

Co-Chairman Mr. BASFORD: We will continue with this this afternoon. The in camera meeting that I mentioned earlier will be held at 2:15 today. I estimate that it will last 15 minutes. This is simply to deal with some housekeeping matters, and the Committee will then resume its public session at 2:30.

For the benefit of those on the steering committee, it will meet at the end of today's afternoon session, at 5:30 or 6 o'clock. For the benefit of the gentlemen of the Press, any decisions taken at the steering committee meeting are not announcable until they are reported to the full committee.

Yes, Mr. Allmand.

Mr. ALLMAND: I wonder if it is possible for us to get these briefs and memoranda from people who are going to be our witnesses before we actually hear them? It is difficult to prepare questions on a brief or to go through it fairly well while the gentleman is reading it. It would be better if we could get briefs beforehand.

Co-Chairman Mr. BASFORD: Yes. Dr. James is aware of this problem and has endeavoured, where possible, to do this. The officials of the Department of Finance were understandably very hard pressed with other things in having the statement ready for this morning, let alone in time to have it mimeographed for distribution.

Dr. James, however, will endeavour to have briefs prepared in advance where possible.

—Upon resuming at 3 p.m.

Co-Chairman Mr. BASFORD: The meeting will come to order.

We left off this morning with Mr. Bryce having completed his discussion on table 9. Are there any questions arising out of that?

There being no questions, we will turn to table 10.

Mr. BRYCE: Table 10, Mr. Chairman, is really an indication of the sources of the savings required to finance business investment. As I said earlier this morning, the investment made by government in capital assets is treated simply as part of government expenditures generally and is financed as part of government expenditures, but business expenditures are normally financed from a number of sources, and this table shows what they are. The principal one shown in the top line is the amount of the capital expenditures of these businesses and includes the value of the physical change in inventories which has to be financed from some form of savings. The first source of financing is, of course, the gross saving of business itself. This includes both the capital cost allowances which it has accumulated or is accumulating during the year, and the retained net profits that it has after tax and these two added together, together with some valuation adjustments are enough to amount to the figures shown. Then in addition to that we have the personal net saving which is shown in line 1 here. This figure jumps around a bit for the same reason that the agricultural income figure jumped around. It is considerably affected by the savings that the farmers make when they get large crops and accumulate inventories of them, or when they receive payment from the accumulated claims on the wheat board arising out of grain they have sold.

Government saving appears in line 3. This is taken from the final lines of table 10 to which has been added in the first half of 1966 the accumulation of the Canada and Quebec pension funds made available either directly to provincial governments or through them or through the caisse de dépôt in Quebec to those who require savings in one form or another.

Then finally we have in line 4 the savings available to the country as foreign investment which again, by definition, is equal to the deficit in our current account on the balance of payments. We have to finance in terms of