

Preparations for budget

(Continued from P. 2)

While the figures I announced in July do reflect some modest improvement from what was expected earlier this year, our budgetary deficit at \$11.3 billion is too large and the Government is faced with hard decisions on the appropriate stance of fiscal policy.

I have already indicated that we intend to proceed with mortgage interest and property tax deductibility in my fall budget.

How much more we will be able to do is still an open question. The size of the deficit continues to limit our room to manoeuvre.

The threat of a re-acceleration of the underlying trend of inflation is real and must be taken into consideration. Inter-

national inflation increases stemming from higher oil prices will tend to reinforce domestic inflationary pressures that are already too strong. And as I have said before, I do not propose to bring down a budget that is going to exacerbate inflation.

...Three months ago today, I and my colleagues assumed the management of the Government of Canada. We said then that this is an enormously wealthy country that faces major problems, many of which are of our own making. We said that we believed that their solution was within our power, and within yours, because the private sector is vital to any solution.

Now, 93 days later, there is no reason to alter our assessment of the magnitude of the problems, but neither is there reason to alter the optimism with which we face them.

Special agreements have been made with 39 companies with head offices in Quebec by the Office of the French Language, lessening government requirements to make French the working language of the office. Requests from 24 more companies are under review. The requests were made under regulations a year ago for companies with head offices in Quebec that make more than half their gross income outside the province.

A committee of federal Members of Parliament has been set up to consult with the Canadian livestock industry and consumers and advise on beef import legislation, Agriculture Minister John Wise has announced. The Beef Import Consultative Committee will be chaired by Bert Hargrave, a well-known Alberta rancher.

Air Canada has ordered six more Boeing 727 medium-range aircraft valued at \$9 million. The first four Boeing 727 aircraft of its new order will each cost \$15.1 million and the other two \$15.6 million each. Deliveries are scheduled to start in January 1981, to be completed in May of that year.

U.S. residents Dave Halsey and Peter Souchuk were such "tenderfeet" when they began a Canadian trek that they wore their snowshoes backwards for the first 160 kilometres. The two men returned in August from what they called "their adventure of a lifetime" — a two-year, off-and-on expedition across Canada, from the Pacific Ocean to the

Atlantic. Halsey, 22, and Souchuk, 25, said they used old-fashioned methods of transportation like canoeing, backpacking and snowshoeing during the 2,880-kilometre trip.

Canada's nine largest banks had a combined after-tax balance of revenue of \$260.6 million in the three months ended July 31. This amount was up 10.5 per cent from \$235.8 million a year earlier. The banks' balance of revenue grew at a 7.1 per cent rate in the second quarter, the smallest gain in the banks' profits in two years. The growth rate in the latest quarter was well off the 34.5 per cent rate of the first quarter, and the 32.7 per cent rate a year earlier.

A trade mission of seven Japanese agricultural officials arrived in Canada August 22 to study the Canadian seed industry. The agricultural experts spent two weeks visiting agricultural research stations and meeting academics and agriculture department officials. The mission is expected to result in increased sales of Canadian seeds for products such as early maturing hybrid corn.

A business conditions survey of 6,700 manufacturers indicated that 26 per cent of respondents expect higher production in the third quarter than the second, while 23 per cent expect lower, Statistics Canada reports. Some 15 per cent said that raw materials shortages were the greatest obstacle to production while 12 per cent noted a shortage of labour as the greatest impediment.

Housing starts were at a seasonally-adjusted annual rate of 210,700 in August, up 20.7 per cent from a revised July rate of 174,000 but down 8.5 per cent from the August 1978 rate of 230,000, Canada Mortgage and Housing Corporation reports. The August figure was the highest since the January rate of 245,000.

Vancouver Whitecaps, recently defeated Tampa Bay Rowdies 2-1 at Giants Stadium in New Jersey to win their first North American soccer title.

Canadian University Service Overseas (CUSO) is not an "offshoot" of the Canadian International Development Agency (CIDA) as stated in *Canada Weekly* dated August 1, in an article "Canada-Cuba swine project", on Page 5. Chris Bryant, CUSO Field Staff Officer in Papua New Guinea, points out that, although his organization receives a large part of its budget from CIDA, CUSO is an independent corporation.

News briefs

Princess Anne will visit Canada November 12-18. The princess will take part in functions on behalf of the Canadian Save the Children Fund during her stay. She is president of the organization's British counterpart. Princess Anne was last in Canada in July 1976, when she took part in the equestrian events at the Olympic Games in Montreal.

Manitoba Hydro had a record profit of \$45.7 million in the 1978-79 fiscal year, largely because of increased sales to the United States, the Crown utility says in its annual report. Export sales, primarily to the United States and Ontario, increased about 140 per cent with American companies paying \$58 million for Manitoba power.

The Federal Government will negotiate a multi-billion dollar energy deal with Mexico and Petro-Canada will act as adviser, Energy Minister Ramon Hnatyshyn said on August 2.

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