

Canada Weekly

Volume 4, No. 6

February 11, 1976



Ottawa, Canada.

The Canadian economy in 1975 and prospects for 1976, 1

CANDU nuclear power reactors to Korea and Argentina, 3

Ontario energy to United States — licence renewal hearing, 3

Eaton's catalogue ends existence, 3

Visit of Pakistani Prime Minister, 4

New federal minimum wage, 4

Red Cross award winner, 4

Extra space available for European cattle imports, 4

Cabinet changes, 4

Cuban aircraft at Gander — Minister comments, 5

Development research projects, 5

Consumer prices spiral slows, 5

Decrease in immigration, 5

Female heads Canada Council, 6

The Canadian economy in 1975 and prospects for 1976

The following passages are from a year-end review of Canada's economic situation in 1975 and outlook for 1976 by the Minister of Industry, Trade and Commerce, Don Jamieson:

For the second year in a row Canada's output performance was better than most other major industrial countries. Canada's gross national product in real terms is expected to be approximately the same as in 1974 while other industrial countries were showing declines of between 1 and 4 per cent. While Canada's exports had declined in volume terms as a result of the most severe recession since the 1930s in much of the rest of the industrialized world, Canada's economy was sustained by rising consumer expenditures and the continuing strength of business capital investment. Government direct expenditures on goods and services were also an important stabilizing element.

In spite of the fact that there was no over-all gain in output during the year, total employment rose about 2 per cent but this was not enough to prevent unemployment from rising during the year to an average of 7 per cent of the labour force in 1975, compared to 5.5 per cent in 1974.

Inflation remained a major problem in 1975. About the middle of the year, rates of increases in prices and wages in Canada began to exceed the rates in most other industrial countries. It then became necessary to introduce a price and income guidelines program to slow down the rate of inflation and maintain Canada's international competitive position, particularly in the United States market.

At the year end, there are clear signs of a quickening tempo in the Canadian economy. The bottom of the business recession was reached in the first half of the year. While improvement in the Canadian economy may be restrained at first, a renewal of Canada's growth is expected to gain in breadth and strength during the coming year.

The more favourable prospects for the Canadian economy reflect the beginning of a recovery in the industrialized world, most notably in the United

States and Japan. Nevertheless, this recovery will be complicated by a stubbornly pervasive inflation in world prices. While inflation rates are expected to decline they will likely still be well above historical levels.

In 1975, Canada has a commodity trade deficit of upwards of \$1 billion, with an over-all current-account deficit around \$5 billion, up from a deficit of approximately \$1.6 billion in 1974. In 1976, if the recovery in export markets continues as expected, the renewed strength of exports would substantially reduce this deficit in the current-account balance of payments.

Canada's economic performance, even in the present unsatisfactory international economic conditions, has continued to show up relatively well among the major industrialized countries. Gross national product increased in 1975 by about 10 per cent to \$155 billion in current dollars. In real terms, Canada's output of goods and services was approximately the same as in the previous year but most major OECD countries experienced declines in real GNP ranging from 1 to 4 per cent.

The rate of over-all price increases as measured by the GNP price deflator was reduced in 1975 from about 14 per cent to around 10 per cent but the increase in consumer prices remained at about 11 per cent, the same as in 1974. The increase in consumer prices for 1975 as a whole was about the same in Canada as the average for other industrialized countries. Since the middle of the year, however, price and wage increases in Canada have tended to outpace those of most other industrialized nations and made necessary the program of price and income restraints which became law in the month of December.

Labour markets

Despite the slackening pace of economic activity, total employment continued to increase in Canada in 1975

EXTERNAL AFFAIRS
AFFAIRES EXTERIEURES
OTTAWA

FEB 23 1976

LIBRARY / BIBLIOTHÈQUE

The Prime Minister recently returned from an 11-day visit to Latin America. Details of the tour will appear in next week's issue.

although at less than usual rates. For the year as a whole, employment increased by about 2 per cent or 200,000 jobs to reach a level of 9.3 million. Over the longer run since 1972, the number of people employed in Canada has risen by nearly one million, a performance unmatched by any of Canada's major trading partners.

