- In a consulting study commissioned by the Textile and Clothing Board on production costs in Canada and the U.S., costs were collected for 10 textile products for two groups of firms: "best" firms and "typical" firms. The best firms are those which already utilize the best performing machinery available, "typical" firms are those which use average technology found in firms which are not in the forefront of progress, but still not obsolete. The results, which were calculated in Canadian dollars based on an exchange rate of Canadian $1 = U.S. $0.80, show that production costs are generally higher in Canada than in the U.S. For the "best" Canadian firms, and depending on the product, unit production cost was 4 - 15% higher than for the "best" U.S. firms. Furthermore, in 8 out of the 10 products, the cost in "best" Canadian firms was higher than the cost in "typical" U.S. firms. The disadvantage in Canadian costs was smallest for cotton products (in the 3 - 6% range between the "best" firms). These results however should be treated with caution as they reflect only one point in time and a certain exchange rate. Variations in exchange rate would affect the various products in different ways, depending on whether raw materials are imported or not.

- A comparison of cost structures in that study showed that costs of direct wages and social charges account for a greater share of total costs in Canada than in the U.S. and since wages in the Canadian industry are no higher than in the U.S., the difference is due to the degree of efficiency with which labour is utilized and reflects the constraints faced by the Canadian industry of a much smaller market, shorter production runs of a large variety of products. This relative absence of specialization and economies of scale also lead to generally higher selling and administrative expenses in Canada vs. the U.S. Furthermore, raw materials, transportation and construction costs are higher in Canada than in the Southern U.S. where the industry is concentrated.

- In 1984, imports from the U.S. captured 14% of the Apparent Canadian Market (ACM), and were valued at over $1 billion (51% of total imports), up 24% from 1982. Canadian exports to the U.S. were $283 million (54% of total exports), also up 29% from 1982. Thus, Canada incurred a trade deficit with the U.S. in textiles of almost $843 million, although a substantial portion of imports complement domestic production.

- Imports from the U.S. were concentrated in man-made fibres, yarns and fabrics which amounted to $482 million (43% of total imports from U.S.). Canadian exports to the U.S. were also concentrated in these same products amounting to $125 million (44% of total exports to the U.S.).

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