

total, having increased sharply from the previous year. Another 6 p.c. of the investment was controlled in overseas countries. Investments owned in the United States and overseas were 59 p.c. and 5 p.c. respectively of the total.

Another basis of judging the place of foreign-controlled business in Canadian industry is provided by a special study of production and employment in the larger Canadian manufacturing establishments controlled in the United States. Such establishments having an investment of \$1,000,000 or more accounted for about 30 p.c. of Canadian manufacturing production in 1953 and 21 p.c. of employment in that field. These ratios in non-resident-controlled plants were considerably higher than in 1946—the previous year for which a study of this kind was made.

In some industries the proportions of production and employment in plants controlled in the United States were much higher than this. Automobiles, for example, are mainly produced in United States-controlled plants, but this is exceptional. Among other industries where well over one-half of the production is in United States-controlled firms are the smelting and refining of non-ferrous metals, petroleum refining, rubber products, and motor vehicle parts. In several major industries like electrical apparatus and supplies and non-ferrous metal products the distribution of control between Canadian and United States-controlled companies is more evenly divided. In other industries the non-resident share is large although less than one-half the total. These include pulp and paper, other paper products, chemicals, medicinal and pharmaceutical products, sheet metal products, and certain branches of the machinery industry.

There are, however, many industries where much the largest part of production is in Canadian-controlled plants. Prominent among these are such important branches of industry as primary iron and steel, and some other sub-divisions of the iron and steel industry, textiles, clothing, and divisions of the foods and beverages industry, such as bakery products, beverages, and dairy products.

10.—Estimate of the Canadian Balance of International Indebtedness as at Dec. 31, 1939-56

Note.—Totals are rounded and may not represent the sum of their components. They are exclusive of short-term commercial indebtedness and blocked currencies.

(Billions of dollars)

Item	1939	1945	1949	1950	1953	1954 ^a	1955	1956
Canadian Liabilities (Foreign Capital Invested in Canada)—								
Direct investments.....	2.3	2.7	3.6	4.0	6.0	6.8	7.7	8.9
Government and municipal bonds.....	1.7	1.7	1.8	2.0	2.1	2.1	1.9	2.1
Other portfolio investments.....	2.6	2.4	2.3	2.4	2.9	3.1	3.1	3.4
Miscellaneous investments.....	0.3	0.3	0.3	0.3	0.5	0.6	0.8	1.0
Totals, Non-resident Long-Term Investment in Canada.....	6.9	7.1	8.0	8.7	11.5	12.6	13.5	15.4
Equity of non-residents in Canadian assets abroad.....	0.2	0.2	0.3	0.3	0.6	0.6	0.7	0.7
Canadian dollar holdings of non-residents	0.3	0.3	0.4	0.6	0.3	0.3	0.4	0.4
Canadian short-term assets of IMF and IBRD.....	—	—	0.3	0.3	0.3	0.2	0.2	0.2
Gross Liabilities.....	7.4	7.6	8.9	9.9	12.6	13.7	14.8	16.7
United States.....	4.5	5.4	6.4	7.1	9.5	10.3	11.1	12.4
United Kingdom.....	2.6	1.8	1.8	2.0	2.2	2.3	2.5	2.9
Other countries, IMF and IBRD.....	0.3	0.4	0.7	0.8	1.0	1.0	1.2	1.4