

municipal) investment programs. Pending agreement with the provinces, the Federal Government proceeded with the development of screening and timing procedures for the management of its own capital expenditure program.

The present Federal procedure, as established by Order in Council P.C. 7993, 1944, provides that "proposals by departments and agencies of the Government to make capital expenditures on reconstruction projects and proposals involving financial assistance by the Minister of Reconstruction shall be submitted" to the Cabinet Committee on Reconstruction. Order in Council P.C. 4942 set up the necessary procedure whereby the Department of Reconstruction and Supply would assist the Cabinet Committee on Reconstruction and the Treasury Board in the policy of timing the Federal investment program in accordance with employment and income conditions. This policy, applied in the fiscal years 1946-47 and 1947-48, has meant the deferment of all unessential Federal construction. Supplementing this policy of curtailing public investment in the transition period, when investment by private business was at very high levels—expected to exceed in 1947, any previous accomplishments—was the attempt to build up a 'shelf' of fully-planned projects which could be implemented if and when employment conditions warranted. Lest this over-all policy of strict curtailment of construction be so rigid as to affect the efficiency of administration and desired expansion where essential, provision was made for certain emergencies through Vote 606, including a sum of \$10,000,000 in the Estimates of the Department of Reconstruction and Supply. This provision has three purposes: (1) to provide moneys for the initiation of public construction projects in any area where acute unemployment developed during the reconversion period; (2) to finance certain essential public projects of a development nature if circumstances prevented their financing in the normal way; and (3) to provide additional funds for the planning of public construction projects through the employment of additional staff for the carrying out of necessary research surveys and investigations, and the advance acquisition of sites permitted in special circumstances by Cabinet approval.

**Export Trade.**—The Federal Government actively supports international efforts to encourage world trade. It participated in the creation of the International Monetary Fund and the International Bank for Reconstruction and Development. Dominion representatives have attended a number of international conferences called to explore methods of removing barriers to a high level of world trade. The most important of these conferences to date has been the International Trade Organization meeting at Geneva, Switzerland, in the spring of 1947. The Government is pursuing a vigorous policy of developing Canada's export trade, and to this end the Department of Trade and Commerce has been greatly expanded. Extensive foreign credits were made available to impoverished countries in 1946, under the Export Credits Insurance Act, 1944, and United Kingdom loan agreement. As a result, Canada's export trade in 1946 reached its highest peacetime level and, if no unfavourable developments occur in the latter part of 1947, the year's exports should exceed in volume those of 1946. Canadian exporters can insure against credit losses on exports or agreements to export general commodities or capital goods through the Export Credits Insurance Corporation, which was set up under the Export Credits Insurance Act, 1944, and reports to the Minister of Trade and Commerce (8 Geo. VI, c. 39). In order to ensure a reasonable supply of certain types of goods in Canada it has been necessary to retain export controls over a variety of products that Canada normally exports. (See also Chapter XXIII on Foreign Trade.)