

## The Forest Industries

### Conclusions

Since 1929, the net value of the production of the forest industries has been between 5½% and 6% of the total output of the Canadian economy. A very large percentage of total production is exported and for this reason any estimates of future growth must rest in large measure on estimates of the probable increase in foreign demand for Canadian newsprint, lumber, pulp and other forest products.

The value of the output of the forest industries should about double during the next 25 years compared with an estimated tripling of the Gross National Product. Exports should increase considerably in absolute, but not in relative terms. Exports in 1980 may amount to 25% of Canada's total commodity exports compared with about 35% at the present time.

If these estimates of increased growth take place, the total cut of wood in Canada by 1980 will have to be increased by about 60%. Taking the country as a whole, there should be a sufficient supply to meet this requirement.

The competitive advantage which Canada has enjoyed in the past (particularly over United States producers) may tend to be reduced in the future because technical developments have made possible the more extensive use of lower grade wood resources, and mechanization is reducing the labour content.

### Suggestions

Technical, scientific and conservation developments are very important if this industry is to continue to be as competitive from a cost standpoint as it has been, and if our forests are to be adequately protected from fire and disease, and efficiently utilized. Research should be actively encouraged.

A greater degree of integration may be needed between the different sections of the industry.

### Mining, Smelting and Refining

#### Conclusions

Over 60% of the total production of this industry is exported. Any estimates of the growth of the Canadian mining industry must therefore rest upon estimates of the probable world demand for metals and industrial minerals and the share of this demand which Canada may be able to obtain. There are grounds for optimism on both these counts.

It seems probable that the production of the mining, smelting and refining industry (exclusive of oil and gas) will increase at a faster rate than the estimated increase in the Gross National Product. Similarly, the exports of this industry may account for as much as one-third of all commodity exports by 1980 compared with one-quarter at the present time.