

Despite the severe economic depression of the '30's, income receipts in Quebec and Ontario averaged slightly greater in the decade from 1929 to 1938 than in the period from 1919 to 1928, inclusive. The decline in the Prairie Provinces, especially in Saskatchewan, was of considerable proportions. Minor recessions ranging from 1.6 p.c. to 5.2 p.c. each, were recorded in the Maritime Provinces and in British Columbia.

56.—Income Payments by Provinces, 1937 and 1938, with Averages 1919-28 and 1929-38

Province	1937	1938	Average, 1919-28	Average, 1929-38	Percentage Change
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	p.c.
Prince Edward Island.....	22.5	23.1	23.1	22.4	- 2.9
Nova Scotia.....	159.7	163.1	157.8	149.5	- 5.2
New Brunswick.....	121.2	121.4	114.6	112.2	- 2.0
Quebec.....	1,052.5	1,053.2	917.7	961.1	+ 4.7
Ontario.....	1,721.8	1,733.4	1,564.3	1,591.8	+ 1.8
Manitoba.....	257.1	261.3	299.3	253.9	-15.2
Saskatchewan.....	240.1	248.1	339.7	250.3	-26.3
Alberta.....	257.3	268.3	303.3	258.9	-14.6
British Columbia.....	368.0	372.7	344.2	338.7	- 1.6

Subsection 3.—British and Foreign Capital Invested in Canada and Canadian Capital Invested Abroad*

Very marked changes have taken place in Canada's international indebtedness during the present century. The industrial expansion in Canada in the years preceding the War of 1914-18 was related closely to the heavy inflow of capital from Great Britain. In 1914 the value of United Kingdom investments in Canada was not much different from the value shown for recent years, although slightly higher than in 1926. The rapid growth of United States investments in Canada took place after 1914. Part of this increase in the investments of the United States in Canada came after 1926 and there was a change in these investments between 1926 and 1930 of from \$3,161,200,000 to \$4,298,400,000. This influx of capital followed two contrasting channels. A large part of the capital was raised through the sale of new issues at New York but the capital coming to Canada through the channel of direct investment was also especially heavy and this capital invested directly in Canada has given to such United States investments a particular 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 1937, the latest year for which an estimate was made, British and foreign capital invested in Canada amounted to \$6,765,000,000 of which \$3,932,400,000 was invested by residents of the United States, \$2,684,800,000 by residents of the United Kingdom and \$147,800,000 by residents of other countries.

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 \$1,757,900,000 in 1937. The principal growth was in Canadian portfolio holdings of United States securities although considerable amounts of the securities

* Revised by Herbert Marshall, B.A., F.S.S., Chief, Internal Trade Branch, Dominion Bureau of Statistics, Ottawa. This subject is treated more fully in the bulletins "British and Foreign Capital Invested in Canada and Canadian Capital Invested Abroad, 1926-36", "Canadian Balance of International Payments—A Study of Methods and Results" and recent reports on direct investments, obtainable from the Dominion Statistician. For a list of the publications of this Branch, see Chapter XXVIII.