

*Ontario.*—The outstanding position of the Province in the field of manufactures is apparent. The share of the industrial group was 66 p.c. in 1948 compared with 60 p.c. of the provincial output in 1938. The net production of the Province rose 198 p.c., while the net value of manufactures was 228 p.c. greater. Construction and forestry also contributed greatly to the excellent showing in the eleven-year period, the increases having been 372 p.c. and 319 p.c., respectively.

*Prairie Provinces.*—The marked improvement in the net output of farming, particularly in Manitoba and Saskatchewan, was a feature of the expansion of the Prairie Provinces. The relative position of agriculture in Manitoba rose from 40 p.c. in 1938 to 47 p.c. in 1948. Advances were also shown in forestry and construction in relation to the net output of the Province. The production of the nine groups was 240 p.c. greater at the end of the period. Agriculture showed a gain of 292 p.c., and the increases in forestry and construction were 308 p.c. and 556 p.c., respectively.

The increase in the agricultural output of Saskatchewan, in 1948, was a notable contribution to the greater total of the Province. The percentage of the net output was 76 p.c. against 67 p.c. in 1938. The gain during the period was 484 p.c. compared with an increase of 412 p.c. in the entire net output. Mining also showed a marked increase, but agriculture dominated the economic activities of the Province.

The net output of Alberta rose 233 p.c. during 1938-48. Manufactures, construction and forestry showed percentage increases of greater proportions. The share of manufactures in the net output rose from 15 p.c. to 16 p.c. The expansion from 1938 to 1948 in construction was outstanding at 761 p.c., the share rising from 3 p.c. to 9 p.c. While the increase in the output of agriculture was not so relatively large as the aggregate for all industries of the Province the proportion at 58 p.c. in 1948 was greater than all other industries combined.

*British Columbia.*—Advances in manufactures, forestry and construction contributed largely to the expansion of the economy of British Columbia. The increase in manufactures was 362 p.c. compared with 270 p.c. in the provincial aggregate. The share consequently rose from 38 p.c. to 47 p.c. Gains of 674 p.c. and 348 p.c. were shown in construction and forestry, resulting in expansion in 1948 to 11 p.c. and 31 p.c. of the net output.

## 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 1949 was about \$3,800,000,000 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

\* 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.