

ESTIMATED BALANCE OF INTERNATIONAL PAYMENTS

British and Foreign Capital Invested in Canada;
Canadian Capital Invested Abroad

One of the most impressive results of Canada's financial transactions in 1937 was the continued export of more capital from Canada than was imported. This is of particular significance when it is remembered that Canada is one of the most important debtor nations of the world. Although Canada formerly depended upon capital from other countries for the development of her resources and in the process became heavily indebted to other countries, the nation in recent years not only has been raising capital within its own borders for Canadian development but has also been exporting large amounts of capital. Consequently future claims against Canada for interest by non-resident investors will be reduced, for an important part of the outward movement of capital from Canada in the past three years has been for the redemption of the bonds of Canadian governments and corporations held outside of Canada.

This achievement in 1937 takes on additional interest when the drastic decline in grain and flour exports is considered, for if there had not been this factor reducing the net credits from the trade in merchandise Canada would have had even more credits available to make payments abroad.

In the transactions of the current account which summarizes the international trade during the year in merchandise, gold and services there were net credits of \$217 million. The principal source of these credits continued to be the commodity trade which provided net credits of \$212 million even with the reduction in grain exports. The international tourist trade was not far behind, however, as a contributing factor to the nation's net income from abroad.

The estimate the Dominion Bureau of Statistics has made on the basis of incomplete data places the net credits from this trade at \$170 million and shows the total expenditures of tourists from other countries at \$290 million. Also revealed for the first time is the total value of Canada's sales of gold abroad during the year. Taking account of earmarked gold as well as exported gold the receipts from gold were \$145 million or the highest on record. Offsetting these net credits were the net payments of interest and dividends to investors in other countries which amounted to \$247 million, the increase being due to larger dividend disbursements by Canadian companies. Payments for freight services, immigrant remittances, motion picture remittances, and a number of other services provided for Canada in other countries gave rise to net payments of \$63 million. But taking all these payments into account there remained in balance in the current account \$217 million net credits which were available for the export of capital.

The most important change in 1937 in the movement of capital between Canada and other countries was the reduction in the total amount of issues owned abroad which were retired compared with 1935 and 1936. Even so, however, the issues of Canadian bonds owned outside of Canada that were retired in 1937 totalled \$170 million, although some of this amount was refinanced by the sale of new issues of securities abroad. The credits from new issues sold abroad amounted to \$92 million part of which represented the borrowing of new capital.

The largest volume of capital movements were connected with sales and purchases of outstanding securities between Canada and other countries. This daily trade in securities has taken on surprising proportions, the total value of transactions during the year being more than \$1 billion. The movements of capital resulting from these transactions were largely offsetting a movement of capital from Canada to the United States being almost entirely offset by movements from the United Kingdom and other countries to Canada.

Other important outward movements of capital have been estimated provisionally on the basis of information that is still incomplete for 1937. These are movements of capital arising from insurance remittances, the operations of international 'branch plants,' both British and foreign branches in Canada and Canadian branches abroad, the international transactions of Canadian trust companies and other known short-term movements of funds. The preliminary estimate of the net outflow through all of these other transactions is well over \$100 million.

The preliminary estimate of the value of British and foreign capital investments in Canada as at the end of 1937 is \$6,848 million, of which \$2,721 million was British capital, \$3,996 million United States capital and \$1,131 million capital from other countries. This represents a slight increase over the value of these investments in 1936. The increase is distributed among the investments of the United States and other countries and is partly the result of increased holdings of the securities of Canadian governments by United States investors and partly the result of general increases in the values of the investments in Canadian companies and business enterprises owned by non-residents of Canada.

The preliminary estimate of Canadian investments abroad at the end of 1937 also show increases in value compared with 1936. Of the \$1,694 million total investment, \$531 million is in the United Kingdom, \$1,017 in the United States and \$624 million in other countries. The assets abroad of Canadian insurance companies are not included in these amounts as the liabilities to policyholders abroad exceed the value of the assets held abroad. It is estimated that the value of the assets of Canadian insurance companies held abroad at the end of 1937 was over \$600 million.

Every cup a delight "SALADA" TEA

Foreign Candy Worth
\$838,917 Is Imported
And Sold in Canada

Canada's Juliets have a very "sweet tooth" if the consumption of candy in Canada is any criterion and their Romeos apparently take pains to satisfy the craving for, in the twelve months ending October 1937, in imported confectionery alone, the substantial total of \$838,917 was spent.

