4	2.7	2.0	19.4	27.6	15.6	3.6	16.7	2.0
1967	100.0	10.5	2.6	1.9	18.8	28.7	15.9	3.7	16.0	1.9
1968	100.0	10.4	2.5	2.0	18.4	29.5	15.5	3.8	15.9	2.0
1969r	100.0	10.3	2.6	2.1	18.0	30.8	14.9	4.1	15.2	2.0
1970	100.0	10.5	2.4	2.1	19.0	30.0	14.9	3.9	15.0	2.2

r. Revised figure

^{1/} New series not strictly comparable with earlier years.

Totals may not add due to rounding.

Source: Table CD-8

Foreign Investment Division
Investment Analysis Branch

TABLE CD-9

BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY THE UNITED STATES,
BY INDUSTRIAL GROUP, YEAR ENDS 1945-1970

(millions of dollars)

Year	Industrial group							
	Total	Petro- leum and natural gas	Other mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utilities	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	2,304	141	215	1,191	147	198	358	54
1946	2,428	...	245	1,366	165	232	366	54
1947	2,548	...	254	1,493	175	222	345	59
1948	2,807	...	275	1,729	183	208	347	65
1949	3,095	...	331	1,880	199	241	375	69
1950	3,426	...	453	2,024	219	267	379	84
1951	3,896	636	397	1,921	249	253	341	99
1952	4,530	...	825	2,620	306	289	382	108
1953	5,206	1,130	561	2,447	301	347	298	122
1954	5,787	1,344	650	2,633	348	396	298	118
1955	6,513	1,637	781	2,835	377	475	270	138
1956	7,392	1,978	857	3,195	428	551	223	160
1957	8,472	2,380	971	3,590	423	719	215	174
1958	9,045	2,598	1,030	3,806	458	750	216	187
1959	9,912	2,836 ^{1/}	1,146	4,097	505	904	217	207
1960	10,549	2,885 ^{1/}	1,348	4,348	501	1,028	224	215
1961	11,284	3,060	1,451	4,603	520	1,171	228	251
1962	12,006	3,277	1,595	4,775	565	1,287	238	269
1963	12,785	3,489	1,645	5,155	587	1,393	251	265
1964	12,959 ^{1/}	3,521	1,747	5,478	623	1,027	276	287
1965	14,059	3,653	1,875	6,167	696	1,043	280	345
1966	15,570	4,062	2,107	6,769	759	1,176	297	400
1967	17,000	4,290	2,323	7,437	841	1,371	316	422
1968	18,510	4,615	2,669	7,975	964	1,479	359	449
1969 ^r	19,959	4,968	2,754	8,700	1,105	1,523	347	562
1970	21,509	5,321	2,884	9,253	1,293	1,744	367	647

^r Revised figure

... Figures not appropriate or applicable.

^{1/} New series not strictly comparable with earlier figures.

Source: 1945-1958 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table VI, pages 128-129.

1959-1966 Quarterly Estimates of the Canadian Balance of International
Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972,
Table VI, page 54.

1967 Statistics Canada Daily, July 31, 1973, page 5.

1968-1970 Statistics Canada Daily, September 26, 1973, page 3.

Foreign Investment Division
Investment Analysis Branch

TABLE CD-9A

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT
INVESTMENT IN CANADA BY THE UNITED STATES,
BY INDUSTRIAL GROUP, YEAR ENDS 1945-1970

(per cent)

Year	Industrial group							
	Total	Petroleum and natural gas	Other mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Util- ities	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	100.0	6.1	9.3	51.7	6.4	8.6	15.6	2.3
1946	100.0	...	10.1	56.3	6.8	9.6	15.1	2.2
1947	100.0	...	10.0	58.6	6.9	8.7	13.5	2.3
1948	100.0	...	9.8	61.6	6.5	7.4	12.4	2.3
1949	100.0	...	10.7	60.8	6.4	7.8	12.1	2.2
1950	100.0	...	13.2	59.1	6.4	7.8	11.1	2.4
1951	100.0	16.3	10.2	49.3	6.4	6.5	8.8	2.5
1952	100.0	...	18.2	57.8	6.8	6.4	8.4	2.4
1953	100.0	21.7	10.8	47.0	5.8	6.7	5.7	2.3
1954	100.0	23.2	11.2	45.5	6.0	6.9	5.2	2.0
1955	100.0	25.1	12.0	43.5	5.8	7.3	4.1	2.1
1956	100.0	26.8	11.6	43.2	5.8	7.4	3.0	2.2
1957	100.0	28.1	11.5	42.4	5.0	8.5	2.5	2.1
1958	100.0	28.7	11.4	42.1	5.1	8.3	2.4	2.1
1959	100.0	28.6	11.6	41.3	5.1	9.1	2.2	2.1
1960	100.0	27.3 ^{1/}	12.8	41.2	4.7	9.7	2.1	2.0
1961	100.0	27.1	12.8	40.8	4.6	10.4	2.0	2.2
1962	100.0	27.3	13.3	39.8	4.7	10.7	2.0	2.2
1963	100.0	27.3	12.9	40.3	4.6	10.9	1.9	2.1
1964	100.0 ^{1/}	27.2	13.5	42.3	4.8	7.9	2.1	2.2
1965	100.0	26.0	13.3	43.9	4.9	7.4	2.0	2.5
1966	100.0	26.1	13.5	43.5	4.9	7.5	1.9	2.6
1967	100.0	25.2	13.7	43.7	4.9	8.1	1.9	2.5
1968	100.0	24.9	14.4	43.1	5.2	8.0	2.0	2.4
1969 ^r	100.0	24.9	13.8	43.6	5.5	7.6	1.8	2.8
1970	100.0	24.8	13.4	43.0	6.0	8.1	1.7	3.0

r Revised figure

... Figures not appropriate or applicable.

Totals may not add due to rounding.

^{1/} New series not strictly comparable with earlier years.

Source: Table CD-9.

TABLE CD-10

BOOK VALUE OF DIRECT INVESTMENT IN CANADIAN MANUFACTURING BY THE
UNITED STATES, BY PRODUCT GROUP, YEAR ENDS 1945-1970

(millions of dollars)

Year	Total	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1945	1,191	140	44	28	316	272	203	39	118	31
1946	1,366	146	42	29	350	283	208	138	134	36
1947	1,493	155	46	32	383	312	225	152	147	41
1948	1,729	179	49	35	427	346	250	229	167	47
1949	1,880	182	55	38	441	378	270	279	185	52
1950	2,024	193	58	42	446	420	311	307	194	53
1951	1,921	214	60	46	454	451	362	59	219	56
1952	2,620	230	66	46	499	528	473	469	250	59
1953	2,447	261	70	43	560	591	519	72	266	65
1954	2,633	279	76	47	642	606 ^{1/}	543	82	281	77 ^{1/}
1955	2,835	302	83	53	659	706 ^{1/}	585	79	316	52 ^{1/}
1956	3,195	339	83	58	726	816	663	91	358	61
1957	3,590	375	89	62	798	896	789	101	405	75
1958	3,806	403	95	63	819	961	845	110	434	76
1959	4,097	442	108	68	822	1,095	892	127	460	83
1960	4,348	488	111	72	886	1,198	890	134	478	91
1961	4,603	504	125	78	939	1,248	931	140	538	100
1962	4,775	539	129	82	950	1,326	939	136	565	109
1963	5,155	581	141	88	1,035	1,400	950	146	699	115
1964	5,478	576	148	90	1,094	1,556	924	153	811	126
1965	6,167	628	174	97	1,227	1,763	1,027	159	950	142
1966	6,769	656	196	108	1,328	1,942	1,132	175	1,084	148
1967	7,437	723	206	119	1,408	2,221	1,255	205	1,138	162
1968	7,975	781	214	133	1,435	2,469	1,338	225	1,203	177
1969 ^r	8,700	868	230	149	1,500	2,881	1,398	250	1,227	197
1970	9,253	917	233	157	1,658	3,025	1,503	247	1,285	228

^r Revised figure^{1/} New series not strictly comparable with earlier years.

(Source on next page)

Source: 1945-1958 Canada's International Investment Position 1926-1967, Statistics Canada, Ottawa, December 1971, Table VI, pages 128-129.

1959-1966 Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972, Table VI, page 54.

1967 Statistics Canada Daily, July 31, 1973, page 5.

1968-1970 Statistics Canada Daily, September 26, 1973, page 3.

TABLE CD-11

BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY THE UNITED
KINGDOM, BY INDUSTRIAL GROUP, YEAR ENDS 1945 - 1970

(millions of dollars)

Year	Industrial group							
	Total	Petro- leum and natural gas	Other mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	348	-	22	156	51	98	16	5
1946	335	...	19	155	55	85	16	5
1947	372	...	18	173	67	92	18	4
1948	400	...	19	193	70	95	18	5
1949	428	...	17	250	76	61	17	7
1950	468	...	19	288	84	54	16	7
1951	497	4	18	305	97	48	16	9
1952	544	...	18	345	107	47	16	11
1953	612	9	15	377	115	65	16	15
1954	759	7	17	477	131	90	16	21
1955	890	23	26	537	139	109	33	23
1956	1,048	56	48	611	151	115	39	28
1957	1,163	64	68	663	167	131	37	33
1958	1,296	90	77	716	191	142	41	39
1959	1,384	116	68	732	219	168	40	41
1960	1,535	208 ^{1/}	66	768	208	198	40	47
1961	1,613	234	62	755	231	246	38	47
1962	1,706	298	67	790	236	234	38	43
1963	1,761	335	63	805	255	227	33	43
1964	1,933	391	104	841	265	262	14	56
1965	2,033	488	100	836	274	262	14	59
1966	2,046	476	111	852	283	248	14	62
1967	2,152	477	123	870	304	293	21	64
1968	2,310	471	136	874	317	386	56	70
1969	2,426	470	154	846	338	487	56	75
1970	2,505	536	154	842	297	545	52	79

r Revised figure

- Nil or less than 0.5 million dollars.

... Figures not appropriate or applicable.

^{1/} New series not strictly comparable with earlier years.

Source: 1945-1958 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table VI,
pages 128-129.

1959-1966 Quarterly Estimates of the Canadian Balance of
International Payments First Quarter 1972, Statistics
Canada, Ottawa, June 1972, Table VI, page 54.

1967 Statistics Canada Daily, Tuesday, July 31, 1973, page 5.

1968-1970 Statistics Canada Daily, Wednesday, September 26, 1973, page 3.