Despite a weaker demand for new workers there has been a continuing large movement into the labour force which grew about 3.7 per cent in 1975. This has led to a marked rise in the number of unemployed. Unemployment as a percentage of the labour force increased to over 7 per cent of the labour force in 1975 from 5.5 per cent in 1974. In addition to the unfavourable impact of the business slowdown, the labour market again has been troubled by serious work stoppages although man days lost may not be as high as the record level reached in 1974.

Major domestic demand influences

The strength of domestic demand was a major factor in sustaining Canadian economic activity in real terms in 1975. An increase in consumer expenditures in real terms of about 3 per cent was the principal factor in sustaining over-all production in the economy.

Canadians on the whole have maintained a high rate of spending, in spite of the impact of a general business slowdown and the continuing upward trend in prices of most consumer goods. Nonetheless, in late 1974 and early 1975 there was a definite falling off in postponable purchases, particularly of major durable items such as household appliances and recreational equipment. On the other hand, sales of new cars continued to show remarkable vigour, and after a slight slowdown in the first half ended the year on a strong note. For the year as a whole, consumer expenditures on both durable and semi-durable goods are expected to be up strongly in real terms. There has been a continuing, albeit more modest, advance in real consumption of non-durable consumer goods and services.

Purchases of new homes have been restrained by economic uncertainties and by the current high prices and high mortgage interest rates. Housing starts had declined in 1974 and reached a low point in March of 1975. Since then, a recovery has been under way and for



Industry, Trade and Commerce Minister Don Jamieson.

the whole of 1975 housing starts are now expected to approach 1974 levels.

Business capital spending has shown an exceptional firmness, considering the economic slowdown both at home and abroad. Notwithstanding the recession, there was further growth in outlays for new plant and equipment in real terms. An important element in the strong investment picture in 1975 was the substantial investment in Canada's energy resources but, as well, a high rate of capital spending has continued in manufacturing and commercial service sectors.

* * * *

Foreign trade, 1975

Canada's weaker export performance in 1975 was a clear response to the business downturns in the major world economies. The value of Canada's merchandise exports grew very little in dollar terms. In real terms, in fact, our exports declined for the second year in succession.

Exports to the United States market increased only marginally in value, and dipped moderately in volume. The lack of growth in this, by far the most important market for Canada's products, paralleled sluggish demand in the American economy for much of the year. But in addition, exports were slowed by the loss of some business through work stoppages affecting in particular the forest-product industries.

Canada's overseas sales increased in value somewhat more than those to the United States. The major increase

in our overseas sales occurred in the Middle East, Eastern Europe, Africa and Central America and the Antilles (primarily Cuba). Canada's exports to Britain, Japan and Latin America declined in both value and volume terms. Canada's exports to the European Economic Community (original six) rose in value terms but declined somewhat in volume.

The value of our exports of several major commodities increased in 1975, by large amounts in some cases. Examples of gains were iron ore, nickel, coal, natural gas, barley, newsprint, automotive goods and machinery, both farm and non-farm. On the other hand, a number of important exports declined from levels of the preceding year, including lumber, copper, aluminum and crude petroleum.

The value of merchandise imports into Canada increased about 10 per cent last year, well below the 36 per cent rise in 1974. After surging ahead to a record high in 1974, imports have levelled out, and, in volume terms, have been running below a year earlier over most of the past year. A slowing of imports was of course to be anticipated with the easing of demands in the domestic economy. Among a few major imports to continue rising, crude petroleum has increased further its already large share in the over-all total of imports. After nearly tripling in value in 1974, crude oil imports have risen by more than a third in 1975.

