Government of Canada
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Textile and Clothing Board
Commission du textile et du vêtement

ANNUAL REPORT ON TEXTILES AND CLOTHING 1982

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Textile and Clothing Board
Commission du textile et du vêtement

August 27, 1982.

The Honourable Herb Gray, P.C., M.P.
Minister of Industry, Trade and Commerce
and of Regional Economic Expansion
Ottawa, Ontario
K1A 0H5

Mr. Minister:

We have the honour and pleasure of presenting the second annual Report of the Board on the situation of the textile and clothing industries.

This annual Report is an account of the performance of the textile and clothing industries in the last year. In this year's Report, the first part is devoted to the developments in the two industries in 1981 and early 1982. The second part contains the results of the second survey carried out by the Board on the age and state of equipment in the textile and clothing industries and in the clothing contracting sector. This second survey puts emphasis on a comparison of the investment projects initially planned and the investments actually implemented. Investment projects for 1982 have also been surveyed.

Yours sincerely,

Jacques St-Laurent
Member

Otto E. Thur
Chairman

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1 — General Economic Situation

Opposing economic trends have been in evidence in 1981. After a year of very weak growth in 1980, economic activity recovered to some extent in early 1981. The recovery continued at a faster pace throughout the first six months. However, by the summer of 1981 weaknesses started to appear, and in the fall, the Canadian economy went into a prolonged and steep decline: with three consecutive quarters of significant drop in activity, starting with the third quarter of 1981, the Canadian economy has experienced the most important recession since 1954.

The recovery in the first half of 1981 could not be sustained because of insufficient global demand to support it. In fact, the beginning of the recession in the United States weakened the foreign demand for Canadian goods and services. Consumer demand in Canada remained hesitant: substantial price increases, high interest rates and uncertainties about continued employment made consumers wary. As a result, one of the prime elements of any strong recovery, that is, increased demand for durable consumer goods and for housing, has remained very weak. Finally, with no significant increase in consumer demand, new investments in buildings, equipment and inventories of raw materials and finished goods gradually declined.

The decline in manufacturing activity and the marked rise in unemployment since the summer of 1981 have been ineffective in counteracting inflationary pressures. Even with the recession, Canada has experienced cost inflation. The increase in unit costs was all the more pronounced because a decline in production always results in negative effects on productivity. In these circumstances, Canada lost all the competitive advantage vis-à-vis the United States that had resulted from the first major depreciation of the Canadian dollar.

The tight money policy followed by the United States and Canada has resulted in the maintenance of exceptionally high rates of interest throughout 1981. Furthermore, persistent inflation, particularly in Canada, precluded any dramatic change in monetary policy during the first half of 1982.

The sectors involved in production and distribution of goods find themselves in a difficult position. Foreign demand and consumer demand are hesitant, production capacity cannot be fully utilized, and cash flows as well as profit margins are impaired. Under these conditions the climate for invest-

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ments in production facilities can only deteriorate, particularly since firms generally carry a heavy debt load and interest rates remain very high.

2 — Final Demand for Textile Products

Textile products are usually goods for direct consumption or components of other consumer goods (for example automobiles and furniture). Consumer attitudes therefore determine to a large extent the fate of textile products.

In 1981, as was the case already in 1980, consumers have had to be careful in their expenditures. Once more the prices of food products, housing and transportation have increased rapidly and once more consumers have had to cut down on their other expenditures, the demand for the first three categories of goods and services being less elastic than the other categories of expenditures. As a result, the share of expenditures for food in personal expenditures for goods and services rose from 20.2 per cent in 1977 to 20.6 per cent in 1981, expenditures for rent, fuel and power from 17.8 per cent to 18.9 per cent, and expenditures for transportation and communication, from 14.7 per cent to 15.0 per cent. On the other hand, the share of clothing expenditures decreased from 6.1 per cent in 1977 to 5.8 per cent in 1981, expenditures for furniture, furnishings and household operation, from 9.8 per cent to 8.9 per cent, and net expenditures abroad, from 1.1 per cent to 0.4 per cent. (Table 1).

The categories of expenditures which are increasing in terms of their proportion of total expenditures are those expenditures for goods and services with little or no textile content. Conversely, two of the three categories of expenditures showing a decrease in their share of total expenditures are categories with a large textile content. It is the differences in price increases for the goods involved which force consumers to readjust their budgets.

