

## V—USE OF MAJOR ENERGY SOURCES\*: 1926-45

Compiled from publications of the Dominion Bureau of Statistics and Department of Mines and Resources Trillions of B.T.U

| —      | WATER POWER                         |                                       | COAL (3)     |             |           | PETROLEUM FUELS (4) |         |           | NATURAL GAS (7) | TOTAL (8)<br>Sum of Foregoing Fuels |         |       |
|--------|-------------------------------------|---------------------------------------|--------------|-------------|-----------|---------------------|---------|-----------|-----------------|-------------------------------------|---------|-------|
|        | At 1926 Average Coal equivalent (2) | At yearly Average Coal equivalent (1) |              |             |           |                     |         |           |                 |                                     |         |       |
|        | Domestic                            |                                       | Domestic (4) | Imports (5) | Total (3) | Domestic            | Imports | Total (6) | Domestic        | Domestic                            | Imports | Total |
| 1926   | 262                                 | 262                                   | 379          | 464         | 844       | 2                   | 105     | 107       | 21              | 664                                 | 569     | 1,234 |
| 1927   | 317                                 | 299                                   | 394          | 501         | 895       | 3                   | 121     | 124       | 23              | 719                                 | 622     | 1,341 |
| 1928   | 361                                 | 325                                   | 409          | 464         | 873       | 4                   | 148     | 152       | 24              | 763                                 | 612     | 1,375 |
| 1929   | 405                                 | 351                                   | 405          | 500         | 906       | 7                   | 176     | 182       | 31              | 793                                 | 676     | 1,469 |
| 1930   | 407                                 | 338                                   | 347          | 514         | 861       | 9                   | 169     | 178       | 32              | 726                                 | 683     | 1,409 |
| 1931   | 379                                 | 301                                   | 288          | 357         | 645       | 9                   | 160     | 169       | 28              | 627                                 | 516     | 1,143 |
| 1932   | 380                                 | 293                                   | 273          | 324         | 597       | 6                   | 152     | 158       | 25              | 597                                 | 476     | 1,073 |
| 1933   | 415                                 | 313                                   | 280          | 302         | 581       | 7                   | 151     | 158       | 25              | 624                                 | 453     | 1,077 |
| 1934   | 500                                 | 377                                   | 327          | 356         | 683       | 9                   | 161     | 170       | 25              | 737                                 | 517     | 1,254 |
| 1935   | 553                                 | 414                                   | 327          | 327         | 654       | 9                   | 171     | 179       | 27              | 776                                 | 498     | 1,274 |
| 1936   | 597                                 | 441                                   | 356          | 353         | 710       | 9                   | 177     | 186       | 30              | 836                                 | 531     | 1,367 |
| 1937   | 645                                 | 473                                   | 375          | 390         | 764       | 18                  | 188     | 205       | 35              | 900                                 | 577     | 1,477 |
| 1938   | 606                                 | 438                                   | 340          | 343         | 683       | 42                  | 174     | 216       | 36              | 857                                 | 517     | 1,374 |
| 1939   | 663                                 | 473                                   | 370          | 399         | 769       | 47                  | 185     | 232       | 38              | 927                                 | 584     | 1,511 |
| 1940   | 700                                 | 484                                   | 415          | 468         | 882       | 52                  | 210     | 262       | 44              | 995                                 | 678     | 1,673 |
| 1941   | 778                                 | 534                                   | 427          | 546         | 972       | 61                  | 235     | 296       | 47              | 1,069                               | 781     | 1,850 |
| 1942   | 869                                 | 583                                   | 437          | 668         | 1,104     | 62                  | 223     | 286       | 49              | 1,132                               | 891     | 2,023 |
| 1943   | 945                                 | 636                                   | 396          | 754         | 1,150     | 60                  | 228     | 288       | 48              | 1,140                               | 982     | 2,122 |
| 1944** | 943                                 | 633                                   | 421          | 764         | 1,185     | 61                  | 248     | 309       | 48              | 1,163                               | 1,012   | 2,175 |
| 1945** | 933                                 | 626                                   | 402          | 682         | 1,084     | 51                  | 272     | 323       | 57              | 1,136                               | 954     | 2,090 |

\* Excludes firewood. In 1926 firewood appears to have slightly exceeded petroleum as a source of energy. Petroleum, however, increased approximately 200% from 1926 to 1945 whereas firewood appears to have increased about 10%. (1) Output of central electric stations, generated by water, less exports. Water power is calculated at the coal equivalent, based on the average efficiency of central electric stations in the United States as reported by the Edison Electric Institute. Because of increased efficiency in the utilization of coal, this average decreased from the equivalent of 1.95 lbs. of coal per kilowatt hour in 1926 to the equivalent of 1.31 lbs. in 1945. (2) Calculated at the constant 1926 rate of 1.95 lbs. of coal per kilowatt hour. (3) Includes anthracite coal, bituminous coal, sub-bituminous coal, lignite coal and imported coke. The unit heat values employed are: anthracite, 27,200,000 b.t.u. per ton; bituminous, 26,200,000 b.t.u. per ton; sub-bituminous and lignite, 20,000,000 b.t.u. per ton; coke, 26,000,000 b.t.u. per ton. (4) Sum of sales by Canadian coal mines, colliery consumption, coal supplied to employees and coal used in making coke, etc., less tonnage bunkered and exported. (5) Imported for consumption. Deductions have been made to take account of foreign coal re-exported and bunkered. (6) The coal equivalent of the sum of gasoline, fuel and gas oils and kerosene estimated by the Dominion Bureau of Statistics and converted to b.t.u.'s on the basis of 1 ton of coal equals 26,000,000 b.t.u. (7) Total production. The unit heat values employed are 1,075 b.t.u. per cubic foot. (8) Including water power calculated at the yearly average coal equivalent. \*\* Preliminary.

Speaking of high income the minister went on to say:

Indeed the pressure of expenditure at the present in many fields is so great that action by the government and others is needed to prevent rapidly increasing prices and the development of inflation.

Again he said that ordinary expenditures and loans:

... will bring our total financial requirements on the basis of present commitments and present estimates during the year to roughly three and three-quarter billion dollars.

He pointed out that these financial requirements "do not of themselves suggest a reduction in taxes". Later he added:

Lighter taxes are not needed now for the purpose of permitting or encouraging additional private spending in order to maintain employment this year.

Having said this and emphasized all this, the minister was evidently a bit troubled by the fact that he was not providing any stimulus

[Mr. Macdonnell.]

for increased production, and accordingly he changed his tune and referred to his "pleasant duty in a few minutes to announce reductions." He then proceeded to announce reductions—1947 model!

I need hardly spend time in July, 1946, to consider the effects of tax reductions in 1947, particularly as by that time we shall be on the eve of another budget which might affect even the concessions which are now being made.

I come now to say something about deficit financing. Having underlined the argument for restricting purchasing power even to the extent of keeping up taxation partly for that purpose, the minister at a later stage in his speech referred to the expansive side of his policy. In other words, the minister, having told us that he is afraid of too much purchasing power, now proceeds to make it clear that he is prepared to create a lot more. This is surely blowing hot and cold. One of