The children, whose passion for candy is stronger than their interest in homework, for example, are also generous buyers of the toothsome morsels which come from abroad, and, according to the National Produced in Canada Association, in a statement released today, the Romeos and the children could, with their parents, do their own country a service by showing more preference for candies which are Produced in Canada.

"Canadian men and women are employed in making candy, just the same as they are in producing other goods, and when we spend more than three-quarters of a million dollars on candy alone, in foreign countries, it means that there is a lower demand for the confectionery that is produced in the Dominion. Automatically, with a lower demand, there is less call for the services of our own people. And it is the fathers and mothers who eventually are affected by the spending habits of their children or their sons who are very much concerned with future plans for marriage and the noble experiment in which two try to live as cheaply as one."



CHILBLAINS

When winter comes, chilblains begin to afflict those who are not in good health, whose circulation is poor and whose clothing is possibly insufficient. By far the most common location for chilblains is the feet, but neither the hands nor the ears escape.

At the point where the chilblain develops, there is, first of all, a tingling sensation, then itching. A blister which has a purplish tinge, forms over the area. This blister is painful and when it breaks, an open sore is left which is slow to heal.

To avoid chilblains, the feet must be protected and kept warm by shoes and stockings which are neither so tight as to interfere with circulation, nor so thin as to allow for chilling of the feet. Tightly-fitting shoes, with thin soles, over thin stockings, invite trouble, as do stockings which are so heavy as to cause the feet to perspire.

When the hands and feet are chilled, they should be kept away from open fireplace, stove or radiator. A sudden change from cold to excessive warmth causes a rush of blood to the parts which have been chilled, and this leads to irritation, followed by chilblains.

Under such circumstances, supposing it is the feet which are cold, the proper procedure is to remove shoes and stockings. First of all, the feet should be placed in cold water and then given a brisk rub with a rough towel. This treatment restores circulation gradually and averts trouble.

A poor state of health may be the underlying cause of chilblains, and so it follows that, as a practical measure of prevention, the general health should receive attention through proper diet and such hygienic essentials as fresh air, rest, exercise, cleanliness and elimination.

In many homes, the floors are cold, and in such homes, the mother who stands for so many hours, doing her housework, develops chilblains on her

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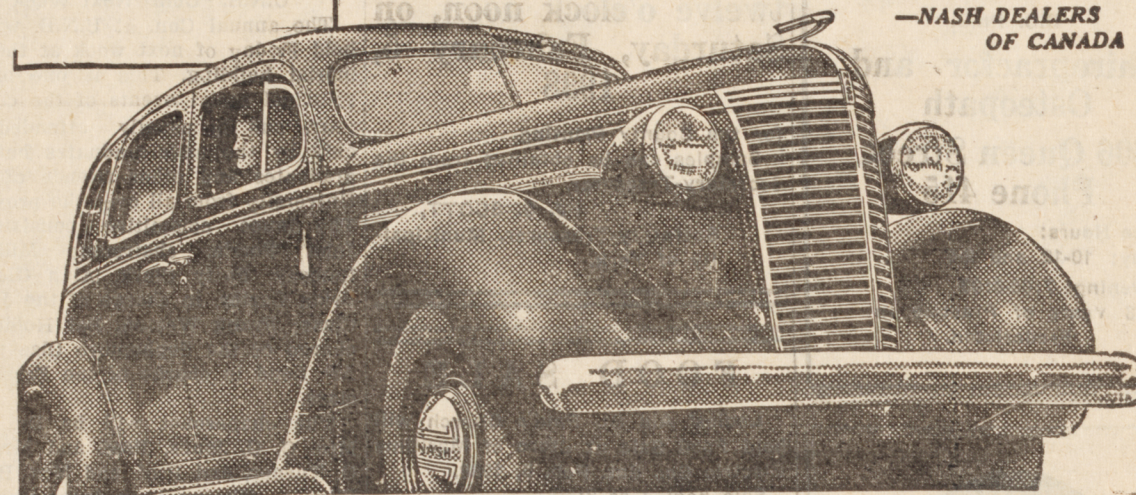
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portant improvements no other car can offer . . . plus seventy-seven more that pile up the extra value NASH gives for your money. To top it all, precision workmanship and brilliant engineering that save you money and trouble. 1938 Nash prices make it doubly short-sighted to put up any longer with a **SMALL CAR**. Come in and see the tremendous lead NASH has for 1938!"

