

Provision has been made for a constant review by the Advisory Committee on Price equivalents of current market conditions, including the movement of prices. It will also give appropriate advice to the Executive Committee and the Council in respect of prices moving towards the minimum or towards the maximum, and the application of obligations when the maximum price is reached. This should allow for a greater measure of flexibility in the movement of prices within the price range.

(vii) *Recording of Transactions*

The system of recording transactions, in order to determine the respective obligations of exporting and importing countries, will be continued in the new Agreement in a much simpler form.

In addition to commercial transactions, the Council Secretariat will also maintain records of special transactions (including surplus disposals), defined as those which depart from normal commercial practice as a result of government intervention, although these are not related to the rights and obligations of the member countries. In this way, all the trade in wheat between member countries will fall within the scope of the Agreement.

While the text of the new Agreement indicates a departure from the preceding agreements, it is designed to accord with the actual framework of international trade in wheat between exporting and importing member countries. For this and other reasons, the new Agreement should cover a high proportion of world trade and elicit a wider participation. It is also expected that, by virtue of the broader functions and responsibilities conferred on it, the Council will be able to exercise more effectively its moderating influence on the international adverse effects of national policies, and provide an active forum for inter-governmental consultations on wheat problems.

* * * *

CAPITAL INVESTMENT PLANS

Mr. Gordon Churchill, Minister of Trade and Commerce, tabled in the House of Commons on March 6 the report, "Private and Public Investment in Canada - Outlook 1959", which summarizes the results of a recent survey of capital spending intentions.

Mr. Churchill said:

"For the fourth year in succession, capital investment in Canada will exceed \$8 billion, a more than three-fold increase in a period of 12 years. Present investment plans provide for total new capital outlays in 1959 of \$8.3 billion, which is slightly below the \$8.4 billion

expended in 1958. The overall total of intended outlays on construction and machinery, including repairs, gives a grand total for 1959 of \$11.1 billion, which is exactly the same as for 1958. An examination of preceding survey results shows that, in the past, in comparable situations to that now prevailing in Canada, stated investment plans at the beginning of the year have tended to underestimate the amount of work eventually realized. It is quite possible, therefore, that some further filling out of investment programmes will occur during the course of the present year.

"Within the total programme, the principal increases appear in commercial and institutional building and government projects. Increased capital outlays are indicated for each of the three levels of government. Provincial and municipal governments and agencies are faced with steadily expanding requirements for roads, schools, hospitals and many types of local improvements. Somewhat easier supply conditions in the construction industry have helped in getting ahead with these programmes. The Federal Government also is proceeding with an expanded programme of public projects designed to meet the needs for defence installations and other services and to foster national development. Outlays made directly by Federal Departments are estimated to increase by 10 per cent, while expenditures by all three levels of government combined are expected to rise at almost the same rate.

"Within the business sector, commercial construction will apparently go ahead more rapidly than ever. An approximately unchanged rate of capital spending is indicated for a broad range of industry, including agriculture, forest and mineral extraction and processing, secondary manufacturing and transportation and communications. Alone of the major business groups, fuel and power industries have indicated a somewhat lower level of capital expenditures in 1959. This reflects the near completion last year of a number of large-scale undertakings, including the Trans-Canada gas pipe line, the St. Lawrence Seaway and power projects and other major power developments.

"In recent months, there has been a marked increase in the volume of new projects coming forward. Consequently, a larger proportion of the 1959 programme is comprised of work on newly-initiated projects, as opposed to the carry-over of work on undertakings started in previous years. This change in the make-up of the investment programme is indicative of new interest in expansion.

"The rate of anticipated expenditures for 1959 indicates that Canadian industry is continuing to expand rapidly. As a proportion of total national output, anticipated outlays for new plant and equipment compare favourably with levels in most postwar years. This continuing build-up in the tools of industry

(Over)