TABLE CD-11A

PERCENTAGE DISTRIBUTION OF BOOK VALUE OF DIRECT INVESTMENT
IN CANADA BY THE UNITED KINGDOM, BY INDUSTRIAL GROUP,
YEAR ENDS 1945-1970

(per cent)

Year	Industrial group							
	Total	Petro- leum and natural gas	Other mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	100.0	-	6.3	44.8	14.7	28.2	4.6	1.4
1946	100.0	...	5.7	46.3	16.4	25.3	4.8	1.5
1947	100.0	...	4.8	46.5	18.0	24.7	4.9	1.1
1948	100.0	...	4.8	48.2	17.5	23.8	4.5	1.2
1949	100.0	...	4.0	58.4	17.8	14.2	4.0	1.6
1950	100.0	...	4.1	61.5	18.0	11.5	3.4	1.5
1951	100.0	0.8	3.6	61.4	19.5	9.7	3.2	1.8
1952	100.0	...	3.3	63.4	19.7	8.7	2.9	2.0
1953	100.0	1.5	2.4	61.6	18.8	10.6	2.6	2.5
1954	100.0	0.9	2.2	62.8	17.3	11.9	2.1	2.8
1955	100.0	2.6	2.9	60.3	15.6	12.2	3.7	2.6
1956	100.0	5.3	4.6	58.3	14.4	11.0	3.7	2.7
1957	100.0	5.5	5.8	57.0	14.4	11.3	3.2	2.8
1958	100.0	6.9	5.9	55.2	14.7	11.0	3.2	3.0
1959	100.0	8.4	4.9	52.9	15.8	12.1	2.9	3.0
1960	100.0	13.6 ^{1/}	4.3	50.0	13.6	12.9	2.6	3.1
1961	100.0	14.5	3.8	46.8	14.3	15.2	2.4	2.9
1962	100.0	17.5	3.9	46.3	13.8	13.7	2.2	2.5
1963	100.0	19.0	3.6	45.7	14.5	12.9	1.9	2.4
1964	100.0	20.2	5.4	43.5	13.7	13.6	0.7	2.9
1965	100.0	24.0	4.9	41.1	13.5	12.9	0.7	2.9
1966	100.0	23.3	5.4	41.7	13.8	12.1	0.7	3.0
1967	100.0	22.2	5.7	40.4	14.1	13.6	1.0	3.0
1968	100.0	20.4	5.9	37.9	13.7	16.7	2.4	3.0
1969 ^r	100.0	19.4	6.3	34.9	13.9	20.1	2.3	3.1
1970	100.0	21.4	6.1	33.6	11.9	21.8	2.1	3.1

^r Revised figures

Totals may not add due to rounding.

... Figures not appropriate or applicable.

^{1/} New series not strictly comparable with earlier years.

Source: Table CD-11

Foreign Investment Division
Investment Analysis Branch

TABLE CD-12

BOOK VALUE OF DIRECT INVESTMENT IN CANADIAN MANUFACTURING
BY THE UNITED KINGDOM, BY PRODUCT GROUP, YEAR ENDS 1945-1970

(millions of dollars)

Year	Product group									
	Total	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1945	156	60	3	26	30	4	8	4	19	2
1946	155	60	2	27	31	4	6	4	19	2
1947	173	68	3	30	33	5	5	6	21	2
1948	193	69	2	33	32	7	7	15	25	3
1949	250	68	3	30	88	7	8	15	26	5
1950	288	74	3	36	92	20	9	19	28	7
1951	307	74	3	38	109	14	10	15	30	12
1952	345	82	3	39	111	15	8	25	36	26
1953	382	86	3	41	121	21	15	22	42	26
1954	457	92	4	44	120	23	19	21	119	37
1955	537	91	4	45	124	87 ^{1/}	27	26	129	41 ^{1/}
1956	611	95	4	47	120	134	49	23	135	4
1957	663	110	5	46	125	147	61	26	139	4
1958	716	108	5	51	125	186	63	30	143	5
1959	732	117	6	49	127	180	64	34	150	5
1960	768	124	6	45	138	185	65	38	162	5
1961	755	123	6	43	115	191	65	37	170	5
1962	790	129	6	41	133	190	60	49	177	5
1963	805	148	7	39	133	187	62	48	176	5
1964	841	146	6	39	193	185	59	31	178	4
1965	836	145	8	42	184	186	58	25	183	5
1966	852	152	9	45	190	179	64	22	186	5
1967	870	157	10	46	181	193	71	22	186	4
1968	874	157	11	47	173	200	44	32	206	4
1969 ^r	846	130	13	49	176	153	48	48	225	4
1970	842	132	7	55	170	146	52	45	232	3

^r Revised figure^{1/} New series not strictly comparable to earlier years.

(Source on next page)

Source: 1945-1958 Canada's International Investment Position 1926-1967, Statistics Canada, Ottawa, December 1971, Table VI, pages 128-129.

1959-1966. Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, June 1972, Table VI, page 54.

1967 Statistics Canada Daily, July 31, 1973, page 5.

1968-1970 Statistics Canada Daily, September 26, 1973, page 3.

Foreign Investment Division
Investment Analysis Branch

TABLE CD-13

BOOK VALUE OF DIRECT INVESTMENT IN CANADA BY COUNTRIES OTHER
THAN THE UNITED STATES AND THE UNITED KINGDOM, BY INDUSTRIAL GROUP,
YEAR ENDS 1945-1970

(millions of dollars)

Year	Industrial group							
	Total	Petroleum and natural gas	Other mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1945	61	-	-	12	4	43	1	1
1946	63	...	-	13	5	41	3	1
1947	66	...	-	14	5	42	4	1
1948	63	...	-	16	7	36	3	1
1949	63	...	1	16	6	34	5	1
1950	81	...	4	19	10	43	4	1
1951	127	1	4	22	15	77	4	4
1952	144	...	7	28	18	81	6	4
1953	185	25	4	36	18	92	6	4
1954	218	33	4	46	22	104	5	4
1955	325	94	4	62	22	122	17	4
1956	428	110	3	100	26	152	30	7
1957	494	115	5	123	31	176	34	10
1958	539	128	9	146	35	181	30	10
1959	610	130 ^{1/}	9 ^{1/}	182	37	217	25	10
1960	788	220 ^{1/}	25 ^{1/}	226	48	238	21	10
1961	840	240	36	231	53	243	23	14
1962	948	326	24	254	58	248	18	20
1963	956	334	28	249	56	254	16	19
1964	1,069	339	37	272	80	311	11	19
1965	1,264	459	42	252	91	389	7	24
1966	1,392	474	61	269	90	465	7	26
1967	1,547	502	101	292	107	506	7	32
1968	1,714	557	126	355	127	495	8	46
1969	2,039	665	169	496	117	525	9	58
1970	2,471	736	228	720	139	551	25	72

r Revised figures.

... Figures not appropriate or applicable.

- Nil or less than 0.5 million dollars.

^{1/} New series not strictly comparable with earlier years.

Source: 1945-1958 Canada's International Investment Position 1926-1967,
Statistics Canada, Ottawa, December 1972, Table VI,
pages 130-131.

1959-1966 Quarterly Estimates of the Canadian Balance of
International Payments, First Quarter 1972,
Statistics Canada, Ottawa, June 1972, Table VI, page 55.

1967 Statistics Canada Daily, July 31, 1973, page 5.

1968-1970 Statistics Canada Daily, September 26, 1973, pages 3-4.

TABLE CD-14

BOOK VALUE OF DIRECT INVESTMENT IN CANADIAN MANUFACTURING BY
COUNTRIES OTHER THAN THE UNITED STATES AND THE UNITED KINGDOM, BY PRODUCT GROUP,
YEAR ENDS 1945-1970

(millions of dollars)

Year	Product group									
	Total	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1945	12	-	-	2	2	1	-	-	7	-
1946	13	-	1	2	2	1	-	-	7	-
1947	14	-	1	2	2	1	-	-	8	-
1948	16	-	2	2	3	1	-	-	8	-
1949	16	-	3	2	-	2	2	-	7	-
1950	19	1	3	2	-	2	2	1	8	-
1951	22	3	3	2	1	2	3	-	8	-
1952	28	3	4	2	-	5	5	-	9	-
1953	36	4	4	1	1	5	7	5	9	-
1954	46	4	4	1	1	9	8	8	11	-
1955	62	4	4	-	1	12	12	17	11	1
1956	100	7	4	-	1	28	16	29	14	1
1957	123	7	4	-	1	46	17	30	17	1
1958	146	10	5	1	1	58	18	34	18	1
1959	182	19	5	-	2	70	21	37	27	1
1960	226	25	5	1	9	58	28	68	31	1
1961	231	21	4	1	10	65	24	72	33	1
1962	254	23	5	1	15	68	23	80	38	1
1963	249	16	5	1	22	60	24	79	41	1
1964	272	18	6	1	20	52	31	87	56	1
1965	252	20	6	2	12	59	33	77	42	1
1966	269	14	7	2	16	60	38	85	46	1
1967	292	19	7	2	29	55	43	87	49	1
1968	355	20	7	3	86	46	45	93	53	2
1969 ^r	496	41	19	7	132	57	46	113	78	3
1970	720	91	20	10	231	77	56	129	103	3

^r Revised figure
- Nil or less than 0.5 million dollars

(Source on next page)

Source: 1945-1958 Canada's International Investment Position 1926-1967, Statistics Canada, Ottawa, December 1971, Table VI, pages 130-131.

1959-1966 Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972, Table VI, page 55.

1967 Statistics Canada Daily, July 31, 1973, page 5.

1968-1970 Statistics Canada Daily, September 26, 1973, page 3.

Foreign Investment Division
Investment Analysis Branch

TABLE CD-15

OWNERSHIP OF INVESTMENT IN CANADA UNDER NON-RESIDENT
CONTROL BY AREA OF OWNERSHIP AND OF CONTROL,
SELECTED YEAR ENDS 1945 TO 1967

(millions of dollars)

Country of Control	Total investment in Canada under non-resident control	Ownership of investment by				
		Residents of the country of control	Non-residents outside the country of control	Canadians		
				Total	Debt	Equity
	(1)	(2)	(3)	(4)	(5)	(6)
United States:						
1945	2,885	2,304	137	444	109	335
1954	7,439	5,810	223	1,406	628	778
1960	13,365	10,549	350	2,466	1,204	1,262
1967	21,587	17,000	453	4,134	2,193	1,941
United Kingdom:						
1960	2,639	1,535	205	899	472	427
1967	4,021	2,152	427	1,442	863	579
Other Foreign Countries:						
1960	1,104	788	65	251	177	74
1967	2,458	1,547	171	740	536	204
All Foreign Countries:						
1960	17,108	12,872	620	3,616	1,853	1,763
1967	28,066	20,699	1,051	6,316	3,592	2,724

Source: 1945-1960 The Canadian Balance of International Payments, 1961 and 1962 and International Investment Position, DBS, Ottawa, August 1964, Statements 35 and 35A, pages 85-86.

1967 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XII, pages 142-143.

TABLE CD-16

BOOK VALUE OF TOTAL INVESTMENT IN CANADIAN ENTERPRISES CONTROLLED
FROM THE UNITED STATES, THE UNITED KINGDOM AND OTHER COUNTRIES ABROAD,
SELECTED YEAR ENDS FROM 1955 TO 1969

(millions of dollars)

Year	Country of control			
	All foreign countries	United States	United Kingdom	Other foreign countries
	(1)	(2)	(3)	(4)
1955	..	..	..	431
1957	..	..	..	642
1959	..	..	..	860
1961	..	..	..	1,187
1963	20,341	15,990	2,929	1,422
1965	23,064	17,524	3,621	1,919
1966	25,503	19,461	3,813	2,229
1967	28,066	21,587	4,021	2,458
1968	30,483	23,521	4,220	2,742
1969	33,941	25,640	4,668	3,633

.. Figures not available.

