

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 foreign currencies, rose from about \$1,900,000,000 in 1939 to \$6,900,000,000 at the end of 1954. The principal factor in this increase was the extension by the Federal Government of loans and export credits to the United Kingdom and other countries. At the end of 1954 Canadian Government credits outstanding totalled approximately \$1,705,000,000 and by the end of 1955 about \$1,635,000,000. The latter total includes \$90,000,000 outstanding on the 1942 loan to the United Kingdom, \$1,112,000,000 on the 1946 loan to the United Kingdom and about \$400,000,000 of postwar export credits and advances. In addition at the end of 1954 official holdings of gold and foreign exchange aggregated about \$1,888,000,000. Other official Canadian assets include Canada's subscriptions to the capital of the International Bank and the International Monetary Fund, which by March 1955 amounted to \$70,900,000 and \$293,400,000 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 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 World War II they have made up only a minor part of the total, chiefly because of the sharp rise in officially owned assets. Canadian assets abroad at the end of 1954 included privately owned longterm direct and portfolio investments valued at \$2,570,000,000. These have risen from \$1,300,000,000 at the end of 1945, a rate of increase somewhat higher than for foreign private longterm investment in Canada.

About two-thirds of Canada's direct investments abroad are in the United States. These investments, on a per capita basis, are about twice the value of United States direct investments in Canada and are mainly in the beverage, farm implement and petroleum industries and in railways, though a wide range of other establishments is also involved. Investment in other parts of the world is widely distributed and is to be found particularly in industrial and commercial firms, mining and utilities. About two-thirds of the portfolio holdings abroad are also in the form of United States securities but Canada has extensive portfolio investments in other parts of the world, particularly Latin America.

12.—Canadian Assets Abroad 1939-54

(Millions of dollars)

Note.—Excludes investments of insurance companies and banks, Canada's subscriptions to international financial institutions and short term assets, other than official holdings of gold and foreign exchange. 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 are converted into Canadian dollars at current market rates. The series for portfolio investment was reconstructed in 1952 and is not strictly comparable with preceding years.

Assets	1939	1948	1951*	1952*	1953*	1954
Direct investments in businesses outside Canada	671	788	1,166	1,271	1,505	1,644
Portfolio holdings of foreign securities.....	719	605	609	830	869	926
Government credits.....	31	1,878	1,922	1,866	1,778	1,705
Official balances abroad and gold.....	459	1,006	1,846	1,809	1,779	1,888
Totals.....	1,880	4,277	5,543	5,776	5,931	6,163