In 1981 as in 1980, the relative decrease in clothing expenditures did not represent a decrease in the quantities purchased by the consumer. In fact, the increase in clothing prices was relatively modest and amounted to only half the increase for all goods and services, while nominal incomes were increasing. As a result, consumers were still in a position to procure a slightly increased volume of clothing goods.

Once again, however, the growth in purchases of clothing in 1981, when expressed in constant dollars, was marginal only. After increasing 1/4 of 1 per cent in 1980, real expenditures for clothing in 1981 rose only by 2/3 of 1 per cent. If the increase in population is taken into account, the per capita real expenditures for clothing have not increased for the last two years.

The evolution of consumer demand is also reflected in statistics on retail sales. These statistics cannot be compared directly with the statistics on consumer expenditures shown in Table 1 because different statistical methods are used in each case, as noted in the 1981 Annual Report.

Clothing sales in current dollars and 1971 dollars increased by 11.9 per cent and 4.7 per cent respectively. (Table 2). This 4.7 per cent increase is a

Table 1

PERSONAL EXPENDITURES FOR GOODS AND SERVICES

millions of current dollars and per cent distribution

Expenditure category	1977		1978		1979		1980		1981	
	$	% of total	$	% of total	$	% of total	$	% of total	$	% of total
Food, beverages and tobacco	24,756	20.2	27,655	20.4	30,782	20.4	34,381	20.5	39,112	20.6
Gross rent, fuel and power	21,850	17.8	24,374	18.0	27,235	18.1	31,046	18.5	35,956	18.9
Transportation and communication	17,957	14.7	19,606	14.5	22,395	14.9	24,843	14.8	28,625	15.0
Personal goods and services	19,308	15.8	21,636	16.0	24,390	16.2	27,569	16.4	30,614	16.1
Medical care and health services	3,829	3.1	4,272	3.2	4,755	3.1	5,266	3.1	6,088	3.2
Footwear	1,323	1.1	1,443	1.1	1,641	1.1	1,818	1.1	2,045	1.1
Recreation and education	12,691	10.3	13,854	10.2	15,383	10.2	17,055	10.1	18,962	10.0
Clothing	7,450	6.1	8,065	6.0	8,980	6.0	9,782	5.8	10,938	5.8
Furniture, furnishings and household operation	12,016	9.8	12,976	9.6	14,281	9.5	15,508	9.2	16,917	8.9
Net expenditures abroad	1,350	1.1	1,390	1.0	775	0.5	878	0.5	768	0.4
TOTAL	**122,530**	**100.0**	**135,271**	**100.0**	**150,617**	**100.0**	**168,146**	**100.0**	**190,025**	**100.0**

SOURCE: Statistics Canada, Cat. 13-201.

significant change from the previous year, when sales figures in constant dollars showed a decrease.

With regard to sales by type of store, the trends noted in the 1981 Annual Report have been confirmed. Again, the sales by specialized chain stores progressed more rapidly than those by department stores or by specialized independent stores. Regardless of whether sales in general have grown or not, the share of sales going to specialized chain stores has increased steadily since 1977. In 1981, sales by these stores exceeded for the first time sales by independent specialized stores. (Table 3).

Whether retail sales have been increasing more or less rapidly, specialized chain stores have remained remarkably efficient in the management of their inventories. In 1980, when sales volume was decreasing, these stores reduced their inventories by 20 per cent, while the large department stores and the independent specialized stores were only able to reduce theirs by 5 per cent. With an increasing sales volume in 1981, specialized chain stores increased their inventories by 5 per cent only while their sales increased by 11 per cent. Department stores and independent stores increased their invento-

Table 2

RETAIL SALES OF CLOTHING

sales in million dollars and changes in per cent

	Sales				Change			
Type of store	**1978**	**1979**	**1980**	**1981**	**1978/77**	**1979/78**	**1980/79**	**1981/80**
			Current dollars					
Department Stores	2,338.2	2,593.1	2,809.4	3,069.3	10.7	10.9	8.3	9.3
Specialized clothing stores								
— chain	1,399.2	1,606.2	1,822.0	2,169.3	12.7	14.8	13.4	19.1
— independent	1,621.4	1,803.6	1,915.6	2,088.1	9.7	11.2	6.2	9.0
TOTAL	**5,358.8**	**6,002.9**	**6,547.0**	**7,326.7**	**10.9**	**12.0**	**9.1**	**11.9**
			1971 dollars[1]					
Department Stores	1,651.3	1,673.0	1,619.3	1,655.5	7.1	1.3	−3.2	2.2
Specialized clothing stores:								
— chain	988.1	1,036.3	1,050.1	1,170.1	9.0	4.9	1.3	11.4
— independent	1,145.1	1,163.6	1,104.1	1,126.3	6.1	1.6	−5.1	2.0
TOTAL	**3,784.5**	**3,872.9**	**3,773.5**	**3,951.9**	**7.3**	**2.3**	**−2.6**	**4.7**

