

surcharge portion will be counted as Olympic-support revenue. When it is sold through the Philatelic Service, the total value, including the surcharge, will be counted as philatelic revenue and the net proceeds, after deducting costs, will go to the Organizing Committee for the Olympic Games.

"These Action stamps are a painless way for Canadians to become involved in supporting the 1976 Olympic Games in our country," said Mr. Mackasey.

Donations in support of the 1976 Olympics are regarded as tax deductible, and the Canada Post Office will issue receipts for any single purchase where the surcharge on the donation portion amounts to \$5 or more.

West German fellowship for Alberta physics professor

Dr. Anton Z. Capri, associate professor of physics at the University of Alberta, has been awarded a Humboldt senior research fellowship which provides funding for one year of research in West Germany.

Humboldt fellowships, given in memory of the late West German scientist, Alexander Von Humboldt, are awarded on the basis of competitions open to persons from all countries. The senior research fellowship provides a year's funding for research to be pursued in West Germany plus a three-week tour of the country.

Chairman of the committee that selected Dr. Capri for the fellowship was Nobel laureate, Dr. Werner Heisenberg, a pioneer in the study of quantum mechanics. Dr. Heisenberg's committee looked favourably upon the course of research outlined by Dr. Capri in his submission — a study into nucleon scattering.

Dr. Capri will take a year's sabbatical from the University of Alberta early in June to undertake the research at the Max Planck Institute of Physics and Astrophysics in Munich, West Germany, where he will work with the Institute's director, Dr. Peter Dürr.

Dr. Capri, a native of Romania, came to Canada in 1949 at the age of 11 and, in 1967, joined the University of Alberta as a post-doctoral fellow. He became an assistant professor of physics the following year.

Canada's economy

(Continued from P. 2)

together with the decline that has already taken place in the prices of some industrial commodities, and a marked easing in the rate of increase in energy and food costs, make the prospect increasingly favourable for a generally more moderate rise in prices in 1975. However, upward pressures on costs are expected to continue and the rate of inflation will remain high by historic standards.

Domestic demand factors

As in 1974, the strongest element in Canada's domestic demand in 1975 is likely to be business capital investment. Important indicators of business intentions, and the large volume of work already in progress, signal a continuation in 1975 of vigorous business capital spending trends, despite increased uncertainties about costs and softer markets.

An October survey by the Department of Industry, Trade and Commerce of 220 large corporations representing a substantial part of Canadian industry indicates substantial new growth in capital spending. These large corporations plan to raise their expected outlays on new construction, machinery and equipment by 30 per cent in 1975, which would imply a somewhat greater advance in volume than had been estimated for 1974. All industrial sectors, other than oil and gas pipelines, indicate upward revisions of intentions over those indicated in a similar survey made earlier in the year. The increases in intentions are largest for manufacturing, oil and gas, and electrical utilities sectors. Relatively few businesses seem to have allowed recent changes in the business climate

at home and abroad to exert a negative influence on their capital spending intentions. The general view appears to be that current adverse factors are predominantly short-run in nature.

This further expansion in business investment as well as the strengthening of disposable incomes of Canadians through income tax cuts and increased transfer payments will be an important stimulus to the economy in 1975. Lower interest rates and a number of measures to provide stronger incentives for new home building should bring about some recovery of residential construction which slackened during the latter months of 1974. Taken together, these factors will sustain private expenditures and promote a further increase in real output in 1975.

International markets

Canada's foreign trade prospects in 1975 continue to be affected by the temporary lack of growth in the economies of our principal trading partners, notably the United States, Japan and Britain. Modest recovery in most of these markets may be expected to be under way during the course of the coming year, assuming an easing in policies of restraint. Initially, however, the resurgence of economic activity abroad is likely to be slow and may provide only limited additional demand in volume terms for Canada's export products in 1975.

In dollar terms, a further substantial increase in exports may be expected in spite of softening prices for some of Canada's resource exports. An increase in value terms of somewhat more than half that obtained in 1974 may be expected in 1975.

Meanwhile, Canada's economic performance in 1975 should contribute to a continuing strong import demand. This is likely to be reinforced by the ambitious capital investment program now under way, since many of the investment goods required will be imported.

Lack of major growth in exports markets and persistent firmness in imports are likely to mean further deterioration in Canada's commodity trade balance, which may shift from a moderate surplus of under \$1 billion in 1974 to close to balance next year....

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