

Value of manufacturing industries for Alberta more than doubled during the years 1941-44 and showed high percentage increases in the other Prairie Provinces. The increases during the years 1941-44 were: Alberta, 68 p.c., Manitoba 62 p.c. and Saskatchewan 45 p.c. In 1945, these industries declined by 2 p.c. for Manitoba and 6 p.c. for Saskatchewan but gained by 1 p.c. for Alberta; increases of 4.3 p.c., 1.0 p.c., and 6.6 p.c., respectively, were recorded in 1946.

British Columbia.—Manufacturing, forestry and mining were the leading branches of industry in British Columbia from 1941 to 1943; since when agriculture has displaced mining. Net value of manufactures increased from \$273,000,000 for 1941 to \$337,000,000 for 1944, but has since declined to \$293,000,000 for 1946. Forestry increased by \$50,000,000 or 50 p.c. in the period 1941-46. Mining increased from 1941 to 1942 by 7 p.c., declined by 32 p.c. till 1944 and then increased 33 p.c. by 1946.

Yukon and the Northwest Territories.—Over 82 p.c. of net value of production in Yukon and the Northwest Territories from 1941-46 came from trapping and mining. In 1941 the net value for trapping amounted to \$2,672,194; by 1946 it had increased by almost \$755,000. Mining, on the other hand, increased by almost \$1,000,000 during the years 1941-42 but showed a sharp decline during the later years and dropped by 1945 to \$1,429,494, the lowest figure in ten years; however, in 1946 the figure was \$1,950,935 or a gain of 36 p.c. over 1945.

Section 2.—Canada's International Investment Position*

Much of Canada's development has been financed by investments of capital from other countries. Investments of external capital contributed a particularly important part to the national development which took place early in the twentieth century, as well as in previous periods. The nature of the Canadian economy has been such that large investments of capital in relation to population have been necessary for the development of some of the principal types of Canadian production. The growth of wheat exports, for example, was only possible after the investment of large amounts of capital in grain elevators, railways and other transportation facilities. Likewise, the development of the resources of the Laurentian Shield required heavy investments in power developments, mines, and pulp and paper plants. Then, too, some important branches of Canadian manufacturing, particularly in the durable goods industries, have been financed by United States companies where production involved large outlays as well as advanced research and industrial design.

The relative positions of British and United States capital in these developments have changed significantly in recent decades. In the period before the War of 1914-18 the major portion of external capital invested in Canada was British, investments in railways and government and municipal bonds occupying a prominent place. United States investments, however, during the First World War and in the inter-war years expanded rapidly and, even before 1926, considerably exceeded the amount of British capital invested in Canada. This great expansion in United States investments in the 1920's was widely distributed. Increases in investments in manufacturing and public utilities were large and a substantial part of these occurred in the field of branch plants which showed a notable growth during this decade. There were also marked increases in investments in other activities

* Prepared by C. D. Blyth, Chief of Balance of Payments Section, International Trade Division, Dominion Bureau of Statistics.