The still strong growth in value of imports, coupled with the considerable slackening of exports brought a sharp decline in Canada's commodity trade balance from a surplus of \$1.5 billion in 1974 to a deficit of about \$1.5 billion for 1975 on a balance-of-payments basis. Meanwhile, the deficit in non-merchandise transactions has grown, largely because of an increase in the deficit in the international travel account and higher net payments abroad of interest and dividends. Canada's over-all current-account balance consequently has become distinctly less favourable, showing a deficit of around \$5 billion in the latest year, up from a deficit of approximately \$1.6 billion in 1974.

* * * *

The demand for new cars has been remarkably strong, and the output of

CANDU nuclear power reactors to Korea and Argentina

Secretary of State for External Affairs Allan MacEachen announced to the House of Commons on January 30 that Canada had signed nuclear co-operation agreements with the Republics of Korea and Argentina which allowed for the sale to those two countries of CANDU power reactors produced by the Atomic Energy of Canada. Mr. MacEachen stated that safeguards commitments, including the application of the International Atomic Energy Agency inspection system undertaken by both countries, represented "juridical assurances of a high order which fully meet international standards and Canadian safeguards policy".

The Republic of Korea, said Mr. MacEachen, intended to supplement its nuclear-power generation program with the Canadian reactor. Korea, which was already building a power reactor supplied by the United States, was contracting another from that source. Argentina, a member of the IAEA, has had a successful nuclear development program for over 25 years and, said Mr. MacEachen, operated a number of research reactors as well as a heavy-water moderated power reactor built in co-operation with the Federal Republic of Germany.

Mr. MacEachen continued:

"The co-operation to be undertaken under these two agreements reflects the position announced by the Prime Minister in 1975 when he noted that Canada would continue to seek to make available to developing countries the benefits of the peaceful applications of nuclear energy provided that adequate guarantees against the possible

diversion of such co-operation to non-peaceful explosive purposes were available. This is a position endorsed by other nuclear suppliers.

Safeguards

"These agreements provide that identified nuclear exports, including nuclear technology in physical form, shall only be authorized on the basis of coverage by an intergovernmental guarantee that:

(1) the items supplied or items produced with these, including subsequent generations, will not be diverted to any non-peaceful or explosive purpose;

(2) these guarantees are verified through inspection mechanisms of the International Atomic Energy Agency;

(3) that the retransfer of items supplied and items produced with these including subsequent generations of nuclear material only be done with the consent of the Government of Canada;

(4) that the enrichment and reprocessing of nuclear material supplied, or nuclear material produced with items supplied, only be done with the consent of the Government of Canada;

(5) that IAEA safeguards and other mechanisms of bilateral verification for aspects of guarantees where the IAEA system is not applicable, be in place for the life of the supplied item or for items susceptible to these guarantees, produced from these items; and

(6) that adequate measures for the physical security of materials be in place to protect the supplied items from the threat of subnational diversion..."

Ontario energy to United States — licence renewal hearing

The National Energy Board will hold a public hearing, starting March 16 in Ottawa, on an application by Ontario Hydro to renew a licence for the export of electric energy to utilities in the States of Michigan and New York, U.S.A., between 1976 and December 31, 1985.

The Canadian utility is requesting approval for the export of interruptible energy, surplus to Canadian requirements. The exports would increase, on an annual basis, from a maximum of

10,000 gigawatthours in 1976 to a maximum of 30,000 gigawatthours in 1985.

Ontario Hydro sells surplus energy to four major power utilities in the United States: Niagara Mohawk Power Corporation and The Power Authority of the State of New York, the Detroit Edison Company and Consumers Power Company of the State of Michigan.

