

Canadian Assets Abroad.—While there has been a great growth in non-resident investment in Canada and in the balance of indebtedness to other countries, it will be noted that Canadian assets abroad, shown in Tables 13 and 14, have continued to rise in value each year. These now represent a larger proportion of liabilities abroad than was the case before World War II, but most of the increase since then has been in government-owned assets such as the official reserves and the loans by the Canadian Government to other governments which were extended during the War and early postwar years. In 1955 the government credits outstanding had a value of \$1,635,000,000 while official holdings of exchange amounted to \$1,910,000,000 in terms of Canadian dollars. Other official Canadian assets include Canada's subscriptions to the capital of the International Bank and the International Monetary Fund which, by March 1956, amounted to \$70,900,000 and \$299,700,000 respectively. Later in 1956 there was a subscription to the International Finance Corporation of \$3,500,000.

The portion of the assets in private investments, particularly in the form of direct investments abroad by Canadian companies, is still small in relation to the corresponding non-resident stake in equities in Canada. Private long-term investments abroad by Canadians in 1955 were made up of direct investments of \$1,776,000,000 and portfolio investments of \$989,000,000. More than two-thirds of the privately owned investments were located in the United States. Direct investments in that country by Canadian businesses have been growing particularly rapidly and are mainly in the beverage, farm implement and chemical industries and in railways.

Private investments in overseas countries are widely distributed. About one-half of the total in 1955 were located in Commonwealth countries, divided fairly evenly between the United Kingdom and the remainder of the Commonwealth. Most of the direct investments in the United Kingdom were in industry, while in other Commonwealth countries there were investments in mining and petroleum as well as in industry. In foreign overseas countries the largest part is in the countries of Latin America—some \$320,000,000 in 1954—made up mainly of holdings in public utilities.

13.—Canadian Assets Abroad 1939-55

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.

(Millions of dollars)

Assets	1939	1948	1953 ^r	1954 ^r	1955
Direct investments in businesses outside Canada.....	671	788	1,485	1,628	1,776
Portfolio holdings of foreign securities.....	719	605	869	926	989
Government credits.....	31	1,878	1,778	1,705	1,635
Official balances abroad and gold.....	459	1,006	1,779	1,888	1,910
Totals.....	1,880	4,277	5,911	6,147	6,310