Source: 1955-1961 The Canadian Balance of International Payments 1963, 1964 and 1965 and International Investment Position, DBS, Ottawa, August 1967, Statement 59, page 70.

1963 Canada's International Investment Position 1926-1967, Statistics Canada, Ottawa, December 1971, Table XI, page 140.

1965 Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972, Statistics Canada, Ottawa, June 1972, Table XI, page 57.

1966-1969 Statistics Canada Daily, Tuesday, July 31, 1973, page 3.

TABLE CD-17

BOOK VALUE OF TOTAL INVESTMENT IN CANADIAN ENTERPRISES CONTROLLED BY COUNTRIES ABROAD
OTHER THAN THE UNITED STATES AND THE UNITED KINGDOM, YEAR ENDS BIENNIALY FROM 1955 TO 1965

(millions of dollars)

Year	Country of control other than the U.S. and the U.K														
	Total	Australia	Sterling Area in Western Hemisphere	Other Sterling Area	Belgium and Luxembourg	Den- mark	France	Germany	Netherlands	Sweden	Switzerland	Other OECD Europe	Panama	Other Latin American countries	Other coun- tries
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1955	431	11	-	8	140	7	101	16	11	15	86	3	3	1	29
1957	642	6	7	10	174	8	156	66	26	21	111	4	6	3	44
1959	860	7	16	31	224	9	178	112	36	33	152	5	6	2	49
1961	1,187	7	27	30	308	9	247	126	150 ^{2/}	69	165	6	13	1	29
1963	1,399	..	28	38	310	9	297	138	266	69	185	11	..	16	32
1965	1,907	..	62	60	366	13	367	198	417	73	256	22	..	32	41

- Nil or less than 0.5 million dollars.

.. Not available.

1/ Includes mainly foreign-controlled investments whose beneficial ownership has not been identified by country.

2/ New series not strictly comparable with earlier years.

Source: 1955-1961 The Canadian Balance of International Payments 1963, 1964 and 1965 and International Investment Position, DBS, Ottawa, August 1967, Statement 59, page 70.

1963-1965 Quarterly Estimates of the Canadian Balance of International Payments, Third Quarter 1968, DBS, Ottawa, December 1968, page 17.

TABLE CD-18

BOOK VALUE OF TOTAL INVESTMENT^{1/} IN CANADIAN ENTERPRISES
CONTROLLED BY NON-RESIDENTS, BY AREA OF CONTROL, YEAR ENDS
1963 AND 1965 TO 1969

(millions of dollars)

Area	1963	1965	1966	1967	1968	1969
	(1)	(2)	(3)	(4)	(5)	(6)
<u>NORTH AMERICA:</u>						
United States	15,990	17,524	19,461	21,587	23,521	25,640
Bahamas	31	67 ^r	76	89	81	95
Bermuda	8	10 ^r	16	22	25	33
Mexico		7	10	13	13	14
Netherland Antilles	3	4	6	6	7	9
Other			1	2	3	1
Total North America	16,032	17,612	19,570	21,719	23,650	25,792
<u>SOUTH AND CENTRAL AMERICA:</u>						
Panama	27	28	30	27	29	22
Venezuela	2	3	4	5	4	4
Other	-	1	1	2	2	4
Total South and Central America	29	32	35	34	35	30
<u>EUROPE:</u>						
United Kingdom	2,929	3,621	3,813	4,021	4,220	4,668
Belgium and Luxembourg	310	340	357	373	408	430
France	300	377	495	563	647	878
Italy	17	35	78	96	95	113
Netherlands	267	416	424	425	437	553
West Germany	123	214	244	263	257	273
Denmark	9	13	13	16	16	18
Sweden	67	72	70	72	79	88
Switzerland	199	253	268	280	328	453
Norway		2	2	3	3	4
Austria	7				2	2
Ireland		9	13	13	9	10
Other					33	100
Total Europe	4,228	5,352	5,777	6,125	6,534	7,589
<u>AFRICA:</u>	36	39	74	113	141	386
<u>ASIA:</u>						
Japan	7	11	19	44	80	99
Hong Kong	6	11	19	21	16	20
Other					13	5
Total Asia	13	22	38	65	109	124
<u>AUSTRALASIA:</u>						
Australia	1	2	2	3	4	6
Other	2	5	7	7	10	13
Total Australasia	3	7	9	10	14	19
<u>TOTALS</u>	20,341	23,064	25,503	28,066	30,483	33,941
<u>DEVELOPED COUNTRIES</u>	20,264	22,928	25,335	27,875	30,275	33,727
<u>DEVELOPING COUNTRIES</u>	77	135	167	190	206	213
<u>CENTRALLY PLANNED ECONOMIES</u>	-	1	1	1	2	1

1/ Includes investment from foreign countries of control and portfolio investment from other foreign countries and Canada.

r Revised

- Nil

(Source on next page)

Source: 1963	<u>Canada's International Investment Position 1926 to 1967</u> Statistics Canada, Ottawa, December 1971, Table XI, page 140.
1965	<u>Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1972</u> , Statistics Canada, Ottawa, June 1972, Table XI, page 57.
1966-1969	<u>Statistics Canada Daily</u> , Thursday, July 31, 1973, page 3.

TABLE CD-18 A

PERCENTAGE DISTRIBUTION OF THE BOOK VALUE OF TOTAL INVESTMENT IN
CANADIAN ENTERPRISES CONTROLLED BY NON-RESIDENTS, BY AREA OF CONTROL,
YEAR ENDS 1963 AND 1965 TO 1969

(per cent)

Area	1963	1965	1966	1967	1968	1969
	(1)	(2)	(3)	(4)	(5)	(6)
<u>NORTH AMERICA:</u>						
United States	78.6	76.1	76.3	76.9	77.2	75.6
Bahamas	0.2	0.3	0.3	0.3	0.3	0.3
Bermuda	-	-	0.1	0.1	0.1	0.1
Mexico	-	-	-	0.1	-	-
Netherland Antilles	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total North America	78.8	76.4	76.7	77.4	77.6	76.0
<u>SOUTH AND CENTRAL AMERICA:</u>						
Panama	0.1	0.1	0.1	0.1	0.1	0.1
Venezuela	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total South and Central America	0.1	0.1	0.1	0.1	0.1	0.1
<u>EUROPE:</u>						
United Kingdom	14.4	15.7	15.0	14.3	13.9	13.8
Belgium and Luxembourg	1.5	1.5	1.4	1.3	1.3	1.3
France	1.5	1.6	1.9	2.0	2.1	2.6
Italy	0.1	0.2	0.3	0.3	0.3	0.3
Netherlands	1.3	1.8	1.7	1.5	1.4	1.6
West Germany	0.6	0.9	1.0	0.9	0.9	0.8
Denmark	-	0.1	-	0.1	0.1	0.1
Sweden	0.4	0.1	0.3	0.3	0.3	0.3
Switzerland	1.0	1.1	1.1	1.0	1.1	1.3
Norway	-	-	-	-	-	-
Austria	-	-	-	-	-	-
Ireland	-	-	-	0.1	-	-
Other	-	-	-	-	0.1	0.3
Total Europe	20.8	23.2	22.7	21.8	21.4	22.4
<u>AFRICA:</u>	0.2	0.2	0.3	0.4	0.5	1.1
<u>ASIA:</u>						
Japan	0.1	0.1	0.1	0.2	0.3	0.3
Hong Kong	-	-	0.1	0.1	0.1	0.1
Other	-	-	-	-	-	-
Total Asia	0.1	0.1	0.2	0.3	0.4	0.4
<u>AUSTRALASIA:</u>						
Australia	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Australasia	-	-	-	-	-	-
<u>TOTALS</u>	100.0	100.0	100.0	100.0	100.0	100.0
<u>DEVELOPED COUNTRIES</u>	99.6	99.4	99.3	99.3	99.3	99.4
<u>DEVELOPING COUNTRIES</u>	0.4	0.6	0.7	0.7	0.7	0.6
<u>CENTRAILY PLANNED ECONOMIES</u>	-	-	-	-	-	-

Source: Calculated from Table CD-41

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-19

BOOK VALUE OF TOTAL INVESTMENT IN CANADIAN ENTERPRISES CONTROLLED ABROAD BY RESIDENTS
OF THE UNITED STATES, THE UNITED KINGDOM, AND OTHER COUNTRIES,
BY INDUSTRY, SELECTED YEAR ENDS 1945 TO 1967

(millions of dollars)

Country of control	Total	Petroleum and natural gas	Other mining and smelting	Manufacturing	Merchandi- sing	Financial	Utilities	Other enterprises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States:								
1945	2,885	210	316	1,385	154	204	552	64
1954	7,439	1,677	918	3,310	372	538	477	147
1960	13,365	3,857	1,750	5,102	573	1,337	476	270
1967	21,587	5,836	2,919	8,826	977	1,714	786	529
United Kingdom:								
1960	2,639	291	236	1,359	357	247	70	79
1967	4,021	701	281	1,709	550	594	71	115
Other Foreign Countries:								
1960	1,104	282	37	366	54	320	31	14
1967	2,458	692	178	531	117	887	7	46
All Foreign Countries								
1960	17,108	4,430	2,023	6,827	984	1,904	577	363
1967	28,066	7,229	3,378	11,066	1,644	3,195	864	690

Source: 1945-1960 The Canadian Balance of International Payments, 1961 and 1962 and International Investment Position, DBS, Ottawa, August 1964, Statements 35 and 35A, pages 85-86.

1967 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XIII, pages 142-143.

TABLE CD-20

BOOK VALUE OF TOTAL INVESTMENT IN CANADIAN MANUFACTURING ENTERPRISES CONTROLLED ABROAD
BY RESIDENTS OF THE UNITED STATES, THE UNITED KINGDOM AND OTHER COUNTRIES
BY PRODUCT GROUP, 1960 AND 1967
(millions of dollars)

Country of control	Total	Product Group								
		Vegetable products	Animal products	Textiles	Wood and paper products	Iron and products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
United States:										
1945	1,385	151	49	31	331	292	307	41	152	31
1954	3,310	303	78	51	777	677	889	105	351	79
1960	5,102	528	113	85	1,003	1,301	1,241	167	570	94
1967	8,826	853	224	132	1,604	2,552	1,703	227	1,361	170
United Kingdom:										
1960	1,359	251	7	51	315	299	139	58	233	6
1967	1,709	332	45	57	345	347	171	47	359	6
Other Foreign Countries:										
1960	366	32	5	1	22	80	33	149	43	1
1967	531	47	7	2	103	71	47	195	57	2
All Foreign Countries:										
1960	6,827	811	125	137	1,340	1,680	1,413	374	846	101
1967	11,066	1,232	276	191	2,052	2,970	1,921	469	1,777	178

Source: 1945-1960 The Canadian Balance of International Payments 1961 and 1962 and International Investment Position, DBS, Ottawa, August 1964, Statements 35 and 35A, pages 85-86.