[1] Statistical deflation using the consumer price index for clothing only.
SOURCE: Statistics Canada, Cat. 63-005, 63-014 and 63-210.

Table 3

DISTRIBUTION OF CLOTHING SALES BY TYPE OF STORE

per cent

Type of store	**1977**	**1978**	**1979**	**1980**	**1981**
Department stores	43.7	43.6	43.2	42.9	41.9
Specialized clothing stores:					
— chain	25.7	26.1	26.8	27.8	29.6
— independent	30.6	30.3	30.0	29.3	28.5
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table 2.

ries by 6 and 9 per cent respectively while their sales increased 2 per cent in each case. (Table 4).

Table 4

AVERAGE MONTHLY INVENTORIES OF CLOTHING STORES

inventories in million dollars and changes in per cent

Type of store	Inventories				Change			
	1978	1979	1980	1981	1978/77	1979/78	1980/79	1981/80
	Current dollars							
Department stores	578.9	700.8	742.6	843.1	5.3	21.1	6.0	13.5
Specialized clothing stores								
— chain	284.5	358.7	317.9	357.1	15.9	26.1	−11.4	12.3
— independent	337.1	407.2	431.2	502.6	4.0	20.8	5.9	16.6
TOTAL	**1,200.5**	**1,466.7**	**1,491.7**	**1,702.8**	**7.3**	**22.2**	**1.7**	**14.2**
	1971 dollars[1]							
Department stores	408.8	452.1	428.0	454.7	1.9	10.6	−5.3	6.2
Specialized clothing stores:								
— chain	200.9	231.4	183.2	192.6	12.1	15.2	−20.8	5.1
— independent	238.1	262.7	248.5	271.1	0.5	10.3	−5.4	9.0
TOTAL	**847.8**	**946.2**	**859.7**	**918.4**	**3.7**	**11.6**	**−9.1**	**6.8**

[1] Statistical deflation using the consumer price index for clothing only.
SOURCE: Statistics Canada, Cat. 63-005, 63-014 and 63-210.

The share distribution of inventories held by the various types of stores confirms the above findings. With nearly 30 per cent of total sales, specialized chain stores held only 21 per cent of total inventories, while department stores accounted for 42 per cent of sales and held nearly 50 per cent of total inventories. Independent specialized stores, with 28.5 per cent of sales and 29.5 per cent of inventories, were in a median position. (Table 5).

The size of the shares of sales and inventories held by each of the three types of stores depends less on their efficiency than on their specialization. Chain stores are highly specialized not only by product but also by price range and maintain only limited and standardized inventories in each store. On the other hand, large department stores and independent specialized stores often compete directly with each other. Large department stores tend to set up series of specialized boutiques to cater to almost every taste of the consumer. Independent stores are specialized by product and by price range, but generally to a lesser degree than chain stores. They must therefore try to retain their clients by the services they offer.

Table 5

DISTRIBUTION OF AVERAGE MONTHLY INVENTORIES BY TYPE OF STORE
per cent

Type of store	1977	1978	1979	1980	1981
Department stores	49.1	48.2	47.8	49.8	49.5
Specialized clothing stores:					
— chain	21.9	23.7	24.4	21.3	21.0
— independent	29.0	28.1	27.8	28.9	29.5
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Table 4.

Partial data available on sales in all types of stores during the first two months of 1982 indicate that, in constant dollars, they were no longer growing and were maintained at a level comparable to that for the first two months of 1981. Since then, sales in constant dollars have probably decreased somewhat.

3 — Production and Employment in the Textile and Clothing Industries

After two years of good performance in terms of levels of production and employment in 1978 and 1979, the textile and clothing industries have experienced two difficult years in 1980 and 1981. The slowdown in consumer demand and its corollary, the downward adjustment in inventory levels throughout the distribution system have hit directly at production and employment in Canada and have caused major reductions in activity levels. (Graph 1 and Table 6).

