

investments of capital in Canada has been declining for some years. Because of the variety of types of investment that must be compared, it is difficult to express this relationship in terms of any simple ratio.

Important changes have taken place in the relative positions of different types of foreign investment in Canada. Non-resident investors now hold about one-tenth of the funded debt of Canadian governments and municipalities; their holdings in 1936 represented about one-quarter of the smaller total then outstanding. In the intervening years this debt has nearly tripled, about 97 p.c. being financed from the savings of Canadians.

Non-resident ownership in the broad field of Canadian industry and commerce has also been declining. By 1951, it represented about 33 p.c. as compared with 38 p.c. before the War. Despite the tremendous in-flows of foreign long-term capital into Canadian enterprises in the post-war years, Canadian capital maintained its proportion of the total. The concentration of post-war investment by foreigners in manufacturing and mining enterprises has increased their share of these fields. Nearly 60 p.c. of the capital of mining, smelting and petroleum exploration and development companies was non-resident-owned at the end of 1951 compared with 40 p.c. in 1939. The share of foreign capital varies widely in different fields of manufacturing. The percentage is comparatively high in some branches such as non-ferrous metals, the automobile industry and petroleum refining, and is comparatively low in other fields such as textiles, and primary iron and steel. In some industries such as newsprint and wood products, non-resident capital plays a very important part but the major share of ownership is Canadian.

There are other important forms of Canadian wealth whose valuation presents serious difficulties, such as farm property and residential real estate. These assets are held mainly in the non-corporate sector of the economy and are owned predominantly by Canadians.

9.—Estimate of the Canadian Balance of International Indebtedness, as at Dec. 31, 1939, 1945 and 1949-53

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	1951	1952	1953
Canadian Liabilities (Foreign Capital Invested in Canada)—							
Direct investments.....	2.3	2.7	3.6	4.0	4.5	5.2	5.8
Government and municipal bonds.....	1.7	1.7	1.8	2.0	2.1	2.0	2.1
Other portfolio investments.....	2.6	2.4	2.3	2.4	2.5	2.7	2.9
Miscellaneous investments.....	0.3	0.3	0.3	0.3	0.4	0.5 ¹	0.4
Totals, Non-resident Long-term Investment in Canada.....	6.9	7.1	8.0	8.7	9.5	10.4	11.2
Equity of non-residents in Canadian assets abroad.....	0.2	0.2	0.3	0.3	0.4	0.4	0.5
Canadian dollar holdings of non-residents.....	0.3	0.3	0.4	0.6	0.4	0.3	0.3
Canadian short-term assets of IMF and IBRD.....	—	—	0.3	0.3	0.3	0.3	0.3
Gross Liabilities.....	7.4	7.6	8.9	9.9	10.6	11.4	12.3
United States.....	4.5	5.4	6.4	7.1	7.9	8.6	9.2
United Kingdom.....	2.6	1.8	1.8	2.0	1.9	2.0	2.1
Other countries, IMF and IBRD.....	0.3	0.4	0.7	0.8	0.8	0.8	0.9

For footnotes see end of table.