1967 Canada's International Investment Position 1926 to 1967, Statistics Canada, December 1971, Table XIII, pages 142-143.

TABLE CD-21

ESTIMATED EARNINGS FROM DIRECT INVESTMENT IN CANADA
ACCRUING TO COUNTRIES OF CONTROL, 1946 - 1968

(millions of dollars)

Year	Earnings			
	Total	Remitted income ^{1/}	Allowance for withholding taxes	Increase in undistributed earnings
	(1)	(2)	(3)	(4)
1946	279	147	12	120
1947	323	183	15	125
1948	348	174	14	160
1949	407	233	19	155
1950	484	309	25	150
1951	485	272	23	190
1952	556	239	22	295
1953	544	217	22	305
1954	532	230	22	280
1955	635	274	26	335
1956	736	310	26	400
1957	789	340	24	425
1958	597	339	23	235
1959	739	365	24	350
1960	626	318	28	280
1961	693	396	57	240
1962	775	398	52	325
1963	911	424	52	435
1964	1,100	562	58	480
1965	1,395	587	73	735
1966	1,304	588	76	640
1967	1,544	627	72	845
1968	1,480	604	66	810
1969	..	592	..	..
1970	..	676	..	..
1971 ^p	..	731	..	..

^{1/} Includes interest paid on funded debt to principal owners.^p PreliminarySource: 1946-1964 Canada's International Investment Position 1926-1967,
Statistics Canada, Ottawa, December 1971, Table XXXVI,
page 181.1965 The Canadian Balance of International Payments 1965-1970,
Statistics Canada, Ottawa, December 1972, Table 11,
page 100.1966-1971 The Canadian Balance of International Payments 1971,
Statistics Canada, Ottawa, August 1973, Table 11,
page 77.

TABLE CD-21A

PERCENTAGE DISTRIBUTION OF ESTIMATED EARNINGS FROM DIRECT INVESTMENT
IN CANADA ACCRUING TO COUNTRIES OF CONTROL 1946-1968

(per cent)

Year	Earnings			
	Total	Remitted income	Allowance for withholding taxes	Increase in undistributed earnings
	(1)	(2)	(3)	(4)
1946	100.0	52.7	4.3	43.0
1947	100.0	56.7	4.6	38.7
1948	100.0	50.0	4.0	46.0
1949	100.0	57.2	4.7	38.1
1950	100.0	63.8	5.2	31.0
1951	100.0	56.1	4.7	39.2
1952	100.0	43.0	4.0	53.0
1953	100.0	39.9	4.0	56.1
1954	100.0	43.2	4.2	52.6
1955	100.0	43.1	4.1	52.8
1956	100.0	42.1	3.5	54.4
1957	100.0	43.1	3.0	53.9
1958	100.0	56.8	3.8	39.4
1959	100.0	49.4	3.2	47.4
1960	100.0	50.8	4.5	44.7
1961	100.0	57.2	8.2	34.6
1962	100.0	51.4	6.7	41.9
1963	100.0	46.5	5.7	47.8
1964	100.0	51.1	5.3	43.6
1965	100.0	42.1	5.2	52.7
1966	100.0	45.1	5.8	49.1
1967	100.0	40.6	4.7	54.7
1968	100.0	40.8	4.5	54.7

Source: Derived from Table CD-18.

TABLE CD-22

INTEREST AND DIVIDEND PAYMENTS TO THE UNITED STATES,
THE UNITED KINGDOM AND OTHER COUNTRIES ON DIRECT INVESTMENT
IN CANADA, 1946 - 1971
(millions of dollars)

Year	Payments abroad to			
	All countries	United States	United Kingdom	Other countries
	(1)	(2)	(3)	(4)
1946	147	134	11	2
1947	183	170	11	2
1948	174	162	10	2
1949	233	216	14	3
1950	309	292	15	2
1951	272	258	12	2
1952	239	214	20	5
1953	217	197	17	3
1954	230	205	22	3
1955	274	243	28	3
1956	310	280	28	2
1957	340	307	26	7
1958	339	303	26	10
1959	365	320	38	7
1960	318	280	32	6
1961	396	350	35	11
1962	398	352	38	8
1963	424	372	36	16
1964	562	485	58	19
1965	587	495	66	26
1966	588	523	44	21
1967	627	563	43	21
1968	604	518	49	37
1969	592	514	54	24
1970	676	611	40	25
1971p	731	671	36	24

P Preliminary

Source: 1946-1964 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Tables XXXI-XXXIV, pages 178-179.

1965 The Canadian Balance of International Payments 1965-70, Statistics Canada, Ottawa, December 1972, Table 10, page 100.

1966-1971 The Canadian Balance of International Payments 1971, Statistics Canada, Ottawa, August 1973, Table 10, page 77.

TABLE CD-23

ESTIMATED INTEREST PAYMENTS TO THE UNITED STATES,
THE UNITED KINGDOM AND OTHER COUNTRIES ON DIRECT INVESTMENT IN CANADA,
SELECTED YEARS FROM 1958 TO 1966 AND PARTIAL DATA FROM 1946

(millions of dollars)

Year	Payments abroad to			
	All countries ^{1/}	United States	United Kingdom	Other Countries
	(1)	(2)	(3)	(4)
1946	..	14	..	..
1950	..	13	..	..
1953	..	14	..	..
1958	10	10	-	-
1960	8	8	-	-
1962	8	7	-	1
1963	7	7	-	-
1964	7	6	-	1
1966	9	8	-	2

- Nil or less than \$0.5 million.

.. Not available.

^{1/} Totals may not add because of rounding.

Source: Derived from Tables CD-19 and CD-21.

TABLE CD-24

DIVIDEND ~~PAYMENTS~~^{1/} TO THE UNITED STATES, THE UNITED KINGDOM
AND OTHER COUNTRIES ON DIRECT INVESTMENT IN CANADA
SELECTED YEARS FROM 1958 TO 1966

(millions of dollars)

Year	Payments abroad to			
	All countries	United States	United Kingdom	Other countries
	(1)	(2)	(3)	(4)
1958	329	293	26	10
1960	310	272	32	5
1962	390	345	38	8
1963	417	365	36	16
1964	555	479	58	18
1965	574	510	43	21
1966	579	515	44	19

Totals may not add due to rounding.

1/ Includes profit of unincorporated branches of foreign corporations.

Source: 1958-1962 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table XXXVII,
pages 182-184.

1963, 1965 The Canadian Balance of International Payments, 1963,
1964 and 1965 and International Investment Position,
DBS, Ottawa, August 1967, Statement 13, page 20.

1964, 1966 The Canadian Balance of International Payments 1965-70,
Statistics Canada, Ottawa, December 1972, Table 12,
page 101.

TABLE CD-25

DIVIDEND PAYMENTS^{1/} ON DIRECT INVESTMENT IN CANADA, BY INDUSTRIAL GROUP, BIENNIALY FROM 1958 TO 1966

(millions of dollars)

Year	Industrial group							
	Total ^{2/}	Petroleum and natural gas	Mining and smelting	Manufacturing	Merchandising	Financial	Utilities	Other enterprises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1958	329	38	70	161	27	16	8	10
1960	310	52	42	165	16	19	6	10
1962	390	72	52	210	23	20	6	8
1964	555	83	108	293	27	16	9	20
1966	579	86	116	303	30	23	7	13

^{1/} Includes profit of unincorporated branches of foreign corporations.

^{2/} Totals may not add due to rounding.

Source: 1958-1962 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1972, Table XXXVII, pages 183-185.

1964-1966 The Canadian Balance of International Payments 1965-70, Statistics Canada, Ottawa, December 1972, Table 12, page 101.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-26

DIVIDEND PAYMENTS^{1/} ON DIRECT INVESTMENT IN CANADIAN MANUFACTURING,
BY PRODUCT GROUP, BIENNIALY FROM 1958 TO 1966
(millions of dollars)

Year	Product group									
	Total ^{2/}	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and its products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1958	161	19	3	3	20	60	21	4	26	4
1960	165	16	9	3	40	35	23	4	29	6
1962	210	19	4	4	30	83	20	8	40	3
1964	293	43	4	10	27	125	24	12	41	7
1966	303	31	3	3	30	140	39	5	46	5

^{1/} Includes profit of unincorporated branches of foreign corporations.

^{2/} Totals may not add due to rounding.

Source: 1958-1962 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XXXVII, pages 183-185.

1964-1966 The Canadian Balance of International Payments 1965-70, Statistics Canada, Ottawa, December 1972, Table 12, page 101.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-27

DIVIDEND PAYMENTS^{1/} TO THE UNITED STATES ON DIRECT INVESTMENT
IN CANADA, BY INDUSTRIAL GROUP, SELECTED YEARS FROM 1946 TO 1966

(millions of dollars)

Year	Industrial group							
	Total	Petroleum and natural gas	Mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1946	120.0	10.0	23.4	70.8	8.0 ^{2/}		7.8	..
1950	279.4	11.5	44.1	192.5	25.3 ^{2/}		6.0	..
1953	182.8	17.9	29.3	109.7	19.5 ^{2/}		6.4	..
1958	293	38	69	141	21	12	3	9
1960	272	52	41	142	8	14	6	9
1962	345	72	53	181	15	13	4	7
1964	479	79	108	248	13	9	5	18
1966	515	81	116	275	13	13	7	11

Totals may not add due to rounding.

.. Not available.

^{1/} Includes profit of unincorporated branches of foreign corporations.

^{2/} "Other enterprises" are also included.

Source: 1946-1953 The Canadian Balance of International Payments, A Compendium of Statistics from 1946 to 1965, DBS, Ottawa, March 1967, Table 5.13, Page 174.

1958-1962 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XXXVII, pages 183-184.

1964-1966 The Canadian Balance of International Payments 1965-70, Statistics Canada Ottawa, December 1972, Table 12, page 101.

TABLE CD-28

DIVIDEND PAYMENTS^{1/} TO THE UNITED STATES ON DIRECT INVESTMENT IN CANADIAN
MANUFACTURING, BY PRODUCT GROUP, SELECTED YEARS FROM 1946 TO 1966

(millions of dollars)

Year	Product group									
	Total ^{2/}	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and its products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1946	70.8		14.5	3.4	7.7	19.1	14.9	3.0	7.6	0.6
1950	192.5		27.1	3.3	32.6	63.5	29.1	10.8	19.9	6.2
1953	109.7		13.6	0.5	13.4	31.3	25.6	4.7	15.7	4.9
1958	141	15	3	2	15	58	21	4	20	4
1960	142	10	9	1	32	34	23	4	23	6
1962	181	11	4	2	24	81	20	7	29	3
1964	248	36	4	6	17	120	23	5	29	7
1966	275	24	2	2	25	134	37	5	41	5

^{1/} Includes profit of unincorporated branches of foreign corporations.

^{2/} Totals may not add due to rounding.

Source: 1946-1953 The Canadian Balance of International Payments, a Compendium of Statistics from 1946 to 1965, Statistics Canada, Ottawa, March 1967, Table 5.13, page 174.

