

fisheries and trapping which are also the least in relative importance. Construction gained by nearly 50 p.c., followed by forestry and mining which showed increases of 34 p.c. and 32 p.c., respectively, over 1946. Total manufactures rose nearly 29 p.c.

Prairie Provinces.—All industries, except trapping in Manitoba and Saskatchewan and fisheries and trapping in Alberta, showed increases over 1946 in the three Prairie Provinces. The relative importance of agriculture in Manitoba, Saskatchewan and Alberta was 42 p.c., 75 p.c. and 58 p.c., respectively. The dominant position of this industry in Saskatchewan accounts for the marked fluctuations in output of that Province. In all three provinces, manufactures was second in importance, the total for Manitoba having been the highest. As a result of important discoveries of oil in Alberta, the mining industry of that Province will assume greater relative importance in the future.

British Columbia.—Trapping and electric power were the only industries that registered declines in 1947 from 1946. These were overshadowed by sharp increases in other industries which contributed to the largest gain over 1946 for the Province as compared to the rest of Canada. Mining and forestry led in this connection with advances of 67 p.c. and 63 p.c., respectively, in 1947. Construction rose more than 43 p.c. while fisheries and manufactures followed with increases of about 40 p.c. and 33 p.c. Manufacturing, forestry and mining, in that order, are the leading branches of industry.

Yukon and Northwest Territories.—Mining and trapping accounted for nearly 80 p.c. of the total net value of production in Yukon and the Northwest Territories in 1947. Trapping, as in eight of the nine provinces, fell sharply, while mining registered a gain of 77 p.c. over 1946 which is mainly responsible for the increase of nearly 5 p.c. in the total production.

Section 2.—Canada's International Investment Position*

A large balance of Canadian indebtedness to other countries has always been characteristic of Canada's international investment position. Much of the development of Canada has been financed by investments of capital from other countries, particularly in earlier decades. This balance of indebtedness has been reduced from the levels immediately before the recent War which in turn were lower than the earlier peak period around 1930. Net indebtedness to other countries in 1947 was about \$3,900,000,000 compared with more than \$6,000,000,000 in 1930.

British and Foreign Investments in Canada.—The relative importance of British and United States capital invested in Canada has greatly changed in recent decades. British capital constituted the largest part of the external capital invested in Canada before the First World War. United States investments underwent a rapid development during and after that War. Their expansion throughout the decade of the 1920's was rapid. By 1926, the first year for which official estimates are available, United States investments in Canada had a value of \$3,196,000,000 compared with British investments of \$2,636,000,000. But during the 1930's some reductions occurred in the amount of external capital invested in Canada.

A further growth in United States investments in Canada took place during the Second World War. By the end of the War these investments had reached a new peak, while British investments in Canada were sharply reduced by repatriations

* Prepared in the Balance of Payments Section, International Trade Division, Dominion Bureau of Statistics. A more extended review of Canada's international investment position appears in the "Canadian Balance of International Payments, 1926-1948" and details on direct investments in "United States Direct Investments in Canada," both reports published by the Dominion Bureau of Statistics, 1949.