In 1980, there was a 4.9 per cent decrease in production in the primary textile sector. This decrease was concentrated in the first ten months of the year. During that same period, employment also went down but to a lesser extent, only 1.5 per cent. In the ten subsequent months from November 1980 to August 1981 there was a recovery in textile activity and employment. Since September 1981 and into 1982 a strong downward movement has prevailed. On an annual basis however, and because of the recovery in the first eight months of the year, textile production in 1981 showed an increase of 2.3 per cent, and employment, 1.1 per cent. These increases only partially compensated for the losses in production and employment in 1980.

The overall performance of the primary textile industry in 1981 is attributable in part to the very modest increase in imports. In 1971 dollars, textile imports in 1981 increased by only 2 per cent compared to imports in 1980 and remained 12 per cent below the import level of 1979. It must be noted however that a small overall increase in imports covers much higher increases in certain

Graph 1

INDEXES—SEASONALLY ADJUSTED
REAL DOMESTIC PRODUCT AND ESTIMATED TOTAL EMPLOYMENT

1977 = 100

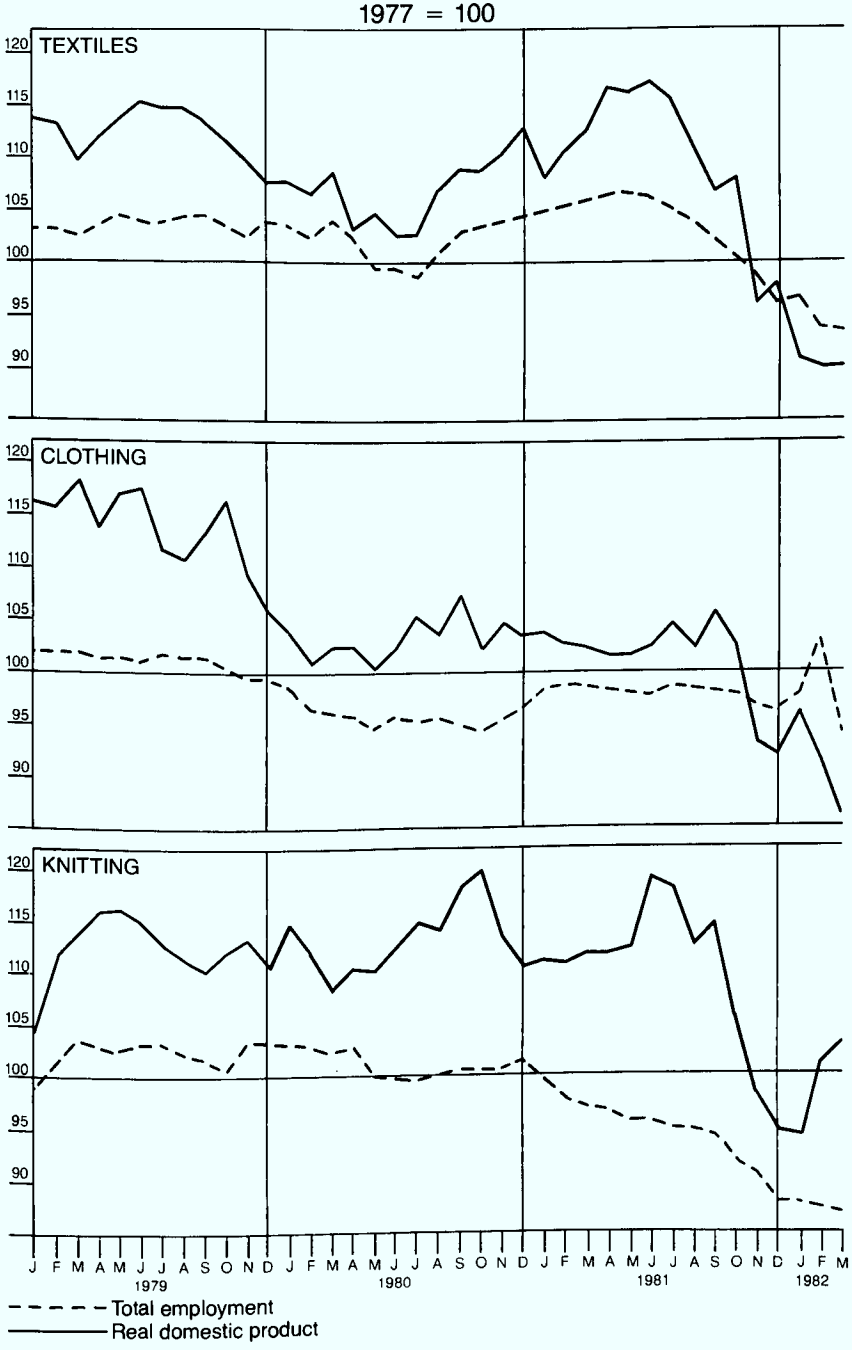

Table 6

ANNUAL VARIATIONS IN PRODUCTION AND EMPLOYMENT IN TEXTILE, CLOTHING AND KNITTING SECTORS

per cent, compared to previous year

Industry sector	Real domestic product (1)				Employment (2)				Employment (3)			
	1978	1979	1980	1981	1978	1979	1980	1981	1978	1979	1980	1981
Textiles	5.2	6.8	−4.9	2.3	3.0	2.0	−1.5	1.1	3.5	1.7	−1.4	0.6
Clothing	7.8	6.1	−9.8	−2.1	3.7	0.5	−4.2	1.8	4.9	0.8	−4.2	1.9
Knitting	4.5	7.6	0.7	−4.6	0	6.2	−2.0	−7.4	−3.4	6.0	0.5	−10.4

SOURCE:

(1) Statistics Canada, Cat. 61-213 and 61-005.

(2) Statistics Canada survey of firms employing 20 or more workers, Cat. 72-002.

