

Given major impetus by the Middle East oil crisis, exploration and development in the energy-resources field is expected to be a principal area of capital-spending growth in 1974 and in the years lying further ahead. Investment in electric-power facilities, oil and gas wells, in pipelines and in petrochemicals, already on a rising trend during 1973, should show an accelerating upward tempo from now on.

The upward thrust of consumer spending appears to be easing after providing major growth stimulus during the past three years. At the same time, consumer interest is likely to continue at a high level based on the anticipation of a continuing rise in disposable income as a result of further gains in both employment and average earnings. The consumer position will also be buttressed by a substantial boost in government transfer payments resulting from the broadening of income-support measures.

In summary, then, it seems that Canada in 1974 may move into a period in which trends in the key economic sectors are more mixed than they have been for some time. As a consequence, the pace of general economic advance is expected to be somewhat less than the hectic pace of the recent past. Yet the relative position of Canadians among major industrial countries is most favourable, given our much superior resource base.