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feels and the sides of her feet. To Painting the parts with tincture of some extent, this may be overcome iodine will stop the itching at the by wearing heavier shoes and warm-socket. If an open sore develops, it is er stockings but more attention should well to remember the danger of in- be given to warming the floors. fection that attends all open sores and secure skilled treatment.

Chilblains are not dangerous to life, but they may take a great deal of the joy out of life.

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REVOLUTIONARY REAR END—The foregoing things have been accomplished by a trio of epochal improvements which now bring the effect of independent wheel suspension to the rear end.

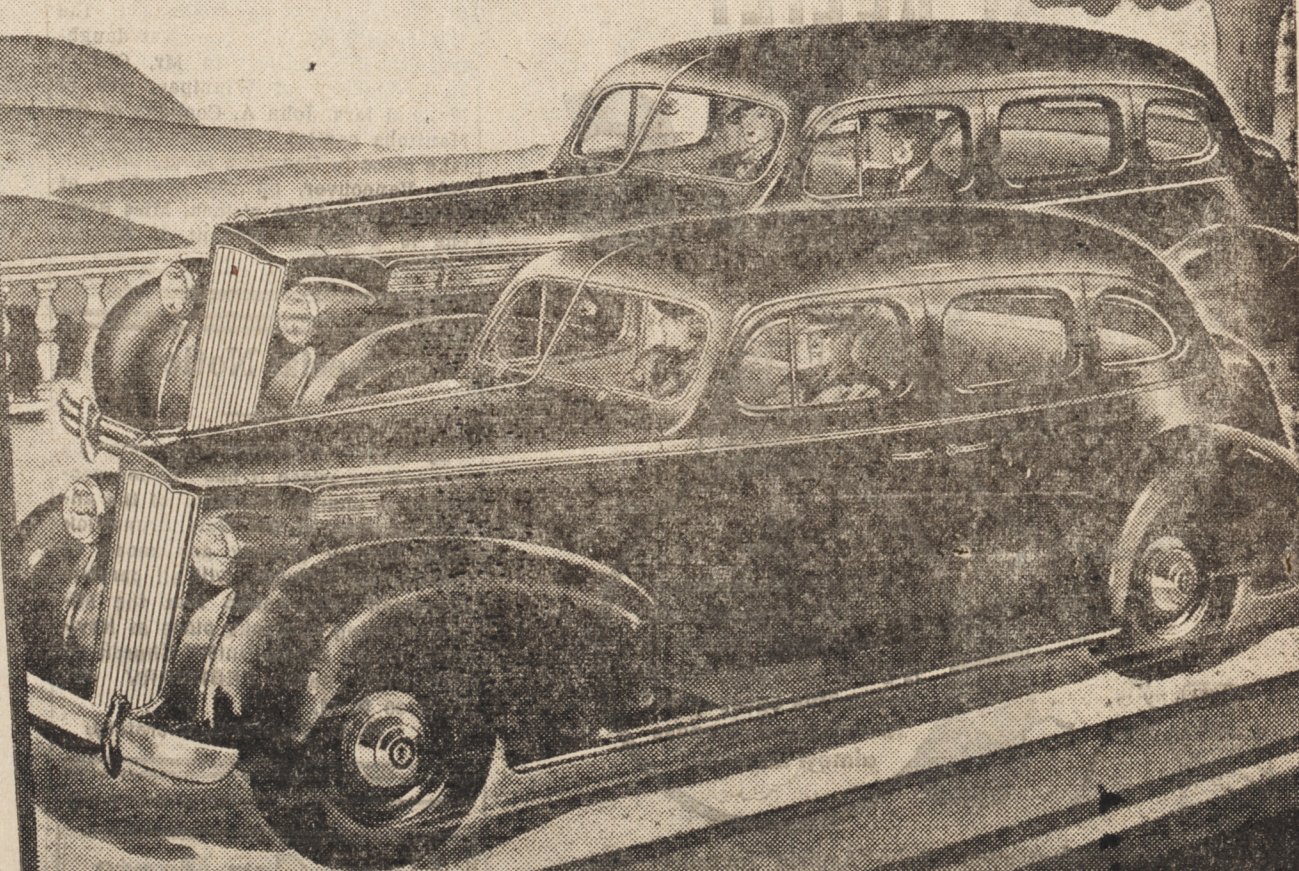
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