

General for Science and Environmental Affairs, who, with the aid of a small scientific staff, is responsible for implementing the Committee's decisions, administering various science programs and advising the NATO Secretary General on scientific matters.

NATO science fellowships

The National Research Council of Canada has awarded 22 North Atlantic Treaty Organization (NATO) postdoctorate fellowships for 1974-75, with funds provided by the NATO Science Committee.

These awards, which represent Canada's part in NATO's science fellowship program, are designed to stimulate the exchange of young scientists between member countries of NATO.

Twenty-two NATO postdoctorate fellowships, with a value of \$9,000 will be held as follows: two in France; five in the United States; eight in Britain; three in West Germany, three in the Netherlands and one in Denmark.

NATO's science activities consist of two sets of programs — general and special science — with a total annual budget of about \$6 million.

The general science programs are designed to stimulate the international exchange of scientific information. They include the awarding of science fellowships and research grants and the funding of advanced study institutes. Science fellowships encourage the exchange of postgraduate and postdoctoral students in both pure and applied sciences. The research grants offer financial support for ongoing research projects requiring international collaboration. The advanced study institutes, a series of high-level scientific seminars about 50 of which are held each year, bring scientists from many countries together to study a particular subject.

The special science programs support a series of topical short-term studies in applied science on subjects as diverse as oceanography, meteorology, the environment and the social sciences.

Manufacturers also plan to allocate a rising proportion of expenditures into 1978 to purchases of new machinery and equipment.

Trade balance unaffected by oil price

While the world's major oil-importing and oil-producing nations face enormous economic changes in 1974 as a result of the "energy crisis", Canada will remain relatively unaffected, says the Bank of Montreal in its *Business Review* for June.

Alone of seven developed countries which import crude oil in quantity, Canada will actually improve its trade balance during the year, by some half a billion dollars. The United States, Japan, Germany, France, Britain and Italy may expect a deterioration in trade balances totalling \$38 billion, according to the Bank. This is a direct result of the fourfold increase in the posted price of crude oil over a three-month period ending last January.

Furthermore, the direct contribution of the higher oil prices to inflation will be less in Canada (1.2 per cent) than in any of the other countries. And with the exception of Canada, gross national products in these countries will drop between 2 and 4.7 per cent in 1974, in the absence of offsetting expansionary influences. This will mean a general slowdown in the improvement of the standard of living in the importing countries, the *Review* says.

Canada is in a favourable position, the *Review* continues, because it is a net exporter of oil. Last year, Canada exported 414 million gallons of crude and imported 311 million, gradually increasing the export tax to \$5.20 per barrel to bring it to the world level.

"Looking further ahead," the *Review* notes, "the economy is bound to receive a significant stimulus from investment in energy-related projects."

Eastern Canada gets its oil from abroad, mainly Venezuela, while the rest of the country is supplied by domestic crude. Exploration for oil off the coast of Nova Scotia, the Mackenzie River Delta and the Arctic Archipelago, as well as the enormous untapped potential of the Athabaska Tar Sands in Northern Alberta, promises to consolidate Canada's position as a major oil-producer.

Canada/Netherlands air agreement

The Secretary of State for External Affairs, Mitchell Sharp, and the Netherlands Minister of Foreign Affairs, Max van der Stoep, signed on June 17 a new air transport agreement between the two countries, as a result of which a Dutch-designated carrier will be able to operate air services to Toronto for the first time.

The two following routes have been agreed for KLM (the Royal Dutch Airlines): Netherlands-Montreal (without the right to emplane new passengers from Montreal) to New York-Houston-Mexico and *vice-versa*; Netherlands-Montreal and (or) Toronto and *vice-versa*. For its part, CP Air may operate services from any point or points in Canadian territory, to Amsterdam and other supplementary points beyond, with the right to carry passengers from Amsterdam to these points beyond.

The agreement provides also for the establishment, when the volume of traffic permits, of two routes between Canada and the Netherlands-Antilles of which one will be operated by Air Canada and the other by ALM (the Dutch Antillean airlines).

Higher capital spending expected

Average capital investment intentions of 200 large corporate enterprises in Canada for 1974 were revised upwards by 5 per cent between October 1973 and April 1974 and by some 15 per cent for the next four years to 1978, according to a survey by the Industry, Trade and Commerce Department.

The survey excluded a number of large projects because of uncertain timing, notably for petrochemicals in the western provinces, oil and gas pipelines, mining, and real estate development. The results would have shown an even greater acceleration had such spending intentions been included.

Upward revisions reported in April 1974 were attributed in most instances to a continuing buoyant outlook for sales, exports and profits, and to pressures on capacity. As a result, expansion of production facilities has been given more emphasis in spending plans than modernization and replacement, particularly after 1976. The manufacturing sector appears to have introduced new projects more extensively than non-manufacturing indus-