

FOREIGN INVESTMENT \$11 BILLION: Canada's international trade in outstanding securities in 1953 resulted in a relatively small purchase balance or capital outflow of \$12,000,000 in contrast to the record outflow of \$85,000,000 which occurred in 1952. At the same time the capital inflow for direct investment in foreign controlled enterprises in Canada which has risen in each post-war year is tentatively estimated to have totalled \$385,000,000 in 1953.

Taking the year as a whole, the general pattern of trading in outstanding securities was much the same as in 1952. There continued to be net repurchases of Canadian Government bonds from the United States, offset by net sales of securities of Canadian corporations. Both these movements took place on a reduced scale and the purchase balance with the United States fell from \$98,000,000 in 1952 to \$62,000,000 in 1953.

TO UNITED KINGDOM

There was a striking increase in net sales to the United Kingdom of outstanding securities, mainly Canadian, which totalled \$29,000,000, being the first annual sales balance since 1937. Net sales to other overseas countries aggregating \$20,000,000 were also higher than in the previous year but did not reach the very high levels of 1951.

In addition to the transactions in outstanding issues of Canadian securities, new issues and retirements of Canadian securities led to a net capital inflow of \$178,000,000, while similar transactions in foreign securities led to an outflow of \$22,000,000.

At the end of 1952 foreign long-term investment of all types in Canada was estimated at about \$10,200,000,000, and it seems likely that this increased to nearly \$11,000,000,000 during 1953. But Canada also has a considerable investment abroad in the form of private direct and portfolio investments, and government assets including both loans to other governments and official holdings of gold and foreign exchange. Canada's net balance of international indebtedness after declining through the war years has been growing with the period of heavy expansion in the Canadian economy, and is now again approaching the level of \$5,500,000,000 recorded in 1939. The great growth in Canadian productive resources since that time, however, has been chiefly financed from the savings of residents of Canada

GUEST OF U.S. AIR FORCE: The Chief of the Air Staff, Air Marshal C. Roy Slemon, took off from Rockcliffe air station on March 16 for a sixteen-day tour of U.S. Air Force establishments as the guest of General Nathan Twining, Chief of Staff, USAF, the RCAF announced. He will also visit U.S. aircraft firms in California.

"OPERATION ALERT": Eight Canadian cities and 42 United States targets will be "attacked" by "enemy" aircraft June 14 and 15 in an exercise designed to test the civil defence preparations of North America. The exercise, labelled "Operation Alert", was announced simultaneously by Canadian and United States civil defence authorities.

During the "attack" aircraft carrying atomic, high explosive and incendiary bombs will try the civil defence organizations of Vancouver, Edmonton, Winnipeg, Toronto, Windsor, Fort Erie, Montreal and Halifax.

To cope with the heavy "damage" and "casualties" expected in the mock attack, a Canadian federal emergency operations control centre will be activated near Ottawa and provincial and municipal civil defence organizations in the target areas will swing into action. Incidents of sabotage, biological and chemical warfare may also be encountered during the trial.

Federal Civil Defence officials stated that the purpose of the international test is to promote increased efficiency of existing civil defence organization, to test communications facilities, to provide training for personnel and to develop interest in civil defence. It is hoped that the exercise will reveal where deficiencies exist in the civil defence pattern and show where improvements may be made.

Civil Defence authorities stressed that the exercise is a routine test and is not occasioned by any increase of alarm over the international situation. The test will permit border cities such as Vancouver, Windsor and Fort Erie to work out co-operative measures with United States communities nearby.

GOOSE BAY "ATTACK": Canadian and U.S. forces at the Goose Bay air base "defended" their installation against a simulated "attack" by airborne troops of the U.S. Army, the USAF and RCAF on March 19.

The exercise began at 9:30 a.m. when 270 troops of the U.S. 18th Airborne Corps began landing in five C-124 (Globemaster) transports of the U.S. 62nd troop carrier wing. The assault force, dressed in heavy Arctic clothing and wearing snow shoes, divided into two forces to attack critical facilities on the Canadian and U.S. sides of this sub-arctic base. All defending forces were officers and men normally stationed at Goose Bay who have had training in defending their own base. Blank ammunition was used and the opposing sides were not allowed to approach close to each other in order to prevent injury.

The "aggressors" used the cover of trees and bush to approach the defenders but quickly came under fire. Casualties were assessed on both sides by a team of 11 umpires from RCAF, U.S. Army, and U.S. Air Force. No attempt was made to declare a "winning" force as the object of the exercise was to give as much practice as possible to the base defenders.