

reducing demands on, or increasing competition with, Canada's export industries and by increasing pressure on domestic industries competing with imports.

There is a marked trend toward a decline in the importance of exports in relation to the whole national economy. In the 1920's Canada's exports of goods and services were 30 per cent of the Gross National Product; in 1956 they were 21 per cent.

A "HOME" INDUSTRY

The primary textiles industry in Canada operates for the domestic market and exports represent a negligible fraction of Canadian textile production. It is the domestic market that determines the industry's operations. That is why the growth and progress of the industry is so inextricably linked with the growth in importance of Canadian manufacturing and with the continued increase in population.

Being a "home" industry of considerable size and of real importance poses certain major problems for the textile industry. The market for textile products in Canada reflects the demands of a diversified economy with a high standard of living in close proximity to the United States. In contrast to the situation in countries having a more elementary economy, basic textile needs in Canada were served at an earlier stage of development.

MARITIMES PROGRAMME: A large-scale Dominion Provincial power programme to be carried out in the Provinces of Nova Scotia and New Brunswick was announced in the House of Commons November 14 by Prime Minister Diefenbaker.

Included in the programme are:

-A Dominion subvention on coal used for power production in the two provinces.

-Dominion construction of steam power plants and interconnecting transmission lines in the two provinces. These will be sold to the provinces.

-A \$30,000,000 Dominion loan at 4-3/8 per cent interest to New Brunswick for additional construction of the Beechwood Hydro Electric Power Project on the St. John river.

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CHANGES IN ENERGY PATTERN:

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cent in 1948 to 25.4 per cent in 1956). Gasoline and other petroleum fuels between them rose from 9.2 per cent of imputed net consumption in 1926 to 47.3 per cent in 1956. Electricity rose from 3.2 per cent in 1926 to 11.0 per cent in 1956. Fuelwood decreased from 17.2 per cent in 1926 to 3.8 per cent in 1956.

Energy can be measured, not only at the point of consumption, but also at the point at which the various fuels and electricity first become available to Canada. The net accession of energy sources consists of all

The demand today for apparel, domestic and industrial fabrics, is governed to an increasing extent by taste and style on the one hand and by the requirements of industry on the other. At the same time the basic demand volume-wise is limited by the size of the population.

VARIETY OF PRODUCTS

This diversified demand is matched, and indeed stimulated, by the variety of products it is necessary for the industry in Canada to manufacture and by foreign competitors, particularly in the United States.

These and new factors including new fibre blending techniques and new processes, create a state of demand that is limited in point of basic volume but highly diversified in point of styles, types and qualities. This situation leads to keen competition between Canadian producers and between the Canadian industry and foreign producers selling in Canada.

It can be said, however, that the Canadian primary textiles industry today is much better able to compete than it was a few years ago, thanks to the courage and determination of management which a decade ago set about the task of modernizing the mills in the interests of increased efficiency and lowered unit cost of operation.

production in Canada from natural resources, (including hydro-electricity) plus net imports (the excess of imports over exports). The net accession of energy to Canada increased from 1,251,039 billion British thermal units in 1926 to 2,337,848 billion B.t.u. in 1948 and 3,159,717 billion B.t.u. in 1956 (from an index of 53.5 in 1926 to one of 100.0 in 1948, and one of 135.2 in 1956). The totals are larger than those for the imputed net consumption. They include all energy entering the economic system, including that which was subsequently used in the production of manufactured fuels and in the generation of electricity in thermal plants.

The part played by coal and its products decreased from 70.4 per cent of the net accession in 1926 to 30.9 per cent in 1956. The part played by oil and its products in the energy supply increased considerably, from 9.9 per cent of the net accession in 1926 to 50.0 per cent in 1956. Hydro-electricity increased from 2.8 per cent in 1926 to 8.9 per cent in 1954 after which its contribution declined relatively to fuels, being 8.3 per cent of the net accession in 1956.

Canada is dependent on foreign countries for a large part of its energy supplies. Net imports provided 47.6 per cent of the net accession of energy in 1926 and 59.5 per cent in 1948. Since then, there has been a decrease to 37.0 per cent in 1956, which reflects a rapid and substantial increase in Canada's capacity to supply herself with energy.

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