It is estimated that about one-quarter of the printing industry's output is ultimately distributed through the postal system. Consequently, changes in postal rates and regulations and mail disruptions have an important influence on several segments of the printing industry.

In the last decade, governments in Canada have moved on several fronts to promote the growth of periodical and book publishing in order to reduce foreign cultural influence. Commercial printers in Canada have benefitted from the strengthening of the publishing industry.

Many of the products manufactured by the commercial printing industry are subject to provisions of the Canadian Copyright Act. This Act is the legal expression of the rights granted by Parliament to creators to protect their works against unauthorized use. It came into force in 1924 and no major revisions have since been made. In 1984, the government issued a White Paper entitled "Proposals for the Revision of the Canadian Copyright Act". At present, this document is being examined by the House of Commons Standing Committee on Communications and Culture. Some of the changes contemplated, such as in the area of ownership of work originated by an employee, would impact negatively on the printing industry. On the other hand, other proposals to better protect creators would assist the publishing industry and in turn the printing industry. By way of comparison, the copyright law in the United States was completely revamped in the late-70's.

We commissioned Stevenson & Kellog in 1974-75 to undertake an in-depth study of the industry and we published a sector profile in 1977-78. Subsequently, an industry task force was established to review the profile and formulate recommendations for concerned action by government, industry and labour to improve the economic performance of the sector.

4. Evolving Environment

As indicated previously, the industry manufactures a wide variety of products. Market demand for these products is influenced by a complex and interrelated mix of factors, economic, demographic and sociological. In the medium term, some of the forces that contributed to the rapid growth of the industry during the seventies are expected to moderate to some extent, notably the rate of population growth, while others will continue to have a strong positive effect, such as the amount of leisure time. However, the next few years will bring to maturity a number of technological developments in non-print methods of transmitting and storing information, which will adversely affect some printed products. Overall, it is projected that Canadian demand over the medium term will grow at a somewhat more moderate level than in the seventies. Finally, the potential market should continue to be eroded by in-house printing plants.

On the international front, the United States should continue to offer relatively good potential for Canadian printers over the medium term on the basis of no significant changes in the value of the Canadian dollar. Conversely, import pressures from the United States are not expected to moderate. The competitive position of the industry would deteriorate should the Canadian dollar appreciate.

With the return of better market conditions in 1984, capital expenditures by the printing industry have picked up in the latter part of the year, placing the industry in a good position to capitalize on increased market demand in Canada and abroad. On the other hand, there is growing concern within the industry that the number of large printing presses that have been installed recently or that are planned, could result in overcapacity and price-cutting practices if the de-acceleration of the North American economy over the next few years is stronger than currently projected.

Barring government intervention, it is anticipated that there will continue to be an ever increasing concentration of industry's shipments among the larger firms. Other than coated web-stock paper, no critical shortages of paper or other raw materials currently used by the printing industry are expected in the medium term. Similarly, the industry should have no major problem in attracting adequately trained workers. The industry is a small energy consumer and moderate increases in energy prices would not affect its competitive position. It is generally believed that no dramatic developments in manufacturing processes utilized by the industry are likely to occur during the next five years, and that the major emphasis will be on refining existing technologies. In particular, electronics and computers will continue to make rapid inroads into printing plants of all sizes bringing improved speed, efficiency and economy.