(3) Statistics Canada, Cat. 31-203 (1978 and 1979); 1980 and 1981 estimated by the Department of Industry, Trade and Commerce, based on Statistics Canada data.

categories and decreases in others, which can only lead to problems for some Canadian producers.

Compared to the primary textile industry, the situation in the clothing industry has been more difficult. Following a substantial decrease in clothing production of 9.8 per cent in 1980 there was a further drop in production of 2.1 per cent in 1981. These two consecutive declines have brought the production level down to that of 1977. Employment in the clothing industry, which had already diminished in 1980 to the level of 1977, experienced a slight recovery of 1.8 per cent in 1981. This recovery was short-lived however: results for the first quarter of 1982 once again indicate decreases in production and employment of about 12 and 10 per cent respectively. (Tables 7 and 8).

The slight recovery in demand during the first half of 1981 did not benefit clothing manufacturers in Canada. Production increased by only 3/10 of 1 per cent during the first six months of 1981, compared to the same period in 1980. In 1981, the value of clothing imports in constant dollars increased by 14 per cent, and in unit terms rose by 17 per cent. Exporting countries, particularly those subject to restraints, were the beneficiaries of the temporary firming up of demand.

Finally, 1981 was a bad year for the knitting sector. Production decreased by 4.6 per cent, and employment by twice that amount. Production and employment reached their lowest levels at the end of 1981 and in early 1982. The problems of this industry sector are related to imports and to some weakness in demand in part because of shifts in fashion.

INDEX OF REAL DOMESTIC PRODUCT AND PER CENT CHANGE FROM PREVIOUS YEAR

seasonally adjusted, (1971 = 100)