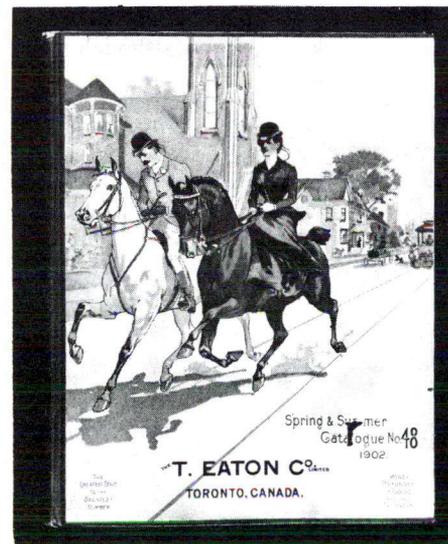
The application for renewal of the licence includes a six-volume study on the social costs of generating electricity for export.

Eaton's catalogue ends existence

After some 92 years, Eaton's catalogue, "rural Canada's strongest link with fashionable urban society", will no longer be published and all catalogue orders will be phased out probably by the end of May.

Earl Orser, T. Eaton company president, announced on January 21 that for a number of years "catalogue operations have been unprofitable". In 1974, for example, net operating losses exceeded \$17 million.

"The high costs of creating and producing catalogue books, the dependency on costly distribution and transportation services, and the market demand for greater variety in fashion



Cover of one of Eaton's old catalogues.

assortments and styles — together with easier access to shopping centres and increased competition from the growing number of retail stores in traditional catalogue markets — have been factors contributing to the poor financial performance of the catalogue," he stated.

T. Eaton Co. Limited, with sales totalling more than \$1 billion a year, own 62 department stores in major cities across Canada, with the mail order business operating from three main distribution centres. A total of 270 catalogue sales units with 70 catalogue sales desks, as well as telephone sales departments are located in 32 stores and 144 mail order agencies.

Special provisions will be made for some 9,000 full-time and part-time employees affected by the change. Staff

not absorbed into other departments or transferred to other locations will receive compensation and pension benefits, etc., which will cost the company an estimated \$13 million.

The first catalogue printed by Eaton's appeared in 1884 — a 32-page folder describing merchandise available in the store. The catalogue sales operation, however, became a separate entity later. The University of Toronto Press published in 1969 pages of past Eaton's catalogues under the title of *A Shopper's View of the Past*. Old editions of the catalogue included items such as "ostrich plumes" for \$1.25, "granny's gift box crackers" for 15 cents and, in 1901, a rocking chair for \$1.25. A reproduction of the same chair in the 1976 spring and summer catalogue was priced at \$209.95.

Eaton's traditional guarantee, "goods satisfactory or money refunded", probably the first in Canada, is attributed to the faith customers placed in ordering merchandise by mail.

Visit of Pakistani Prime Minister

Prime Minister Zulfikar Ali Bhutto of Pakistan will visit Canada from February 23 to 26.

Mr. Bhutto's program in Ottawa will include discussions with Prime Minister Trudeau on various aspects of Canada/Pakistan relations and on issues of international interest. While most of his stay will be spent in Ottawa, Prime Minister Bhutto is also expected to visit other Canadian centres.

New federal minimum wage

A new minimum wage for employees in industries under federal jurisdiction will become effective April 1, Labour Minister John Munro announced recently.

The minimum wage will go from \$2.60 an hour to \$2.90 an hour, while the minimum wage for employees under the age of 17 will be increased to \$2.65 an hour from \$2.35.

The present minimum has been in effect since last July.

About 20,300 workers will be affected by the increase, which falls within the federal anti-inflation guidelines.

Red Cross award winner

For the first time in the history of the Canadian Red Cross, a French-speaking woman from Quebec has earned the Florence Nightingale Medal, considered to be the highest international honour in nursing care.

The recipient, Jeannette Ouellet, has dedicated herself for 34 years to volunteer nursing care and has also been a hostess at Red Cross blood donor clinics.

Established in Geneva

The Florence Nightingale Medal, established in Geneva in 1912 by the International Committee of the Red Cross, is awarded as a symbol of gratitude to nurses and volunteers who have distinguished themselves by their outstanding contributions to the development and prestige of the nursing profession in difficult and dangerous situations, both in peace and in war.

