

## CANADA'S INTERNATIONAL INVESTMENT

Canada's external assets totalled \$10.3 billion at the end of 1962, an increase of \$0.6 billion over 1961. The total includes \$6.1 billion in Canadian long-term investments abroad. Contributing significantly to the growth was the greater value in Canadian dollars of assets denominated in foreign currency. Canada's gross external liabilities rose to \$28.8 billion at the end of 1962, of which \$24.7 billion represented the book value of foreign long-term investments in Canada. The rise of \$1.3 billion in 1962 was the smallest since 1955.

### EXTERNAL LIABILITIES RISE

Canada's net external liabilities rose to \$18.6 billion at the end of 1962, from \$5.2 billion a decade earlier. By the end of 1964, liabilities were approaching \$32 billion, assets were about \$12 billion, and the net balance of indebtedness was about \$20 billion.

The book value of foreign long-term investments in Canada continued to rise during 1962, but at a lower rate than for some years past. From \$23,591 million at the end of 1961, it rose to \$24,729 million a year later. The increase of \$1,138 million was the smallest since 1955 and represented a lower relative rate of increase than for any year since 1948.

### INVESTMENT INCREASE IN CANADA

The largest part of the increase took the form of direct investment in Canada, which rose by \$766 million. Nearly a third of this amount was invested in petroleum and natural gas, with manufacturing, mining and smelting, and financial enterprises accounting for most of the remainder. It will be recalled that, during 1962, inflows of capital for the acquisition of existing concerns in Canada were unusually large. Other long-term investments in Canada rose by \$372 million, the largest part of which was accounted for by net sales to non-residents of government and municipal bonds. There were relatively small increases in other portfolio and miscellaneous investments, with reductions in outstanding investment in a number of the industrial sectors.

U.S.-owned long-term investments in Canada accounted for 77 per cent of the total owned by all non-residents at the end of 1962. This was an increase from 76 per cent a year earlier. While direct investments owned by residents of Britain and other overseas countries rose, there was a decline in the total of portfolio investments, in which repurchases from Britain of railway stocks played an important part.

### INVESTMENTS ABROAD

Direct investments abroad by Canadian companies rose from \$2,628 million at the end of 1961 to \$2,821 million at the end of 1962, and to \$3,136 million at the end of 1963. This increase of over \$500 million in a two-year period is substantially larger than for any comparable period on record, while the relative rate of increase has been exceeded in the post-war period only during the early fifties, when the total value of these investments was much smaller. A significant part of the increase must be attributed to

the greater value in Canadian dollars of assets denominated in foreign currencies. The largest increases were in investments in the United States. Canadian companies engaged in industrial and commercial activity accounted for the largest part of the growth.

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## IMMIGRANT ENTERPRISES

Large-scale contributions to Canada's economy by immigrants purchasing business and farming enterprises were described in a statement recently issued by Mr. J.R. Nicholson, the Minister of Citizenship and Immigration.

During 1964, the reports of field officers concerning 2,272 immigrants who had established their own businesses or purchased farms indicated a financial commitment of \$39,038,110 of which \$18,527,940 had already been paid. Members of the families owning these enterprises number 8,381. An additional 6,536 wage or salary earners supported their families on the income produced by these immigrant enterprises.

### LIMITATIONS OF REPORTS

Because immigrants tend to lose contact with the Department of Citizenship and Immigration as they become integrated into Canadian communities, the reports cover only about 25 per cent of those who had established a business and 50 per cent of those investing in agriculture, officials emphasized. This was particularly true of French-speaking and English-speaking immigrants, who integrate quickly. The statistics on both French and English-speaking immigrants were, consequently, low in comparison to the real numbers self-employed or engaged in agricultural enterprise.

Mr. Nicholson also said that, from 1950 to 1964, 24,595 known immigrant owners had established their own enterprises. Their families numbered 91,295 individuals. These enterprises employed, including the owner-operators, 73,272 wage or salary earners, who in turn supported families of their own. The owners committed themselves to pay \$293,791,105 for their enterprises, of which \$147,951,820 had already been paid.

### ORIGINS

Immigrants from the Netherlands and Germany continued to lead in number. The following figures show the countries of origin of the main immigrant groups:

Business	Agriculture
Germany - 2,704	Netherlands - 5,450
Netherlands - 2,130	Germany - 1,566
Italy - 1,602	United States - 691
Britain - 1,236	Poland - 363
Hungary - 785	Belgium - 362
United States - 725	Britain - 314

According to Mr. Nicholson, about 90 per cent of the immigrants establishing their own businesses or farm enterprises do so from the fifth to tenth year after their arrival in Canada. The remaining 10 per cent (those, for the most part, bringing with them sufficient funds to do so) establish businesses or purchase farms very soon after arriving.