

Subsection 3.—Outside Capital Invested in Canada and Canadian Capital Invested Elsewhere.¹

An estimate of the outside capital invested in Canada and the Canadian capital invested outside of the Dominion is now prepared annually by the Internal Trade Branch of the Dominion Bureau of Statistics. Any estimate of this character is liable to a margin of error, but the utmost care has been taken in the computation and it is believed that the figures approximate fairly to actual conditions. More complete information is being obtained from year to year, enabling corrections to be made in previous estimates such as were published at p. 836 of the 1929 Year Book. Details of the investment of outside capital in Canada according to the latest revision (February, 1932) are given for the last five available years in Table 43.

It is estimated that the total investment of British and foreign capital in Canada on Jan. 1, 1931, was \$6,477,879,000. Of this sum, \$2,204,857,000 was British capital, \$4,107,803,000 was from the United States and \$165,217,000 from other countries. Though these totals are large, it should be remembered that the national wealth of the Dominion in 1929 is estimated at \$30,840,210,000 exclusive of the value of those undeveloped natural resources in which some of the outside capital is invested, and that it is inevitable that at the present stage Canada should seek the assistance of outside capital to develop the unexploited natural resources of the Dominion.

It must also be borne in mind that Canadians have invested large amounts of capital abroad. The Bureau estimates that Canadian investments in other countries amounted to \$1,831,310,000 at the beginning of 1931, or nearly 30 p.c. of the amount of outside investments in Canada. Of this \$1,047,285,000 was placed in the United States, \$84,826,000 in Great Britain and \$699,198,000 in other countries. (Table 44.)

It is estimated that the amount of business capital employed in Canada is \$17,500,000,000. This sum includes the bonded indebtedness of Dominion, Provincial and municipal governments, investments in railways, all manufacturing concerns, mines and metal industries, public utilities, trading establishments, finance, insurance, land and mortgages. It does not include private capital in domestic enterprises such as farms, homes, etc. Of this sum it is estimated that 65 p.c. or \$11,500,000,000 is owned in Canada; 21 p.c. or \$3,725,000,000 in United States; 13 p.c. or \$2,228,000,000 in Great Britain; 1 p.c. or \$171,000,000 in other countries.

If the basis of comparison is total national wealth, British and foreign investments decrease in significance. Canada's national wealth in 1930 was probably \$30,000,000,000; net British and foreign investments in Canada were about \$4,647,000,000 or 15½ p.c. of the total.

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