1958-1962 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XXXVII, pages 183-185.

1964-1966 The Canadian Balance of International Payments 1965-70, Statistics Canada, Ottawa, December 1972, Table 12, page 101.

TABLE CD-29

DIVIDEND PAYMENTS^{1/} TO THE UNITED KINGDOM ON DIRECT INVESTMENT
IN CANADA, BY INDUSTRIAL GROUP, BIENNIALY FROM 1958 TO 1966

(millions of dollars)

Year	Industrial group							
	Total ^{2/}	Petroleum and natural gas	Mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1958	26	-	-	18	6	2	-	-
1960	32	-	1	21	7	2	1	1
1962	38	-	-	25	7	4	1	-
1964	58	-	-	38	11	4	3	1
1966	44	-	-	22	17	5	-	1

- Nil or less than \$0.05 million.

1/ Includes profit of unincorporated branches of foreign corporations.

2/ Totals may not add due to rounding.

Source: 1958-1962 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table XXXVII,
pages 183-185.

1964-1966 The Canadian Balance of International Payments 1965-70,
Statistics Canada, Ottawa, December 1972, Table 12,
page 101.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-30

DIVIDEND PAYMENTS^{1/} TO THE UNITED KINGDOM ON DIRECT
INVESTMENT IN CANADIAN MANUFACTURING, BY PRODUCT GROUP,
BIENNIALY FROM 1958 TO 1966

(millions of dollars)

Year	Product group									
	Total ^{2/}	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and its products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1958	18	5	-	1	5	2	-	-	5	-
1960	21	5	-	2	8	1	-	-	5	-
1962	25	6	-	2	6	1	-	-	10	-
1964	38	7	-	4	10	2	1	6	9	-
1966	22	7	-	1	5	1	2	-	5	-

- Nil or less than \$0.05 million.

^{1/} Includes profit of unincorporated branches of foreign corporations.

^{2/} Totals may not add due to rounding.

Source: 1958-1962 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XXXVII, pages 183-185.

1964-1966 The Canadian Balance of International Payments 1965-70, Statistics Canada, Ottawa, December 1972, Table 12, page 101.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-31

DIVIDEND PAYMENTS^{1/} TO COUNTRIES OTHER THAN THE UNITED STATES
AND THE UNITED KINGDOM ON DIRECT INVESTMENT IN CANADA, BY
INDUSTRIAL GROUP, BIENNIALY FROM 1958 TO 1966

(millions of dollars)

Year	Industrial group							
	Total	Petroleum and natural gas	Mining and smelting	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Other enter- prises
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1958	10	-	-	2	-	2	5	1
1960	5	-	-	2	1	2	-	-
1962	8	-	-	4	1	3	1	-
1964	18	5	-	7	3	3	1	-
1966	19	5	-	6	1	6	-	2

- Nil or less than \$0.05 million.

^{1/} Includes profit of unincorporated branches of foreign corporations.

Source: 1958-1962 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table XXXVII,
pages 183-185.

1964-1966 The Canadian Balance of International Payments 1965-70,
Statistics Canada, Ottawa, December 1972, Table 12,
page 101.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-32

DIVIDEND PAYMENTS^{1/} TO COUNTRIES OTHER THAN THE UNITED STATES
AND THE UNITED KINGDOM ON DIRECT INVESTMENT IN CANADIAN
MANUFACTURING, BY PRODUCT GROUP, BIENNIALY FROM 1958 TO 1966

(millions of dollars)

Year	Product group									
	Total ^{2/}	Vegetable products	Animal products	Textiles	Wood and paper products	Iron and its products	Non-ferrous metals	Non-metallic minerals	Chemicals and allied products	Miscellaneous manufactures
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1958	2	-	-	-	-	-	-	-	1	-
1960	2	-	-	-	-	-	-	-	1	-
1962	4	1	-	-	-	-	-	1	1	-
1964	7	-	-	-	-	2	-	-	4	-
1966	6	-	-	-	-	5	-	-	1	-

- Nil or less than \$0.05 million.

^{1/} Includes profit of unincorporated branches of foreign corporations.

^{2/} Totals may not add due to rounding.

Source: 1958-1962 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XXXVII, pages 183-185.

1964-1966 The Canadian Balance of International Payments 1965-70, Statistics Canada, Ottawa, December 1972, Table 12, page 101.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-33

ANNUAL NET CAPITAL INFLOW FOR DIRECT INVESTMENT IN CANADA FROM
CONTROLLING INTERESTS ABROAD, BY COUNTRY OF CONTROL, 1946-1972

A minus (-) indicates an outflow from Canada.

(millions of dollars)

Year	Country of control					
	All Countries	United States	United Kingdom	Rest of sterling area	Other OECD Europe	Other countries
	(1)	(2)	(3)	(4)	(5)	(6)
1946	40	38		2	-	-
1947	61	58		3	-	-
1948	71	61		10	-	-
1949	94	84		13	-3	-
1950	225	202		20	3	-
1951	320	276	34	-	10	-
1952	360	323	24	-1	12	2
1953	450	357	52	-	40	1
1954	425	305	85	-	35	-
1955	445	317	79	-2	50	1
1956	650	465	101	1	82	1
1957	545	403	73	4	63	2
1958	430	304	94	4	30	-2
1959	570	428	88	-1	55	-
1960	670	461	117	5	86	1
1961	560	366	125	9	57	3
1962	505	328	62	-4	111	8
1963	280	220	38	-11	37	-4
1964	270	188	55	4	27	-4
1965	535	421	46	3	66	-1
1966	790	718	-10	9	59	14
1967	691	575	12	21	64	19
1968	590	354	83	18	83	52
1969	720	564	14	54	75	13
1970	835	575	26	2	203	29
1971p	885	605	41	-	175	64
1972	680	562	..	..	..	..

- Nil or less than \$0.5 million.

p Preliminary estimates

.. Not available

Source: 1946-1960 The Canadian Balance of International Payments A Compendium of Statistics from 1946 to 1965, DBS, Ottawa, March 1967, Table 4-DI, page 115.

1961-1971 The Canadian Balance of International Payments 1971 Statistics Canada, Ottawa, August, 1973 Table 15, page 80.

1972 Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1973, Statistics Canada, Ottawa, June 1973, Table 13, page 43.

TABLE CD-34

ANNUAL NET CAPITAL INFLOW FOR DIRECT INVESTMENT IN CANADA FROM
CONTROLLING INTERESTS IN THE UNITED STATES,
BY INDUSTRIAL GROUP, 1952-1968

(millions of dollars)

Year	Industrial group								
	Total	Petroleum and natural gas	Mining and Smelt- ing	Pulp and paper	Manufac- turing	Utili- ties	Merchan- dising	Finan- cial	Miscel- laneous
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1952	323	177	95	7	48	-4	-	2	-2
1953	357	171	106	-9	48	5	29	5	2
1954	305	183	66	18	23	-2	6	16	-5
1955	317	196	53	-9	34	2	18	18	5
1956	465	232	54	39	99	1	12	21	7
1957	403	237	56	33	51	1	11	7	7
1958	304	201	73	-5	33	2	-5	2	3
1959	428	170	106	-6	98	7	15	30	8
1960	461	158	196	13	49	12	-11	33	11
1961	366	106	110	10	83	-3	11	22	27
1962	328	112	141	-16	28	13	34	17	-1
1963	220	56	46	-4	97	-8	10	34	-11
1964	188	60	11	-10	138	-5	-20	19	-5
1965	421	92	52	31	196	4	11	13	22
1966	718	169	149	46	253	14	28	27	32
1967	575	116	149	87	86	7	37	38	55
1968	354	131	63	-11	115	22	25	-6	15

- Nil, or less than \$0.5 million.

Source: 1952-1957 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table IX, pages 134-135.

1958 The Canadian Balance of International Payments 1965-70, Statistics Canada, Ottawa, December 1972, Table 18, page 105.

1959-1968 The Canadian Balance of International Payments 1971, Statistics Canada, Ottawa, August 1973 Table 17, page 81.

TABLE CD-35

COMPONENTS OF ANNUAL NET CAPITAL MOVEMENTS FOR DIRECT INVESTMENT IN CANADA BY
CONTROLLING INTERESTS AND OTHER INVESTORS IN THE UNITED STATES,
1946-1968

A minus (-) indicates an outflow from Canada.

(millions of dollars)

Year	Gross capital inflow	Gross capital outflow	Net capital inflow (Col.1+2)	Other capital movements ^{1/}	Net capital movements (Col. 3+4)
	(1)	(2)	(3)	(4)	(5)
1946	63	-25	38	-43	-5
1947	66	- 8	58	-35	23
1948	79	-18	61	20	81
1949	114	-30	84	17	101
1950	245	-43	202	17	219
1951	315	-39	276	34	310
1952	376	-53	323	135	458
1953	400	-43	357	-3	354
1954	370	-65	305	36	341
1955	443	-126	317	63	380
1956	572	-107	465	269	734
1957	593	-190	403	241	644
1958	445	-141	304	182	486
1959	613	-185	428	109	537
1960	650	-189	461	77	538
1961	604	-238	366	257	623
1962	637	-309	328	117	445
1963	493	-273	220	52	272
1964	649	-461	188	-66	122
1965	804	-383	421	237	658
1966	959	-241	718	126	844
1967	976	-401	575	11	586
1968	788	-434	354	237	591

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

Source: 1946-1957 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table IX,
pages 134-135.

1958 The Canadian Balance of International Payments 1965-70,
Statistics Canada, Ottawa, December 1972, Table 18, page 105.

1959-1968 The Canadian Balance of International Payments, 1971,
Statistics Canada, Ottawa, August 1973, Table 17, page 81.

TABLE CD-36

ANNUAL NET CAPITAL MOVEMENTS FOR DIRECT INVESTMENT IN CANADA FROM
CONTROLLING INTERESTS AND OTHER INVESTORS IN THE
UNITED STATES, BY INDUSTRIAL GROUP, 1952-1968

(millions of dollars)

Year	Industrial Group								
	Total	Petro- leum and natural gas	Other mining and smelting	Pulp and paper	Manufac- turing	Merchan- dising	Finan- cial	Utili- ties	Miscell- aneous
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1952	458	183	86	6	149	-	42	-4	-4
1953	354	185	104	-10	56	5	18	-5	1
1954	341	200	59	17	24	6	42	-3	-4
1955	380	213	24	-11	50	18	80	-	6
1956	734	362	67	39	100	13	147	-	6
1957	644	367	73	24	152	6	18	2	2
1958	486	248	126	-9	87	-2	35	1	-
1959	537	189	150	-7	110	13	76	-1	7
1960	538	148	220	32	40	-4	95	-2	9
1961	623	193	192	10	90	21	90	11	16
1962	445	155	127	7	16	34	102	7	-3
1963	272	100	31	-6	36	13	101	9	-12
1964	122	23	76	-10	2	-18	31	19	-1
1965	658	172	41	129	222	10	57	3	24
1966	844	225	136	110	220	27	72	17	37
1967	586	92	145	94	129	7	46	14	59
1968	591	289	124	-15	98	30	29	11	25

- Nil or less than \$0.5 million.