Only 11 nurses have won this medal since the Second World War.

Varied service

Miss Ouellet, who joined the Red Cross in 1940 with an already long record of nursing service, has participated in some extraordinary operations, including rescue work at the scene of the disastrous landslide in Saint-Jean-Vianney, Quebec, in May 1971.



Jeannette Ouellet receives the Florence Nightingale Medal in the presence of Hugues Lapointe, Lieutenant-Governor of Quebec (left) and J.M. Clark, of the Canadian Red Cross executive committee.

During the Second World War she worked as a dedicated volunteer with the soldiers at the Quebec City Military Hospital.

In 1945 she was responsible for eight trips bringing back servicemen's wives from London, England.

In 1969 she permanently joined the Red Cross Blood Donor Service. Until very recently she worked with blood donor clinics in a number of regional centres in eastern Quebec.

Extra space available for European cattle imports

Canada still has space available for importing cattle from Austria, Belgium, Denmark, France, Holland, Italy, Switzerland and West Germany in the 1976-77 importation year, Canada Agriculture announced last month.

In past years, demand for import permits has exceeded the number available. This year, however, more are available and the number of applications has declined.

An additional 640 spaces are available in 1976-77 because a new animal quarantine station is opening on the French island of Miquelon. This station is being built by the Government of France for the use of Canadians and should be ready in time to receive its first shipment of cattle about the first of March. Import permits for this shipment of cattle were issued last year.

The Miquelon facility, along with existing stations at Grosse Ile, Quebec, and the French island of St. Pierre, will bring the total possible yearly importation of cattle to 1,504 head.

There will also be space for quarantining 100 sheep at the Miquelon station twice a year. Health conditions for importing sheep are being worked out between Canada and European countries.

Cabinet changes

The Prime Minister announced on January 22 that Jean Marchand had been appointed Minister of the Environment. Mr. Marchand replaces Mrs. Jeanne Sauvé, who became Minister of Communications in December.

Cuban aircraft at Gander — Minister comments

The Secretary of State for External Affairs, Allan J. MacEachen confirmed on January 30 that Canadian authorities were aware that two non-scheduled flights of Cubana Airlines, one *en route* to Guinea Bissau and one from Brazzaville, landed at Gander, Newfoundland, on January 13 and 14. Under the Convention on International Civil Aviation, any civil aircraft of any signatory country engaged in non-scheduled civil aviation flights may make technical stops at Gander.

Mr. MacEachen said that because these flights were to Guinea Bissau and from Brazzaville, Canadian authorities impressed upon the Cuban authorities on January 21 that their landing privileges in Gander were subject to the requirements of the International Civil Aviation Convention. "If flights of any country using Gander are thought to be violating the provisions of the Convention, we shall invoke our right to inspect the aircraft in question," said Mr. MacEachen.

"This matter was raised with Canadian authorities by United States officials on January 23. No formal representations were made. As the record shows, Canada had taken action before the matter was raised by U.S. officials, and those officials were so informed," the Minister concluded.

Development research projects

The International Development Research Centre (IDRC) is to support the efforts of research scientists to improve the type of shelterbelts of trees being planted in northern Nigeria and several parts of Egypt, to hold back the desert and protect — and even reclaim — arable land for farming.

In Nigeria, the Federal Department of Forest Research will carry out trials on about one dozen different tree species in various rainfed soils, to select the most appropriate species and determine the best planting and cultural methods for shelterbelts, and to assess the benefits these windbreaks bring to farmers growing food crops.

In Egypt, a group of scientists from the Department of Forestry at Alex-

andria University are starting a breeding program to improve the species of casuarina tree used for shelterbelt and woodlot plantations. As well as breeding for resistance to drought and wind, they will be trying to develop the quality of the wood for use in industry.

IDRC President, Dr. W. David Hopper, announced a grant of \$270,000 last month to support the research in Nigeria's northern states, and a further grant of \$134,400 to support the casuarina breeding program in Egypt. The host institutions will be contributing the equivalent of \$423,600 to the two projects.

