

TRADE FAIR SUCCESS

Nine Canadian textile manufacturers sold \$2.1-million worth of fabrics during Interstoff, the world's largest textile trade fair, in Frankfurt, Germany in May. The value of potential follow-up orders is estimated at \$20 million.

Sponsored by the federal Department of Industry, Trade and Commerce, the Canadian exhibit featured cottons, woollens, worsteds, natural and synthetic fibre blends and 100 percent synthetics.

ARMY CADET EXCHANGE

Some 100 Royal Canadian Army cadets will take part in the annual exchange of cadets between Canada and the Commonwealth Caribbean this year. Cadet contingents will attend training camps in Jamaica, Barbados, Trinidad and Tobago, Grenada, and Guyana during the period from July 23 to August 15.

The Canadian cadets will take part in the training programs of the host countries, where activities will include rifle-coaching, weapon-handling drill, rescue and first aid, communications, map-reading, and leadership.

BUDGET MEASURES AND TAX REFORM

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availability of consumer credit and the growth of income produced by an expanding economy will all help to generate accelerating consumer expenditures.

More recent statistics confirm the accelerating expansion of the economy. Retail sales increased substantially in April. New orders received by manufacturers and shipments moved ahead vigorously in April following some hesitation in March. The value

of non-residential building permits issued for the first four months of 1971 was up 51/2 percent above the total for the same period last year. On a seasonally-adjusted basis, exports in May were up to 5 percent above the previous month total and 4.7 percent above the very high level in May 1970.

Canada had a record merchandise trade surplus of \$3 billion during 1970 and this strong merchandise trade position was maintained during the first quarter of 1971, despite a rise in imports. The budget expressed concern about the appreciation of the value of the Canadian dollar that resulted from Canada's strong balance-of-payments position and welcomed the recent decline in the exchange rate.

Employment, which grew by 140,000 jobs last spring and summer, grew by 180,000 in autumn and winter. This increase was not sufficient to bring the unemployment rate down far enough.

Canada had a better price performance record than any other industrial nation in 1970. While the decline in food prices that occurred last year was partially reversed in the early months of 1971, the rate of increase in other consumer goods and services continued to moderate.

There has been some slowing down in the high rate of cost increases, which have also been offset to some extent by rising productivity.

FEDERAL AID TO THE PROVINCES

More than \$4 billion raised by the Federal Government during the current fiscal year will be made available to the provinces and municipalities to support their services. This represents 31 percent of total federal budgetary resources, compared to less than 23 percent five years ago. Over \$1 billion will be paid to the provinces in the form of equalization grants during the current fiscal year, compared to the total of \$370 million five years ago.