

direct investments which have much more than doubled since then. In absolute terms this rise in total British investments in Canada is more than the rise in the investments by all other overseas countries in the same interval, although the rate of increase has been less.

Investments owned in other countries reached a new record total of \$1,075 million for the end of 1956, some three times the corresponding figure in 1949, and at 7 per cent of the total makes up a larger proportion of the total investments than ever before. Most of these investments are owned in Western Europe.

This expansion in non-resident long-term investments in Canada has been the principal factor contributing to the sharp rise in Canada's balance of international indebtedness in the same periods. Net liabilities to other countries rose from \$7.8 billion in 1955 to \$9.5 billion in 1956, and compares with the low point in recent decades of \$3.7 billion in 1949. This is the amount by which gross liabilities of residents of Canada to other countries exceeded gross assets abroad.

Data now available for the first time reflect further increases in 1954 in the percentages of manufacturing and of mining, smelting, and petroleum exploration and development, both owned and controlled by non-residents, although there were again declines in the relative position of foreign capital in the utilities sector. By the end of 1954 the Canadian manufacturing industry was 48 per cent owned by non-residents while the capital subject to foreign control amounted to 54 per cent of the total. These proportions compared with 44 per cent and 48 per cent, respectively as recently as the end of 1951. In the broad field of mining, smelting, and petroleum exploration and development companies, non-resident ownership and control each amounted to 59 per cent at the end of 1954; at the end of 1951 non-resident ownership and control had amounted to 51 per cent and 53 per cent respectively. During 1954 the total book value of investment in the broad industry groups of manufacturing and mining is estimated to have increased by \$0.9 billion; in this same period non-resident ownership increased by about \$0.6 billion and the value of such investments controlled by non-residents rose by some \$0.8 billion.

Resident-owned Canadian capital continued to play a leading role in financing railways, other utilities, and merchandising. Consequently in the total area of investments in Canada the resident-owned portion of the rise in 1954 was not far from two-thirds of the total. Somewhat the same pattern is also shown in the longer period from 1948 to 1954 with the rise in Canadian-owned investment representing a similar ratio of all investments, while in the financing of industry the non-resident source predominates.

In the 1950's to date, Canada's net use of foreign resources amounted to one-fifth and direct foreign financing to one-third of net capital formation, and tentative estimates for 1956 alone suggest that these ratios have risen to about one-third and two-fifths, respectively. The two measures have special meaning. In the period 1950-1956 Canadian sources of savings were sufficiently large to finance about four-fifths of net capital formation but they were not all used for new investment in Canada. Some Canadian savings were, for example, used for investment abroad, while other parts were used for the retirement of debts contracted abroad in earlier periods. As a consequence, Canadian sources of savings directly financed a smaller part of net capital formation in Canada, with non-residents directly financing the balance of one-third.

In the post-war 1940's (and for some years before), Canada was a net exporter of capital. From 1946 to 1949 the net use of foreign resources was negative -- Canada was on balance able to invest abroad -- although direct foreign financing even in that period amounted to about one-fifth of net capital formation. In the short period 1929-1930 foreign capital was relatively even more important than in recent times, and both the net use of foreign resources and direct foreign financing appear to have represented more than one-half of net capital formation.

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CANADIAN FIRST: The first supersonic air-craft to be created by the Canadian aviation industry, the CF-105, Avro Arrow, will roll out from the production bays of Avro Aircraft Limited at Malton, Ontario, on October 4, it is announced by the Company.

The Minister of National Defence, Mr. George R. Pearkes, V.C. will officiate at a ceremony marking the roll-out and first public viewing of the high-speed, delta-winged interceptor. It is expected that some 2,000 representatives of Government, Military, Industry and Labor will be present, in addition to thousands of Avro personnel.

At the conclusion of the unveiling ceremony the aircraft will be removed to Avro's flight Test hangar for its extensive pre-flight test programme.

Development of the 1,000 mph-plus missile-armed CF-105, Avro Arrow has been attracting the keen interest of international military aviation circles, where it is regarded by many as being the most advanced combat aircraft of its type in existence.

A number of Military and Government representatives of NATO countries are expected to attend the ceremony. Representatives of NATO news service and television organizations have also indicated their intention of being present to publicize Canada's new supersonic fighter in their respective countries.