Korea

Dr. Hopper also announced support for two studies in Korea to evaluate the complementary schemes of industrial parks to concentrate urban growth and the New Village Movement to stimulate rural development.

A grant of \$66,000 is for the Graduate School of Public Administration at Seoul National University to study the results of development projects in a sample 360 villages that have been involved in the New Village Movement (Saemaul Undong), and to evaluate the effectiveness of government inputs in bringing about rural change.

Another grant of \$80,000 is for the Asiatic Research Center of Korea University to assess the experience of the growth-poles approach in the Ulsan-Masan region where industrial parks were begun during the 1960s, and to draw lessons from this assessment which can be applied in preparing a regional development strategy for the Chonju region.

The two Korean institutions are contributing the equivalent of \$57,589.

Consumer prices spiral slows

The consumer price index for Canada (1971 = 100) edged up 0.1 per cent to 144.3 in December from 144.1 in November, its smallest month-to-month rise since October 1972. This slowing of the rate of increase in the all-items index was largely due to a 0.7 percent decline in the level of food prices. The housing component, which moved up by 0.9 per cent from the preceding month, was mainly responsible for the latest over-all advance, with an in-

crease in the clothing index contributing to a lesser extent. In contrast to the decline in the food index, the index for all items excluding food increased 0.5 per cent.

Because of the deceleration of price rises at year-end, the index stood 9.5 percent above its December 1974 level, the first occasion in nearly two years that any 12-month change in the CPI has registered less than 10 per cent. Comparisons of CPI changes between corresponding months of 1974 and 1975, as well as the annual average change between 1974 and 1975 amounting to 10.8 per cent, are shown below.

Consumer price index (1971 = 100)			
Month	1974	1975	Change (%)
January	118.1	132.4	12.1
February	119.3	133.4	11.8
March	120.5	134.1	11.3
April	121.4	134.8	11.0
May	123.4	135.9	10.1
June	125.0	137.9	10.3
July	125.9	139.8	11.0
August	127.1	141.2	11.1
September	127.9	141.5	10.6
October	129.1	142.8	10.6
November	130.5	144.1	10.4
December	131.8	144.3	9.5
Annual average	125.0	138.5	10.8

Decrease in immigration

According to a statement from the Department of Manpower and Immigration on January 22, stricter regulations led to a 10.2 percent drop in immigration to Canada during the first nine months of 1975, compared to immigration for the same period in 1974.

From January to the end of September last year, 149,457 immigrants arrived — a decrease from 166,401 during those months a year earlier.

Immigration Minister Robert Andras said that regulation changes in 1974, which attempted to match more closely the number of immigrants with available jobs, were having an increasingly noticeable effect.

In another statement, Mr. Andras said that visitors to Canada from Lebanon would not be asked to return to that country under the present circumstances.

Female heads Canada Council

Secretary of State J. Hugh Faulkner has announced the appointment of Mrs. Gertrude Laing of Calgary, Alberta, for a three-year term as chairman of the Canada Council. She replaces John Prentice of Vancouver.

Mrs. Laing, a native of Tunbridge Wells, Kent, England, has been with the Canada Council since 1974.

The Canadian economy

(Continued from P. 2)

motor vehicles in Canadian assembly plants, after faltering briefly in the spring, continued at a high rate. Overall production of motor vehicles in 1975 totalled about 1.4 million units, which was not far short of the 1.5 million produced in 1974. The experience of the important parts and accessories segment of the auto industry has closely paralleled that of auto assembly, with output also moderately down from the previous year. Elsewhere in the transportation equipment industry, both shipbuilding and railway rolling stock groups showed increases in output, among the comparatively few manufacturing industries to do so for the year as a whole.