Source: 1952-1957 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table IX, pages
134-135.

1958 The Canadian Balance of International Payments 1965-70,
Statistics Canada, Ottawa, December 1972, Table 18, page 105.

1959-1968 The Canadian Balance of International Payments 1971,
Statistics Canada, Ottawa, August 1973, Table 17, page 81.

TABLE CD- 37

DIRECT INVESTMENT IN CANADA, ESTIMATED CONSTITUENTS
IN CHANGE, 1946-1968

A minus (-) indicates an outflow from Canada.

(millions of dollars)

Year	Net capital inflow	Increase in undistributed earnings	Other factors ^{1/}	Net increase in book value (cols. 1+2+3)	Book value at year end
	(1)	(2)	(3)	(4)	(5)
1946	40	120	-47	113	2,826
1947	61	125	-26	160	2,986
1948	71	160	53	284	3,270
1949	94	155	67	316	3,586
1950	225	150	14	389	3,975
1951	320	190	35	545	4,520
1952	360	295	43	698	5,218
1953	450	305	30	785	6,003
1954	425	280	56	761	6,764
1955	445	335	184	964	7,728
1956	650	400	90	1,140	8,868
1957	545	425	291	1,261	10,129
1958	430	235	86	751	10,880
1959	570	350	106	1,026	11,906
1960	670	280	16	966	12,872
1961	560	240	65	865	13,737
1962	505	325	93	923	14,660
1963	280	435	127	842	15,502
1964	270	480	-291 ^{2/}	459	15,961 ^{2/}
1965	535	735	125	1,395	17,356
1966	790	640	222	1,652	19,008
1967	691	845	155	1,691	20,699
1968	590	810	435	1,835	22,534

^{1/} New issues, retirements, borrowing, investment abroad, etc., affecting the total value of investment in Canada, and other factors including revaluations, reclassifications and similar accounting adjustments.

^{2/} New series not strictly comparable with earlier years.

Source: 1946-1959 Canada's International Investment Position 1926 to 1967,
Statistics Canada, Ottawa, December 1971, Table VIII, page 133.

1960 The Canadian Balance of International Payments 1965-70,
Statistics Canada, Ottawa, December 1972, Table 15, page 104.

1961-1968 The Canadian Balance of International Payments 1971,
Statistics Canada, Ottawa 1973, Table 14, page 80.

TABLE CD-38

DIRECT INVESTMENT IN CANADA BY THE UNITED STATES,
ESTIMATED CONSTITUENTS IN CHANGE, 1946-1972

A minus (-) indicates an outflow of capital from Canada.

(millions of dollars)

Year	Net capital inflow	Other capital movements ^{1/}	Net capital movements	Increase in undistributed earnings and other factors	Net increase in book value	Book value at year end
	(1)	(2)	(3)	(4)	(5)	(6)
1946	38	-43	-5	129	124	2,428
1947	58	-35	23	97	120	2,548
1948	61	20	81	178	259	2,807
1949	84	17	101	187	288	3,095
1950	202	17	219	112	331	3,426
1951	276	34	310	160	470	3,896
1952	323	135	458	176 ^{2/}	634	4,530
1953	357	-3	354	322	676	5,206
1954	305	36	341	240	581	5,787
1955	317	63	380	346 ^{2/}	726	6,513
1956	465	269	734	145 ^{2/}	879	7,392
1957	403	241	644	436	1,080	8,472
1958	304	182	486	87	573	9,045
1959	428	109	537	330	867	9,912
1960	461	77	538	99 ^{2/}	637	10,549
1961	366	257	623	112	735	11,284
1962	328	117	445	277	722	12,006
1963	220	52	272	507 ^{2/}	779	12,785
1964	188	-66	122	52 ^{2/}	174 ^{2/}	12,959
1965	421	237	658	442	1,100	14,059
1966	718	126	844	667	1,511	15,570
1967	575	11	586	844	1,430	17,000
1968	354	237	591	919	1,510	18,510
1969	564	..	..	..	..	19,959
1970	575	..	..	..	..	21,509
1971	605	..	..	..	..	..
1972	562	..	..	..	..	..

.. Not available.

^{1/} New issues, retirements, borrowing, investment abroad, etc. affecting the total value of investment in Canada by the 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/} This figure is affected by unusually large reclassifications between United States direct and other investments.

Source: 1946-1958 Col. 1-5 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table IX, pages 134-135.

1959-1968 Col. 1-5 The Canadian Balance of International Payments 1971, Statistics Canada, Ottawa, August, 1973, Table 17, page 81.

1969-1972 Col. 1 Quarterly Estimates of the Canadian Balance of International Payments, Fourth Quarter 1972, Statistics Canada, Ottawa, March 1973, Table 13, pages 44-45.
Col. 6 See Table CD-4.

TABLE CD-39

ESTIMATED BOOK VALUE AND PERCENTAGE DISTRIBUTION OF CAPITAL EMPLOYED IN SELECTED
CANADIAN INDUSTRIES^{1/}, BY COUNTRY OF CONTROL, YEAR ENDS 1960 TO 1967

Country of control	1960	1961	1962	1963	1964	1965	1966	1967
(billions of dollars)								
Total ^{2/}	45.6	47.6	49.2	51.8	55.3	60.0	65.7	71.6
Canada	30.3	31.8	32.4	34.1	36.4	39.5	43.1	46.8
Government enterprises	9.8	10.5	11.6	12.2	13.1	13.7	14.8	16.0
Private enterprises	20.5	21.3	20.8	21.9	23.3	25.8	28.3	30.8
All other countries	15.2	15.7	16.7	17.7	19.0	20.5	22.7	24.9
United States	12.0	12.6	13.2	14.1	15.0	16.2	18.0	19.9
Other countries	3.2	3.1	3.5	3.6	4.0	4.3	4.7	5.0
(per cent)								
Total	100	100	100	100	100	100	100	100
Canada	67	67	66	66	66	66	66	65
Government enterprises	22	22	24	24	24	23	23	22
Private enterprises	45	45	42	42	42	43	43	43
All other countries	33	33	34	34	34	34	34	35
United States	26	26	27	27	27	27	27	28
Other countries	7	7	7	7	7	7	7	7

Totals may not add due to rounding.

^{1/} These include the following industries; manufacturing; petroleum and natural gas; other mining and smelting; railways; other utilities; and merchandising and construction.

^{2/} Estimated from taxation statistics and other sources.

Source: Canada's International Investment Position 1926 to 1967, Statistics Canada, December 1971, Table XIX, page 152.

TABLE CD-40

ESTIMATED BOOK VALUE AND PERCENTAGE DISTRIBUTION OF CAPITAL EMPLOYED IN THE
MANUFACTURING INDUSTRY, BY COUNTRY OF CONTROL, YEAR ENDS 1960 TO 1967

Country of control	1960	1961	1962	1963	1964	1965	1966	1967
(billions of dollars)								
Total	12.2	12.7	13.1	13.7	14.8	16.7	18.7	20.5
Canada	5.1	5.2	5.3	5.5	5.9	6.8	8.0	8.8
Government enterprises	0.3	0.3	0.3	0.1	0.1	0.1	0.2	0.2
Private enterprises	4.8	4.9	5.0	5.4	5.8	6.7	7.8	8.6
All other countries	7.2	7.5	7.8	8.2	8.9	9.8	10.7	11.8
United States	5.4	5.7	5.9	6.3	6.8	7.7	8.5	9.4
Other countries	1.8	1.8	1.9	1.9	2.1	2.1	2.2	2.4
(per cent)								
Total	100	100	100	100	100	100	100	100
Canada	41	41	40	40	40	41	43	43
Government enterprises	2	2	2	1	1	1	1	1
Private enterprises	39	39	38	39	39	40	42	42
All other countries	59	59	60	60	60	59	57	57
United States	44	45	45	46	46	46	45	45
Other countries	15	14	15	14	14	13	12	12

Totals may not add due to rounding.

Source: Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XIX, page 152.

TABLE CD-41

PERCENTAGE OF CAPITAL EMPLOYED IN CANADIAN MANUFACTURING INDUSTRIES WHICH WAS CONTROLLED
BY RESIDENTS OF CANADA, BY MANUFACTURING GROUP, YEAR ENDS 1954 TO 1967

(per cent)

Industry Group	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Total Manufacturing: ^{1/}	49	48	48	44	43	43	41	41	40	40	40	41	43	42 43
Beverages	80	86	87	87	86	87	85	86	86	82	83	81	81	79
Rubber	7	2	3	3	2	2	2	1	2	4	5	1	1	2
Textiles	84	82	81	81	80	77	78	77	78	79	79	78	79	78
Pulp and Paper	44	46	46	45	45	51	49	54	54	52	51	52	51	51
Agricultural Machinery ^{2/}	65	67	66	62	55	45	49	50	47	51	44	46	62	61
Automobiles and Parts	5	4	5	5	3	3	3	3	5	5	4	4	4	4
Transportation Equip- ment n.o.p.	64	45	38	33	30	27	27	30	24	21	28	33	37	24
Iron and steel mills ^{3/}	94	92	93	74	75	77	72	75	79	86	86	86	87	90
Aluminum	..	..	..	..	..	..	..	..	..	-	-	-	1	-
Electrical Apparatus	23	18	23	23	21	19	20	22	23	24	23	22	23	23
Chemicals	24 ^{4/}	23 ^{4/}	25 ^{4/}	25 ^{4/}	26 ^{4/}	23 ^{4/}	24 ^{4/}	24 ^{4/}	25 ^{4/}	19	18	20	19	21
Other manufacturing	48 ^{4/}	47 ^{4/}	48 ^{4/}	43 ^{4/}	41 ^{4/}	39 ^{4/}	37 ^{4/}	34 ^{4/}	31 ^{4/}	37	38	42	45	47

^{1/} Includes "other enterprises"

^{2/} Includes enterprises also engaged in the manufacture of other heavy equipment.

^{3/} Prior to 1960 this group was classified as primary iron and steel.

^{4/} Includes aluminum industry.

Source: Canada's International Investment Position, 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XX, pages 153-159.

Foreign Investment Division,
Investment Analysis Branch.

