

8.—Estimated Canadian Investments Abroad, as at Dec. 31, 1946¹

NOTE.—Excluding investments of insurance companies, banks, Government credits and liquid reserves. Holdings of stocks are at book values as shown in the books of issuing companies; holdings of bonds are shown at par values. Foreign currencies were converted into Canadian dollars at current market rates.

(Millions of Dollars)

Location of Investment	Direct Investments	Portfolio Investments			Total Investments
		Stocks	Bonds	Total	
United States.....	486	260	83	343	829
United Kingdom.....	60	25	26	51	111
Other Empire countries.....	64	7	11	18	82
Other foreign countries.....	162	106	33	139	301
Totals.....	772	398	153	551	1,323

¹ Subject to revision.

The privately owned Canadian investments abroad are chiefly in the United States, the total value of investments in that country at the end of 1946 being \$829,000,000. At the same time investments in other foreign countries, chiefly in Latin America, were \$301,000,000, while investments in the United Kingdom were \$111,000,000, and in other Empire countries \$82,000,000. These figures of investments exclude the investments abroad of Canadian insurance companies and banks, as well as the official assets referred to above, and certain small amounts of miscellaneous investments which are difficult to evaluate.

Section 3.—Corporation Profits**Profits of Corporations, and Net Income to Stockholders**

Beginning with this edition of the Canada Year Book, this Section on corporate profits will consist of estimates covering all corporations, included in the statistics of National Income prepared by the Dominion Bureau of Statistics. Figures for the years 1944, 1945 and 1946 are based on the reports "Taxation Statistics" published in 1946, 1947 and 1948 by the Taxation Division, Department of National Revenue. These reports cover practically all taxable corporations and the data required only minor changes to make them conform with the definitions used for national income estimates. For the years prior to 1944, estimates of corporate profits were made using data on tax collections and tax rates supplied by the Department of National Revenue. In the 1947 Year Book at pp. 1054-1059 statistics of Canadian corporation profits were given for the years 1936-45. These statistics were taken from the statistical summary of the Bank of Canada and were based on the financial statements of 709 corporations. The change from a sample basis to complete coverage will give a more accurate indication of trends, besides showing aggregates applicable to the whole corporate sector.

Because of the importance of the rate of taxation in determining the income available for dividends and surplus, a brief description of the changes during the war years 1939-45 is given here. More detailed information can be found in the reports "Taxation Statistics" referred to above. The corporation income tax rate which was 15 p.c. in 1938 and 1939 was raised to 18 p.c. in 1940, and remained