* * * *

Economic prospects in 1976

The Canadian economy now appears to be headed for a recovery through 1976. The third quarter of 1975 marked a moderate recovery in real GNP and this is expected to continue. Early appraisals indicate that the increase in real output in Canada next year will be larger than that of most of its important trading partners and should be more in line with Canada's longer term growth potential.

Economic prospects thus are encour-

aging. However, conditions at the outset of the 1975-76 upturn are more difficult than in the early stages of most postwar business recoveries. While unemployment is the highest since the beginning of the Sixties, the rate of price and wage increases continues unusually high. Policies of the Federal Government have been adapted, accordingly, to provide as much stimulus to business activity as possible consistent with an orderly further deceleration of inflation. The anti-inflation program introduced last October is a crucial segment of the Government's comprehensive attack on the problem. But prices and income restraints are only a part of the total picture.

* * * *

International influences

The expected improvement in the international environment should stimulate business activity in Canada in 1976. Economic recovery clearly is under way in the United States and Japan, and should spread to other important trading countries early in the new year. Canada's exports should soon begin to benefit from a renewal of growth in these countries, though its impact may be modest for much of the year.

The rate of increase in imports is expected to be less than that for exports in much of 1976. This means that Canada's merchandise trade deficit should be considerably reduced in 1976; indeed, our merchandise trade may be in a balance position for the year as a whole.

In addition to a significant strengthening in the merchandise account, Canada's position in non-merchandise transactions is also likely to become somewhat more favourable. Our receipts in the travel accounts will be increased by the larger number of visitors from abroad to see the Olympic Games in Montreal. As a result, the deficit in Canada's current-account balance of payments is likely to be considerably reduced from its 1975 level. However, it still will continue to be relatively high by historic standards.

Domestic factors

An upswing in confidence as the economic recovery gains momentum in 1976 should provide renewed impetus to consumer spending in Canada. The strengthening of personal disposable income now under way, resulting from

reduced short-time working and a firming up in employment, will provide the necessary foundation for this. Moreover, the increase in consumer prices should be expected to moderate in 1976 helping to augment the real purchasing power of the average income earner's take-home pay. Some additional support to economic levels therefore can be expected from consumer buying in 1976.

The prospects are good too, for increased firmness in the market for new homes. The Federal Government intends to encourage a continuing high rate of home building.

Already in the final months of 1975 the rate of new housing starts has risen significantly from earlier months in the year, and the stronger pace should be maintained or exceeded in 1976.

The role of capital spending should continue to be of major importance in the immediate future of the Canadian economy. The survey of 300 large Canadian corporations carried out in October by the Department of Industry, Trade and Commerce shows that these firms plan to raise their outlays by 28 per cent in 1976. Although this is slightly less than the increase of 30 per cent projected in the October survey of a year earlier, it is still of major proportions, and can only be regarded as an indication of confidence in the favourable prospects of the Canadian economy. In both years about one-half of the advance is attributable to price increases, meaning that the rise in investment in real terms is still a very considerable one.

According to the results of the survey these investment intentions are dominated by expansion of existing plants and the carry-over of projects started in 1975 and earlier years. Increases in capital investment are planned in the pulp and paper industry, primary metals, oil and gas companies and pipelines, mining and utilities. Capital spending intentions of chemical manufacturers and transportation and storage groups are less buoyant than a year ago, however,

Business inventories should increase in 1976 in response to increased production and sales. On the other hand, governments in general will provide less stimulus to the economy in 1976 than in 1975.

* * * *

Canada Weekly is published by the Information Division, Department of External Affairs, Ottawa, K1A 0G2.

Material may be freely reprinted. A credit would be appreciated. Photo sources, if not shown, will be provided on request to (Mrs.) Miki Sheldon, Editor.

Cette publication existe également en français sous le titre Hebdo Canada.

Algunos números de esta publicación aparecen también en español bajo el título Noticiario de Canadá.

Ähnliche Ausgaben dieses Informationsblatts erscheinen auch in deutscher Sprache unter dem Titel Profil Kanada.