TABLE CD-42

PERCENTAGE OF CAPITAL EMPLOYED IN CANADIAN MANUFACTURING INDUSTRIES WHICH WAS CONTROLLED
BY NON-RESIDENTS, BY MANUFACTURING GROUP, YEAR ENDS 1954 TO 1967

(per cent)

Manufacturing Group	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total Manufacturing ^{1/}	51	52	52	56	57	57	59	59	60	60	60	59	57	57.5 ²
Beverages	20	14	13	13	14	13	15	14	14	18	17	19	19	21
Rubber	93	98	97	97	98	98	98	99	98	96	95	99	99	98
Textiles	16	18	19	19	20	23	22	23	22	21	21	22	21	22
Pulp and Paper	56	54	54	55	55	49	51	46	46	48	49	48	49	49
Agricultural Machinery ^{2/}	35	33	34	38	45	55	51	50	53	49	56	54	38	39
Automobiles and Parts	95	96	95	95	97	97	97	97	95	95	96	96	96	96
Transportation equipment .n.o.p.	36	55	62	67	70	73	73	70	76	79	72	67	63	76
Iron and Steel Mills ^{3/}	6	8	7	26	25	23	28	25	21	14 ^{5/}	14	14	13	10
Aluminum	..	..	..	..	..	..	..	..	..	100	100	100	99	100
Electrical Apparatus	77	82	77	77	79	81	80	78	77	76 ^{5/}	77	78	77	77
Chemicals	76 ^{4/}	77 ^{4/}	75 ^{4/}	75 ^{4/}	74 ^{4/}	77 ^{4/}	76 ^{4/}	76 ^{4/}	75 ^{4/}	81 ^{5/}	82	80	81	79
Other Manufacturing	52 ^{4/}	53 ^{4/}	52 ^{4/}	57 ^{4/}	59 ^{4/}	61 ^{4/}	63 ^{4/}	66 ^{4/}	69 ^{4/}	63	62	58	55	53

.. Not available

^{1/} Includes other enterprises.^{2/} Includes enterprises also engaged in the manufacture of other heavy equipment which tends to overstate foreign-owned and controlled proportion of capital actually engaged in the manufacture of agricultural implements only.^{3/} Includes Aluminum Industry.^{4/} Prior to 1960 this group was classified as primary iron and steel.^{5/} Figures not strictly comparable with earlier years.Source: Canada's International Investment Position 1926-1967, Statistics Canada, Ottawa, December 1971, Table XX, pages 153-159.

TABLE CD-43

PERCENTAGE OF CAPITAL EMPLOYED IN CANADIAN MANUFACTURING INDUSTRIES WHICH WAS CONTROLLED
BY RESIDENTS OF THE UNITED STATES, BY MANUFACTURING GROUP, YEAR ENDS 1954 TO 1967

(per cent)

Manufacturing Group	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total Manufacturing ^{1/}	41	42	41	44	44	44	44	45	45	46	46	46	45	45 46
Beverages	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rubber	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Textiles	8	10	10	11	11	14	13	14	14	14	14	15	14	15
Pulp and Paper	45	43	42	43	43	38	37	35	34	36	35	35	37	38
Agricultural Machinery ^{2/}	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Automobiles and Parts	95	96	95	95	97	..	..	..	..	..	..	..	..	..
Transportation equipment	21	18	20	21	25	27	27	26	28	36	27	35	35	48
n.o.p.														
Iron and Steel Mills ^{3/}	6	8	7	8	8	9	14	13	10	^{25/} 2	2	1	2	2
Aluminum	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Electrical Apparatus	65	68	63	64	65	67	66	66	66	66 ^{5/}	67	68	67	67
Chemicals	52 ^{4/}	51 ^{4/}	51 ^{4/}	51 ^{4/}	51 ^{4/}	52 ^{4/}	51 ^{4/}	52 ^{4/}	52 ^{4/}	58 ^{5/}	60	61	62	61
Other Manufacturing	43 ^{4/}	45 ^{4/}	43 ^{4/}	46 ^{4/}	47 ^{4/}	48 ^{4/}	48 ^{4/}	50 ^{4/}	52 ^{4/}	46	45	44	41	40

.. Figures not available.

^{1/} Includes other enterprises.^{2/} Includes enterprises also engaged in the manufacture of other heavy equipment which tends to overstate foreign-owned and controlled proportion of capital actually engaged in the manufacture of agricultural implements only.^{3/} Prior to 1960 this group was classified as primary iron and steel.^{4/} Includes aluminum industry.^{5/} Figures not strictly comparable with earlier years.Source: Canada's International Investment Position, 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XX, pages 153-159.

TABLE CD-44

PERCENTAGE OF CAPITAL EMPLOYED IN CANADIAN MANUFACTURING INDUSTRIES WHICH WAS CONTROLLED BY RESIDENTS
OF COUNTRIES ABROAD OTHER THAN THE UNITED STATES, BY MANUFACTURING GROUP, YEAR ENDS 1954 - 1967

(per cent)

Manufacturing Group	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Total Manufacturing: ^{1/}	10	10	11	13	13	13	15	14	15	14	14	13	12	12
Beverages	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Rubber	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Textiles	8	8	9	8	9	9	9	9	8	7	7	7	7	7
Pulp and Paper	11	11	12	12	12	11	14	11	12	12	14	13	12	11
Agricultural Machinery ^{2/}	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Automobiles and Parts	-	-	-	-	-	..	..	..	..	..	..	..	..	..
Transportation Equipment n.o.p.	15	37	42	46	45	46	46	44	48	43	45	32	28	28
Iron and Steel Mills ^{3/}	-	-	-	18	17	14	14	12	11	12	2	13	11	8
Aluminum	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Electrical Apparatus	12	14	14	13	14	14	14	12	11	10	10	10	10	10
Chemicals	24 ^{4/}	26 ^{4/}	24 ^{4/}	24 ^{4/}	23 ^{4/}	25 ^{4/}	25 ^{4/}	24 ^{4/}	23 ^{4/}	23	22	19	19	18
Other Manufacturing	9 ^{4/}	8 ^{4/}	9 ^{4/}	11 ^{4/}	12 ^{4/}	13 ^{4/}	15 ^{4/}	16 ^{4/}	17 ^{4/}	17	17	14	14	13

.. Figures not available.

^{1/} Includes other enterprises.

^{2/} Includes enterprises also engaged in the manufacture of other heavy equipment which tends to overstate foreign-owned and controlled proportion of capital actually engaged in the manufacture of agricultural implements only.

^{3/} Prior to 1960 this group was classified as primary iron and steel.

^{4/} Includes aluminum industry.

Source: Canada's International Investment Position, 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XX, pages 153-159.

TABLE CD-45

ESTIMATED BOOK VALUE AND PERCENTAGE DISTRIBUTION OF CAPITAL EMPLOYED IN THE PETROLEUM
AND NATURAL GAS INDUSTRY, BY COUNTRY OF CONTROL, YEAR ENDS 1960 TO 1967

Country of control	1960	1961	1962	1963	1964	1965	1966	1967
(billions of dollars)								
Total	6.1	6.4	6.9	7.6	7.9	8.3	9.1	9.7
Canada	1.6	1.7	1.8	2.1	2.2	2.2	2.3	2.6
Government enterprises	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3
Private enterprises	1.5	1.6	1.7	1.9	2.0	2.0	2.1	2.3
All other countries	4.5	4.6	5.1	5.5	5.7	6.1	6.8	7.2
United States	3.9	4.0	4.3	4.6	4.7	4.8	5.4	5.8
Other countries	0.6	0.6	0.8	0.9	1.0	1.3	1.4	1.4
(per cent)								
Total	100	100	100	100	100	100	100	100
Canada	27	28	26	28	28	27	26	26
Government enterprises	2	2	2	3	3	3	3	3
Private enterprises	25	26	24	25	25	24	23	23
All other countries	73	72	74	72	72	73	74	74
United States	64	63	63	61	60	58	59	60
Other countries	9	9	11	11	12	15	15	14

Totals may not add due to rounding.

Source: Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XIX, page 152.

TABLE CD-46

ESTIMATED BOOK VALUE AND PERCENTAGE DISTRIBUTION OF CAPITAL EMPLOYED IN
OTHER MINING AND SMELTING, BY COUNTRY OF CONTROL, YEAR ENDS 1960 TO 1967

Country of control	1960	1961	1962	1963	1964	1965	1966	1967
(billions of dollars)								
Total	3.3	3.4	3.6	3.8	4.1	4.4	4.8	5.2
Canada	1.3	1.4	1.5	1.6	1.7	1.7	1.8	1.8
Government enterprises	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Private enterprises	1.2	1.3	1.4	1.5	1.6	1.6	1.7	1.7
All other countries	2.0	2.0	2.1	2.3	2.4	2.6	3.0	3.4
United States	1.7	1.8	1.9	2.0	2.1	2.3	2.6	2.9
Other countries	0.3	0.2	0.2	0.3	0.3	0.3	0.4	0.5
(per cent)								
Total	100	100	100	100	100	100	100	100
Canada	39	41	42	41	41	40	38	35
Government enterprises	2	3	3	2	2	2	2	1
Private enterprises	37	38	39	39	39	38	36	34
All other countries	61	59	58	59	59	60	62	65
United States	53	52	52	52	51	52	53	56
Other countries	8	7	6	7	8	8	9	9

Totals may not add due to rounding.

Source: Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XIX, page 152.

TABLE CD-47

ESTIMATED BOOK VALUE AND PERCENTAGE DISTRIBUTION OF CAPITAL EMPLOYED IN
RAILWAYS, BY COUNTRY OF CONTROL, YEAR ENDS 1960 TO 1967

Country of control	1960	1961	1962	1963	1964	1965	1966	1967
	(billions of dollars)							
Total	5.3	5.4	5.4	5.3	5.3	5.3	5.4	5.5
Canada	5.2	5.3	5.3	5.2	5.1	5.1	5.3	5.4
Government enterprises	3.6	3.7	3.7	3.7	3.7	3.7	3.8	3.9
Private enterprises	1.6	1.6	1.6	1.5	1.4	1.4	1.5	1.5
All other countries	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
United States	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other countries	-	-	-	-	-	-	-	-
	(per cent)							
Total	100	100	100	100	100	100	100	100
Canada	98	98	98	98	98	98	98	98
Government enterprises	68	68	68	69	71	71	71	71
Private enterprises	30	30	30	29	27	27	27	27
All other countries	2	2	2	2	2	2	2	2
United States	2	2	2	2	2	2	2	2
Other countries	-	-	-	-	-	-	-	-

Source: Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XIX, page 152.

TABLE CD- 48

ESTIMATED BOOK VALUE AND PERCENTAGE DISTRIBUTION OF CAPITAL EMPLOYED IN
OTHER UTILITIES, BY COUNTRY OF CONTROL, YEAR ENDS 1960 TO 1967

<i>Country</i> Control of control	1960	1961	1962	1963	1964	1965	1966	1967
(billions of dollars)								
Total	9.2	10.3	10.6	11.3	12.3	13.4	14.9	16.2
Canada	8.7	9.8	10.1	10.8	11.7	12.9	14.2	15.4
Government enterprises	5.6	6.2	7.3	8.0	8.8	9.4	10.3	11.4
Private enterprises	3.1	3.6	2.8	2.8	2.9	3.5	3.9	4.0
All other countries	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.8
United States	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.7
Other countries	0.1	0.1	0.1	0.1	-	-	-	0.1
(per cent)								
Total	100	100	100	100	100	100	100	100
Canada	95	95	95	96	96	96	96	95
Government enterprises	61	61	69	71	72	70	70	70
Private enterprises	34	34	27	25	24	26	26	25
All other countries	5	5	4	4	4	4	4	5
United States	4	4	4	4	4	4	4	5
Other countries	1	1	-	-	-	-	-	-

Totals may not add due to rounding.

Source: Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XIX, page 152.

