

tainties and has contributed to a strengthening of business confidence in Canada.

Industry

Industrial production has grown more rapidly as market demands have continued to strengthen, with a rise of close to 6 per cent in 1972, compared to 4.5 per cent in 1971. Production increases over a broadening range of manufacturing industries have played an important role. Several industries which lagged at an earlier stage of the recovery have shown increasing vigour, among them the pulp and paper industries. Great buoyancy was also experienced in wood-product industries, led by a further impressive rise in lumber output and export sales. The auto industry has continued strong and has surpassed the previous record output of 1.4 million vehicles reached in 1971....

Prospects for 1973

Continuing improvement in economic performance provides solid ground for optimism about economic prospects in the year ahead. After two years in which Canada has been moving up towards a more rapid tempo of business activity, the scene now appears set for a substantial advance in 1973. Market forces favourable to growth in 1972 remain strong and are expected to contribute to further expansion. Other important market influences which have been gaining momentum recently are likely to supply a significantly larger stimulus than they did earlier in the business recovery. On the international front, the crisis atmosphere has eased to a considerable extent as a result of adjustments that have taken place in response to the major currency realignments of a year ago.

Consumer spending

Consumers are in a financially strong position owing to the sustained upward trend of disposable income. Consumer spending, accordingly, is likely to remain an important source of strength in 1973 though it should not be assumed that the recent high rate of increase will be maintained throughout the coming year. With continuing strong demand for homes and more liberal mortgage provisions for Central Mortgage and Housing approved

housing, residential building is likely to stay extremely active, but may not greatly exceed the very high level achieved in 1972.

In business investment the picture has strengthened moderately, and the recovery is expected to gain in momentum during the year. In an expansive climate for sales, the requirements for additional capacity will increasingly be felt. The results of a field survey carried out late in 1972 with respect to the capital-spending intentions of major companies in Canada showed that they intend to raise capital outlays nearly 10 per cent in 1973....

Encouraging outlook

In summary terms, present indications point both to a higher rate of advance in Canadian merchandise exports in 1973 and to a more balanced growth both in geographic and commodity terms. At the same time, however, there should be some deceleration in Canadian imports from the unusually high rate attained in 1972. The continuing recovery in economic activity in several industrial nations should materially ease the necessity to stress export-led growth and emphasize the domestic markets. At the same time, the recent easing of Canadian exchange-rates relative to a number of major currencies should also assist in Canada's trade performance.

What this picture suggests is that the major reduction in Canada's trade balance which occurred in 1972, when imports rose faster than exports, will not be repeated in 1973. Canadian exports and import growth are likely to be more in balance, which will, in turn, give renewed support to activity in Canada. It is important to stress, however, that this improvement will not come about automatically and continuing improvements in our productivity and in our cost-price performance are needed if Canadian goods are to remain competitive both domestically and internationally....

Unemployment and inflation remain the major problems

In spite of this highly encouraging prospect for 1973, Canada will still be confronted with problems and uncertainties of challenging proportions, and will need to remain vigilant in pursuit of established economic objectives. The principal set of pro-

blems will continue to be those concerned with the means of providing a growing number of jobs for Canadian workers and reducing unemployment, while at the same time containing inflation. Again, Canada will have to make further adjustments to changes in international trade that will result from the enlargement of the European Community to include three new members - Britain, Ireland and Denmark....

CLC sponsors pensioners' month

An "S.O.S. campaign" in support of senior citizens will be launched in February as part of the Canadian Labour Congress "Citizenship Month".

The 1,800,000-member labour organization customarily observes citizenship month every February and invites its affiliated organizations to take part in programs across Canada.

This year, labour organizations will be urged to: establish committees to work with "senior citizens" wherever such committees do not already exist; meet with spokesmen for existing old people's groups to discuss how best to co-ordinate their supporting efforts; help establish "senior citizens" clubs for their own retired members and other pensioners in the community; open a counselling service to assist pensioners in the community; open a counselling service to assist pensioners in obtaining benefits to which they are entitled; take action to support the legislative program for old people adopted by the National Pensioners and Senior Citizens' Federation.

"Historically, the labour movement has always been pledged to help our senior citizens maintain respect and dignity in their senior years and continue making their contribution to the community," CLC President Donald C. MacDonald explained. "Many of our unions already have an active program in this respect. But in today's fast-paced society there is a need for trade unions to increase their efforts.

"By providing the leadership and organizing techniques of which the labour movement is justly proud, we can rally many other concerned groups and help senior citizens live a fuller, more satisfying life."