

The International Wheat Agreement, to which Canada is a signatory, is in its second year of operation. All sales of Canadian wheat under this Agreement during the first year were at the maximum price established. Canada has been active as a member of the Food and Agriculture Organization of the United Nations, particularly on a committee on commodity problems.

Canada was an exhibitor at international trade fairs in 1950 at Milan, Brussels, Chicago, and San Antonio, as well as at the British Industries Fair at London and Birmingham, while nine other Canadian exhibits of various kinds were shown elsewhere abroad. In addition Canada held her own third International Trade Fair at Toronto, and a fourth is to be held in 1951.

The Federal and Provincial Governments have encouraged Canadian importers to buy in Sterling Areas and have provided assistance to United Kingdom businessmen to increase their Canadian sales, in many cases involving new investment here. Extensive assistance has been readily forthcoming from industry. In this connection the Dollar-Sterling Trade Board and its British equivalent, the Dollar Exports Board, have been replaced by a new body, the Dollar-Sterling Trade Advisory Council. The United Kingdom-Canada Continuing Committee on Trade and Economic Affairs, established in 1949, continues in existence as an official liaison body between the two countries. In another field, Canada appointed, in April, 1950, an Advisory Committee on Overseas Investment composed of private businessmen; it submitted a report in September which is now being studied.

The first Commonwealth Conference on Foreign Affairs met at Colombo, Ceylon, in January of 1950, attended by cabinet ministers from seven commonwealth countries. The Conference established a Consultative Committee on South and Southeast Asia, which at subsequent meetings at Sydney in May and London in September drew up what has become known as the "Colombo Plan". This Plan is concerned with the provision of technical assistance as a practical contribution to economic development in the area. Administration of the Plan within Canada will be the responsibility of a new unit established in the Department of Trade and Commerce and known as the Technical Assistance Service.

Public Investment and Resource Development.—The Federal Government encourages resource development and other forms of private investment by direct as well as indirect means. Direct encouragement takes the form of fiscal incentives, transportation subsidies, Industrial Development Bank credits and other capital loans, research, the provision of technical services, and practical assistance of all kinds to new firms. The Government's own investment policy is kept flexible so as to ensure that, on the one hand, there will not be unwarranted competition with private investment for scarce resources and, on the other hand, that sound projects can be undertaken when there is need of support in that sector. The co-operation of provincial and municipal authorities along these lines is also sought, to the end that only urgent public projects should be undertaken when private investment is high and that public investment may be increased either regionally or nationally when a serious decline threatens in the level of private investment.

In accordance with these policies, the tendency during the early part of 1950 was for some increase in public investment, with attention to regional and local problems. The more notable implementations concerned the trans-Canada highway and assistance to home building. Eight of the ten provinces entered into agreements with the Federal Government for participation in the highway project and some new construction got under way.