TABLE CD-49

ESTIMATED BOOK VALUE AND PERCENTAGE DISTRIBUTION OF CAPITAL EMPLOYED IN MERCHANDISING^{1/}
AND CONSTRUCTION, BY COUNTRY OF CONTROL, YEAR ENDS 1960 TO 1967

Country of control	1960	1961	1962	1963	1964	1965	1966	1967
	(billions of dollars)							
Total	9.4	9.4	9.5	10.1	10.9	12.0	12.9	14.4
Canada	8.4	8.4	8.4	8.9	9.7	10.6	11.4	12.8
Government enterprises	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Private enterprises	8.3	8.3	8.3	8.8	9.6	10.5	11.3	12.7
All other countries	1.0	1.1	1.1	1.2	1.2	1.4	1.5	1.7
United States	0.6	0.6	0.6	0.7	0.7	0.8	0.9	1.0
Other countries	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.7
	(per cent)							
Total	100	100	100	100	100	100	100	100
Canada	89	89	89	88	88	89	89	89
Government enterprises	1	1	1	1	1	1	1	1
Private enterprises	88	88	88	87	87	88	88	88
All other countries	11	11	11	12	12	11	11	11
United States	7	6	6	7	7	6	6	7
Other countries	4	5	5	5	5	5	5	4

Totals may not add due to rounding.

^{1/} 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.

Source: Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XIX, page 152.

TABLE CD-50

DIRECT INVESTMENT IN CANADA, SELECTED
CUMULATIVE SERIES, 1946-1972

(millions of dollars)

Year	Cumulative net capital inflow	Cumulative other factors ^{1/}	Cumulative increase in undistributed earnings	Cumulative net increase in book value	Cumulative dividends and interest paid abroad	Cumulative earnings
	(1)	(2)	(3)	(4)	(5)	(6)
1946	40	-47	120	113	147	279
1947	101	-73	245	273	330	602
1948	172	-20	405	557	504	950
1949	266	47	560	873	737	1,357
1950	491	61	710	1,262	1,046	1,841
1951	811	96	900	1,807	1,318	2,326
1952	1,171	139	1,195	2,505	1,557	2,882
1953	1,621	169	1,500	3,290	1,774	3,426
1954	2,046	225	1,780	4,051	2,004	3,958
1955	2,491	409	2,115	5,015	2,278	4,593
1956	3,141	499	2,515	6,155	2,588	5,329
1957	3,686	790	2,940	7,416	2,928	6,118
1958	4,116	876	3,175	8,167	3,267	6,715
1959	4,686	982	3,525	9,193	3,632	7,454
1960	5,356	998	3,805	10,159	3,950	8,080
1961	5,916	1,063	4,045	11,024	4,346	8,773
1962	6,421	1,156	4,370	11,947	4,744	9,548
1963	6,701	1,283	4,805	12,789	5,168	10,459
1964	6,971	992 ^{2/}	5,285	13,248	5,730	11,559
1965	7,506	1,117	6,020	14,643	6,317	12,954
1966	8,296	1,339	6,660	16,295	6,905	14,258
1967	8,987	1,494	7,505	17,986	7,532	15,802
1968	9,577	1,929	8,315	19,821	8,136	17,282
1969	10,297	..	..	..	8,728	..
1970	11,132	..	..	..	9,404	..
1971	12,017	..	..	..	10,135	..
1972	12,697	..	..	..	..	..

.. Not available.

^{1/} New issues, retirements, borrowing, investment abroad etc. affecting the total value of foreign direct investment in Canada, and other factors including revaluations, reclassifications and similar accounting adjustments.

^{2/} New series not strictly comparable with earlier years.

Source: Col. 1 Derived from Table CD-33

Cols. 2,3 and 4 Derived from Table CD-37

Col. 5 Derived from Table CD-22

Col. 6 Derived from Table CD-21

TABLE CD-51

DIRECT INVESTMENT IN CANADA BY THE UNITED STATES,
SELECTED CUMULATIVE SERIES, 1946-1972.

(millions of dollars)

Year	Cumulative net capital inflow	Cumulative other capital movements	Cumulative net capital movements	Cumulative increase in undistributed earnings ^{1/} and other factors	Cumulative net increase in book value	Cumulative dividends and interest paid abroad
	(1)	(2)	(3)	(4)	(5)	(6)
1946	38	-43	-5	129	124	134
1947	96	-78	18	226	244	304
1948	157	-58	99	404	503	466
1949	241	-41	200	591	791	682
1950	443	-24	419	703	1,122	974
1951	719	10	729	863	1,592	1,232
1952	1,042	145	1,187	1,039	2,226	1,446
1953	1,399	142	1,541	1,361	2,902	1,643
1954	1,704	178	1,882	1,601	3,483	1,848
1955	2,021	241	2,262	1,947	4,209	2,091
1956	2,486	510	2,996	2,092	5,088	2,371
1957	2,889	751	3,640	2,528	6,168	2,678
1958	3,193	933	4,126	2,615	6,741	2,981
1959	3,621	1,042	4,663	2,945	7,608	3,301
1960	4,082	1,119	5,201	3,044	8,245	3,581
1961	4,448	1,376	5,824	3,156	8,980	3,931
1962	4,776	1,493	6,269	3,433	9,702	4,283
1963	4,996	1,545	6,541	3,940	10,481	4,655
1964	5,184	1,479	6,663	3,992	10,655	5,140
1965	5,605	1,716	7,321	4,434	11,755	5,635
1966	6,323	1,842	8,165	5,101	13,266	6,158
1967	6,898	1,853	8,751	5,945	14,696	6,721
1968	7,252	2,090	9,342	6,864	16,206	7,239
1969	7,816	..	..	..	..	7,753
1970	8,391	..	..	..	..	8,364
1971p	8,996	..	..	..	..	9,035
1972	9,558	..	..	..	..	..

p Preliminary estimate.

.. Not available.

^{1/} Includes revaluations, reclassifications and similar accounting adjustments.

Source: Columns (1) through (5) calculated from Table CD-38.

Column (6) calculated from Table CD-22.

TABLE CD-52

BOOK VALUE OF DIRECT INVESTMENT IN CANADA AS A
PERCENTAGE OF GROSS NATIONAL PRODUCT, 1946-1970

Year	Book value of foreign direct investment	Gross national product	Direct investment as a per cent of gross national product
	\$ millions	\$ millions	Per cent
	(1)	(2)	(3)
1946	2,826	11,885	23.8
1947	2,986	13,169	22.7
1948	3,270	15,127	21.6
1949	3,586	16,300	22.0
1950	3,975	17,955	22.1
1951	4,520	21,060	21.5
1952	5,218	24,042	21.7
1953	6,003	25,327	23.7
1954	6,764	25,233	26.8
1955	7,728	27,895	27.7
1956	8,868	31,374	28.3
1957	10,129	32,907	30.8
1958	10,880	34,094	31.9
1959	11,906	36,266	32.8
1960	12,872	37,775	34.1
1961	13,737	39,080	35.2
1962	14,660	42,353	34.6
1963	15,502 ^{1/}	45,465	34.1
1964	15,961 ^{1/}	49,783	32.1
1965	17,356	54,897	31.6
1966	19,008	61,421	30.9
1967	20,699	65,722	31.5
1968	22,534	71,388	31.6
1969	24,424	79,815	30.6
1970	26,485	85,610	30.9

^{1/}New series not strictly comparable with earlier years

Source: Col. (1) from Table CD-2

Col. (2)

1945-1966 National Income and Expenditure Accounts 1926-1968
DBS, Ottawa, August 1969, Pages 25-27.

Quarterly Estimates of the Canadian Balance of
International Payments, Second Quarter 1970,
DBS, Ottawa, September 1970, Table 4, Page 48.

1967-1968 National Income and Expenditure Accounts Fourth
Quarter 1970, DBS, Ottawa March 1971, Table 1,
Page 16.

1969-1970 National Income and Expenditure Accounts, First
Quarter, 1973, Statistics Canada, June 1973,
Table 1, page 16.

Foreign Investment Division
Investment Analysis Branch

TABLE CD-53

EARNINGS FROM DIRECT INVESTMENT IN CANADA AND REMITTED INCOME
AS A PERCENTAGE OF NET DOMESTIC PRODUCT AT FACTOR COST ^{1/2}, 1946-1968

Year	Earnings *	Remitted income	Net domestic product at factor cost	Earnings payable as per cent of net domestic product at factor cost	Remitted income as per cent of net domestic product at factor cost
	\$ millions	\$ millions	\$ millions	per cent	per cent
	(1)	(2)	(3)	(4)	(5)
1946	279	147	9,793	2.8	1.5
1947	323	183	10,364	3.1	1.8
1948	348	174	12,258	2.8	1.4
1949	407	233	13,212	3.1	1.8
1950	484	309	14,545	3.3	2.1
1951	485	272	16,923	2.9	1.6
1952	556	239	18,922	2.9	1.3
1953	544	217	19,533	2.8	1.1
1954	532	230	19,308	2.8	1.2
1955	635	274	21,060	3.0	1.3
1956	736	310	23,547	3.1	1.3
1957	789	340	24,446	3.3	1.4
1958	597	339	25,455	2.7	1.3
1959	739	365	29,916	2.8	1.4
1960	626	318	27,913	2.2	1.1
1961	693	396	28,811	2.4	1.4
1962	775	398	31,245	2.5	1.3
1963	911	424	33,499	2.7	1.3
1964	1,100	562	36,075	3.0	1.6
1965	1,395	587	39,683	3.5	1.5
1966	1,304	588	44,118	3.0	1.3
1967	1,544	627	47,166	3.3	1.3
1968	1,480	604	55,162	2.7	1.1

1/ Net domestic product at factor cost is obtained by subtracting capital consumption allowances and miscellaneous valuation adjustments from gross domestic product.

2/ Revised figures for gross national product dating back to 1926 were recently published but no revised figures for gross domestic product have been issued. The figures for net domestic product in this table are thus not from the same series as those for gross national product in Table CD-37.

Source: Cols. 1 and 2 1946-1965 Canada's International Investment Position 1926 to 1967, Statistics Canada, Ottawa, December 1971, Table XXXVI, page 181.

1966-1968 The Canadian Balance of International Payments 1971 Statistics Canada, Ottawa, August 1973, Table 11, page 77

Col. 3 1946-1954 Derived from: National Accounts Income and Expenditures 1926-1956, DBS, Ottawa, 1958, pages 33 and 35.

1955-1959 Derived from: National Accounts Income and Expenditures 1962, DBS, Ottawa, August, 1963, pages 26 and 27.

1960 Derived from: National Accounts Income and Expenditures 1966, DBS, Ottawa, June 1967, pages 18 and 19.

1961-1967 Derived from: National Accounts Income and Expenditures 1967, DBS, Ottawa, September 1968, pages 18 and 19.

1968 Derived from: National Income and Expenditure Accounts, Second Quarter 1971, Statistics Canada, Ottawa, September 1971, pages 30-31.

HG5152/.A2/A53/1973
Canada. Dept. of Industry,
Direct investment in
Canada by non-residents
BGXX c. 1 aa IC

[illegible]

ISTC 1551 (2/90)

71819

