

Canadian Assets Abroad.—Canada's external assets have changed greatly in size and composition in recent years. The total value, including holdings of gold and liquid reserves in foreign currencies, has risen from \$1,865,000,000 in 1939 to \$3,728,000,000 at the end of 1947. The principal factor in this increase has been the extension by the Canadian Government of loans and export credits to the United Kingdom and other countries. At the end of 1947, the total of Canadian Government credits outstanding was \$1,816,000,000. Included in this total are about \$368,000,000 outstanding on the 1942 loan to the United Kingdom, \$963,000,000 drawn on the 1946 loan to the United Kingdom, \$454,000,000 of post-war export credits and advances, and \$31,000,000 of other credits outstanding. In addition, at the end of 1947, official liquid reserves aggregated about \$511,000,000, including gold, official United States dollar balances, and sterling holdings of the Foreign Exchange Control Board. While these reserves, at that date, were still higher than at the end of 1939 they were considerably less than they were in 1945 and 1946. In addition, Canada had subscribed in 1946 and 1947 to the capital of the International Bank and the International Monetary Fund. By the end of 1947 subscriptions made by Canada to these institutions amounted to \$65,000,000 and \$300,000,000, respectively. A small part of the subscription to the Bank was in the form of convertible exchange and \$74,000,000 of the subscription to the Fund was in the form of gold. The remainder of both subscriptions was made in the form of demand notes of the Canadian Government or in Canadian funds.

Besides the officially owned assets referred to above there were the privately owned investments in the form of foreign securities and property owned by Canadian companies and individuals. In 1939 these privately owned assets constituted most of the total value of Canadian assets abroad, whereas, since the end of the recent War they have amounted to only a minor part of the total chiefly because of the sharp rise in officially owned assets. Total privately owned investments abroad have declined in value since 1939 because of the liquidations of Canadian holdings of United States securities. Portfolio holdings of foreign securities owned in Canada have been reduced from \$719,000,000 at the end of 1939 to \$551,000,000 at the end of 1946. This decline is less than the total sales of these securities by private investors during the period, as there was a considerable increase in the book value of holdings of United States stocks. Appreciable gains have occurred in the value of Canadian direct investments in businesses outside of Canada which had a value of \$772,000,000 at the end of 1946 compared with \$671,000,000 at the end of 1939.

7.—Canadian Assets Abroad, 1930, 1939, 1945 and 1946

NOTE.—Excluding investments of insurance companies.

(Millions of Dollars)

Item	1930	1939	1945	1946 ¹
Direct investments in businesses outside of Canada.....	443	671	720	772
Portfolio holdings of foreign securities.....	842	719	621	551
Government credits.....	31	31	707	1,362
Net external assets of Canadian banks.....	180	²	²	²
Official liquid reserves ³	²	444	1,667	1,251
Totals, Canadian Assets Abroad.....	1,496	1,865	3,715	3,936

¹ Subject to revision.

² Not available.

³ Includes holdings of gold which, at the end of 1945, had a Canadian dollar value of \$388,000,000 and in 1946, \$536,000,000.