

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 \$1,876,000,000 in 1939 to \$4,277,000,000 at the end of 1948. The principal factor in this increase has been the extension by the Federal Government of loans and export credits to the United Kingdom and other countries. At the end of 1949, the total of Canadian Government credits outstanding was \$2,000,000,000. Included in this total was about \$299,000,000 outstanding on the 1942 loan to the United Kingdom, \$1,035,000,000 drawn on the 1946 loan to the United Kingdom, \$535,000,000 of post-war export credits and advances, and \$31,000,000 of other credits outstanding. In addition, at the end of 1949, official liquid reserves aggregated about \$1,117,000,000, including gold and official United States dollar balances. While these reserves, at that date, were still higher than at the end of 1939 they were 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 \$75,000,000 of the subscription to the Fund was in gold. The remainder of both subscriptions was made in the form of demand notes of the Federal 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 Second World 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 portfolio 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 \$605,000,000 at the end of 1948. 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 Canada which had a value of \$788,000,000 at the end of 1948 compared with \$671,000,000 at the end of 1939.

7.—Canadian Assets Abroad, 1939 and 1945-48

NOTE.—Excluding investments of insurance companies.

Assets	1939	1945	1946	1947	1948
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000
Direct investments in businesses outside Canada . . .	671	720	772	822	788
Portfolio holdings of foreign securities	719	621	551	579	605
Government credits	31	707	1,362	1,816	1,878
Net external assets of Canadian banks					
Official liquid reserves ¹	455	1,667	1,251	511	1,006
Totals, Canadian Assets Abroad	1,876	3,715	3,936	3,728	4,277

¹ Includes holdings of gold which, at the end of 1946, had a Canadian dollar value of \$536,000,000 and in 1947, \$287,000,000.