

character. Since 1930 there has been a reduction in the value of United States investments in Canada, as a result of the redemption of Canadian securities owned in the United States, changes in the values of equity investments in Canada, and other factors.

In Table 44 there is shown in detail the distribution in 1936 of British and foreign capital invested in Canada. The indebtedness of Canadian governments abroad amounted to \$1,688,700,000 of which \$524,200,000 represented government securities held by British investors and \$1,161,300,000 government securities held by residents of the United States. The total non-resident investments in Canadian railways, \$1,637,000,000, was about the same as the total government securities held abroad, but the British investments predominated in this group, being \$1,068,300,000 compared with a United States investment of \$548,800,000. In most other classes of investment the amounts owned in the United States were larger than the British although the latter were generally substantial.

In appraising Canada's international indebtedness, consideration must also be given to Canadian investments abroad. These have grown from \$1,352,800,000 in 1926 to \$1,671,500,000 in 1936, the principal growth being in Canadian portfolio holdings of United States securities although considerable amounts of the securities of Latin American and European governments were also acquired in the earlier part of the period. The increase in the holdings of these miscellaneous investments in other countries has been greater than the increase in total Canadian investments abroad, as there has been a very marked reduction in the net assets of the Canadian banks in other countries during this period.

For 1936 Canadian capital in other countries is estimated at \$1,671,500,000. The largest part of this, about \$1,000,000,000, was invested in the United States and was principally in the form of direct investments in railways and branch and subsidiary plants and in portfolio investments in the stocks and bonds of United States governments and corporations. Investments in other countries include a miscellaneous item of \$383,000,000 representing an estimate of Canadian holdings of other foreign securities such as the bonds of Latin American and European governments. Direct investments in other countries, largely in the British West Indies and Latin America, amounted to \$173,000,000.

Of further interest in considering the relative importance of Canada's international indebtedness in the nation's economic life is the place Canadian capital occupies in the total amount of capital invested in Canada. It is estimated that the amount of capital invested in Canada is about \$18,000,000,000. 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 62 p.c., or over \$11,000,000,000, is owned in Canada, 22 p.c., or \$3,984,400,000, in the United States; 15 p.c., or \$2,725,000,000, in the United Kingdom and less than 1 p.c. or, \$124,000,000, in other countries.

Investments of Canadian Insurance Companies Operating Abroad.—An important change in the revised figures shown in Tables 42 to 45 is the omission of an item previously included, *viz.*, "Investments of Canadian Insurance Companies Operating in Other Countries". These insurance investments, so-called, are not investments of quite the same character as the other items. The large assets in other countries held by Canadian insurance branches in those countries