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## INDEX TO INSIDE PAGES

Congress on Rheumatic Diseases .....	2	Wholesale Prices .....	4
Senior Naval Appointments .....	2	Carloadings .....	4
1919 Radar Experiments .....	2	Securities Transactions .....	5
Air Transport Discussions .....	3	Grain Marketing .....	5
Air Force Day June 11 .....	3	Deportation Appeal Dismissed .....	5
Topographical Surveys .....	3	April Domestic Exports \$237,800,000 .....	6
Newfoundland Population .....	3	Notes to Hungary, Roumania .....	6
Wheat Stocks .....	3	Defence Research Board Meets .....	6
Labour Force Increase .....	4	U.S. -- Canada Committee .....	7
His Majesty's Birthday .....	4	Prairie Crop Prospects Improve With Rain..	8
Copper And Nickel .....	4	Trade Fair Opened .....	8

## WEEK'S EVENTS IN REVIEW

**U.S. INVESTMENTS RISE:** Direct investments of United States capital in Canadian industries and other businesses controlled in the United States showed a further large rise in 1948. Preliminary incomplete returns by the Bureau of Statistics indicate that the total figure may have exceeded \$2,700 million, a rise of \$156 million or more over 1947, and a gain of at least \$272 million over 1946. The aggregate for 1939 stood at \$1,881 million.

The major part of the increase during the year in direct investments of United States capital in Canadian industries and businesses occurred in manufacturing. The probable total now stands well over \$1,600 million as compared with \$1,488 million in 1947, and \$1,366 million in 1946.

Total investments of United States capital in Canada in 1947 amounted to \$5,187 million as compared with \$5,157 in 1946. Included in these totals of all types of investments are United States holdings of Canadian government and municipal bonds, portfolio holdings of Canadian corporation stocks and bonds, and miscellaneous investments, as well as the direct investments in Canadian industries and businesses.

Total investments in Canada by all non-residents are estimated at \$7,175 million in 1947, including investments held in the United Kingdom of \$1,642 million, and investments held in other overseas countries of \$346 million.

Bureau figures also show the relative importance of the United States controlled manufactures in relation to the operations of all manufacturing in Canada.

A special study of the operations of the more important of these United States controlled manufacturing concerns shows that in the post war period these only represented a minor part of Canadian manufacturing as a whole. For example, the production of the group of larger controlled concerns made up about 21 per cent of both the net and gross production of all Canadian manufacturing concerns and provided employment amounting to 14 per cent of the total. But these larger companies represented a proportionately greater part of the total investment in Canadian manufacturing -- about 30 per cent. All United States controlled manufacturing concerns, large and small, represent 37 per cent of the investment in Canadian manufacturing.

An outstanding feature disclosed by the study is the varying proportion which United States controlled companies occupy in different branches of Canadian manufacturing according to such criteria as the value of investment, the value of production, employment, and other factors. For example, the United States controlled concerns account for high percentages of the production in such industries as automobiles, rubber products, and petroleum refining, and relatively low percentages in the industries like flour, milling, dairy products,