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CONTENTS

Economic Research on Canada's Forests	1
Progress of World Market Operation	3
Canada Year Book 1962	3
Consumer Price Index	4
New U.S. Aircraft Order	4

New Post Office Construction	4
Travel Account	5
Canada's Historic Monuments	5
Motor Accidents	6

ECONOMIC RESEARCH ON CANADA'S FORESTS

Speaking to the Newfoundland Section of the Canadian Institute of Forestry in St. John's, Newfoundland, on December 5, Dr. D.A. Wilson, Director of the Economics Division, Department of Forestry, said, in part:

"...The broad picture of Canada's forest resources is well known. Briefly, it is that the forest resources of the country are not yet being fully used. The cut of wood for industrial purposes in Canada in recent years has averaged 3.0 billion cubic feet and about 250 million cubic feet of fuelwood has been cut. Estimates of the allowable cut of wood for Canada as a whole made in 1956 by the Forestry Study Group of the Royal Commission on Canada's Economic Prospects were 6.4 billion cubic feet from accessible forests and 8.6 billion cubic feet if potentially accessible forests are included. A later study carried out...for the 'Resources-for-Tomorrow' Conference in 1961 on the basis of 1959 inventories estimated allowable cuts of 9.4 million cubic feet and 10.9 billion cubic feet for accessible and total productive areas respectively. These estimates are on a gross basis - that is, they do not make allowance for losses. Furthermore, they include wood of all species and do not distinguish among products.

FOREST MARKET PROSPECTS

"From what we know of markets for forest products, it will be a good long time before demand has risen sufficiently to take up this amount of wood from Canada. At present, we have two main markets for forest products, apart from what is consumed in Canada - the United States and Europe. For the rest of the world (at least the non-Communist world),

the countries with high levels of income contain a small percentage of the population and the bulk of the people are in countries with low-income levels and consequently low levels of consumption of forest products. Income levels in such countries will, in all likelihood, build up slowly.

"In considering Canada's market prospects in the United States and Europe, both the growth in demand and the ability of those regions to supply forest products must be taken into account. There is a considerable range in the rate of growth of demand for different forest products. Consumption of lumber in North America has shown little increase in the past decade, and it is generally agreed that it will show relatively slow growth in the future. Some believe that consumption will decline. The consumption of paper and paperboard, on the other hand, is generally expected to show a steady and substantial increase. Growth rates in consumption of paper and paperboard of 3 per cent a year and 4.7 per cent a year have been estimated for the United States and Western Europe respectively by the Food and Agriculture Organization. Such rates of increase result in large tonnages over a period of years. For example, the rate of growth in consumption in Europe means a doubling in 15 years, or a total increase in consumption of paper and board of some 19.5 million tons. In 1961, Canada supplied a total of 1.1 million tons of pulp and paper to Europe. Newsprint was the largest item, making up nearly half the total. Maintenance of Canada's position in the European market would mean, therefore, an increase of one million or so tons in the next 15 years. In 1961,

(Over)