

This year's business prospects

The Bank of Montreal's April *Business Review* forecasts that Alberta will set the pace for Canadian business activity in 1977 with Ontario and British Columbia at about the national average, Manitoba-Saskatchewan and the Atlantic provinces slightly under it and Quebec well under.

In a province-by-province study of 1977 business prospects, which for Canada as a whole are not expected to measure up to last year's 4.6 percent average growth in the gross national product, the *Review* came to the following conclusions:

Quebec

In Quebec, "indications are that the separatism option will slow investment significantly as business takes a 'wait and see' stance" and this factor "will pull Quebec's growth rate well under the national average. Without this important negative, the province might have recorded growth above the national average."

Otherwise, prospects look fairly good for most industries as pulp and paper sales should increase; clothing and textile firms will have a more protected market; aluminium production will rise, as will iron-ore production; asbestos demand will again outstrip supply; milk production has stabilized; and poultry and livestock producers will pay less for feed.

Ontario

In Ontario, where manufacturing is the key to the province's economic progress, the prospects for the auto industry look good but other manufacturing sectors are not so strong. Investment is weak and capital goods' manufacturers will have to rely on replacement demand if they hope to build sales. Slow growth is forecast for both the construction and mining industries.

Alberta

In Alberta, a "somewhat gloomy" agricultural picture is offset by strong construction activity and rising prices for oil and natural gas. While cattlemen are expected to hold their own as feed-costs drop and beef prices may rise later on, grain producers face low

prices owing to last year's record world harvest. And current dry conditions point to a possible poor crop this year. Coal producers, however, are expected to do "moderately well."

British Columbia

In British Columbia, mining prospects are not bright and construction activity has not been strong for some time but a predicted increase in U.S. housing starts is expected to strengthen demand for B.C. lumber. Paper exports to the U.S. should also accelerate as the American economy gains momentum.

Manitoba-Saskatchewan

As in Alberta, the agricultural outlook for Manitoba-Saskatchewan is not bright. Grain producers face low prices and poor soil moisture conditions. Livestock producers, however, may be better off as feed costs are down and beef prices may rise. Projects in the Manitoba resource industry should keep construction activity high and oil and gas revenues will continue to rise. On the other hand, the potash outlook is "lacklustre", non-ferrous metal prices are depressed and Saskatchewan uranium development is expected to slow down.

Atlantic provinces

In the Atlantic provinces, a stronger U.S. housing market should increase the demand for Atlantic lumber, pulp and paper sales to the U.S. will rise and the depressed tourism industry should return to normal. Meanwhile, the vital fishing industry may benefit from the decision to limit foreign fishing within 200 miles of the coastline. However, slow growth is forecast for the mining industry.

International coal research

Canada joined a fourth International Energy Agency (IEA) coal research group, the World Coal Reserves and Resources Service recently, at the Paris headquarters of the IEA. In March 1976 Canada joined three IEA coal services - Economic Assessment, Technical Information and Mining Technology Clearing House.

Canada joins Belgium, Britain, Germany, Italy, and the United States as

a member of the Reserves and Resources Service, which will examine the mineability, marketing and economic factors in calculating the world's coal reserves and will draw up an international coal-resources lexicon.

Canada's participation will assist in the development of the *National Coal Inventory* and will facilitate the exchange of information with other major IEA coal-producers. Coal, which may become increasingly important as a source of energy in Canada, has been assigned a high priority in the Federal Government's energy research and development programs.

To take maximum advantage of Canada's participation in the IEA exchange of coal expertise, information will be made widely available to the provinces, the coal industry and coal consumers.

No increase in foreign farm workers

The Minister of Manpower and Immigration, Bud Cullen, has announced modifications to the 1977 Caribbean and Mexican Seasonal Agricultural Workers Programs, in line with the Federal Government's "Canadian-first-for-jobs" policy. The programs allow workers to temporarily enter Canada to work in the agricultural industry.

This year, total number of foreign seasonal agricultural workers admitted to Canada will be held at the same level as in 1976; priority will be given to employers who took part in 1976 programs up to the same number of workers they each employed in 1976; and the wages paid will be the prevailing wage rate paid to Canadians or the provincial minimum industrial wage, whichever is the greater.

Requests for foreigners in tobacco work will only be accepted from growers who participated last year for the same number of foreign workers they employed in the previous year up to a maximum of six. These workers will only be permitted to remain in tobacco work to the end of the harvest.

Mr. Cullen said most of the other terms and conditions remain the same as last year and that Canada would continue to honour its international arrangements with Mexico and countries of the Caribbean. He stressed,