		Textile		Clothing		Knitting		Total Manufacturing		Durable		Non-Durable	
		Index	%	Index	%	Index	%	Index	%	Index	%	Index	%
1977		120.4	6.4	117.4	−5.6	100.3	−4.0	125.5	2.0	129.8	2.5	121.2	1.5
1978		126.6	5.2	126.5	7.8	104.8	4.5	131.9	5.1	135.6	4.5	128.1	5.7
1979		135.2	6.8	134.2	6.1	112.8	7.6	138.0	4.6	140.2	3.4	135.8	6.0
1980		128.6	−4.9	121.1	−9.8	113.6	0.7	133.7	−3.1	133.6	−4.7	133.8	−1.5
1981		131.6	2.3	118.5	−2.1	108.4	−4.6	136.0	1.7	136.5	2.2	135.5	1.3
1980	January	129.4	−5.5	121.7	−10.7	115.3	9.4	136.2	−0.9	136.9	−3.4	135.4	1.7
	February	128.1	−5.1	118.5	−12.9	112.3	−0.1	135.4	−1.5	136.3	−3.5	134.4	0.8
	March	130.5	−1.3	120.0	−13.5	108.7	−5.0	137.3	−0.8	138.0	−2.4	136.7	1.1
	April	124.1	−7.9	120.1	−10.2	110.7	−4.9	133.9	−1.4	132.9	−2.9	135.0	0.1
	May	125.9	−7.9	117.6	−14.3	110.4	−5.3	131.0	−6.4	129.1	−10.3	133.0	−2.0
	June	123.4	−10.9	120.0	13.0	112.7	−2.3	130.9	−4.9	128.7	−7.5	133.0	−2.1
	July	123.5	−10.6	123.6	−5.9	115.1	1.6	130.1	−5.8	128.6	−8.2	131.7	−3.2
	August	128.7	−6.8	121.7	−10.5	114.3	2.2	131.2	−5.1	130.8	−6.2	131.6	−4.1
	September	130.9	−4.0	125.9	−5.3	118.5	7.0	133.7	−4.3	134.1	−5.5	133.4	−2.9
	October	130.6	−2.8	119.8	−12.6	120.3	6.9	134.8	−2.9	135.6	−3.1	133.9	−2.7
	November	132.5	0.5	122.6	−4.4	113.9	0.2	134.6	−2.9	135.8	−3.0	133.5	−2.7
	December	135.1	4.2	121.2	−2.6	110.6	0.3	135.7	−0.5	136.9	−0.3	134.4	−0.9

INDEX OF REAL DOMESTIC PRODUCT AND PER CENT CHANGE FROM PREVIOUS YEAR

seasonally adjusted, (1971 = 100)

		Textile		Clothing		Knitting		Total Manufacturing		Durable		Non-Durable	
		Index	%	Index	%	Index	%	Index	%	Index	%	Index	%
1981	January	129.7	0.2	121.8	0.1	111.3	−3.5	133.7	−1.8	133.3	−2.6	134.1	−1.0
	February	133.2	4.0	120.4	1.6	111.1	−1.1	137.2	1.3	138.2	1.4	136.2	1.3
	March	135.3	3.7	119.7	−0.3	111.8	2.9	139.5	1.6	141.8	2.7	137.1	0.3
	April	140.1	12.9	118.9	−1.0	111.7	0.9	139.4	4.1	142.2	7.0	136.6	1.2
	May	139.7	11.0	119.1	1.3	112.4	1.8	141.8	8.2	144.8	12.2	138.7	4.3
	June	140.6	13.9	120.0	0.0	109.1	−3.2	143.7	9.8	148.5	15.4	138.7	4.3
	July	138.4	12.1	122.6	−0.8	108.1	−6.1	140.5	8.0	144.0	12.0	136.9	3.9
	August	133.3	3.6	119.8	−1.6	112.6	−1.5	136.1	3.7	136.1	4.1	136.0	3.3
	September	127.8	−2.4	123.7	−1.7	114.7	−3.2	133.7	0.0	131.9	−1.6	135.5	1.6
	October	129.4	−0.9	119.7	−0.1	105.8	−12.1	131.3	−2.6	128.3	−5.4	134.4	0.4
	November	114.8	−13.4	108.7	−11.3	97.8	−14.1	128.6	−4.5	125.7	−7.4	131.6	−1.4
	December	117.3	−13.2	107.4	−11.4	94.5	−14.6	126.6	−6.7	123.6	−9.7	129.7	−3.5
1982*	January	111.0	−14.4	112.4	−7.7	94.2	−15.4	124.3	−7.0	121.1	9.2	127.6	−4.8
	February	107.7	−19.1	106.9	−11.2	101.2	−8.9	124.2	−9.5	121.5	−12.1	127.0	−6.8
	March	107.8	−20.3	100.5	−16.0	103.2	−7.7	121.5	−12.9	117.7	−17.0	125.3	−8.6

*Preliminary.

SOURCE: Statistics Canada, Cat. 61-213 and 61-005.

Table 8

ESTIMATED EMPLOYMENT AND PER CENT CHANGE COMPARED TO PREVIOUS YEAR

thousands of employees and per cent

	Textile		Clothing		Knitting		Total	
	Employees	%	Employees	%	Employees	%	Employees	%
1977	63.2	−4.0	84.8	−3.8	19.4	−8.5	167.4	−4.4
1978	65.1	3.0	87.9	3.7	19.4	0	172.4	3.0
1979	66.4	2.0	88.4	0.6	20.6	6.2	175.4	1.7
1980	65.4	−1.5	84.7	−4.2	20.2	−1.9	170.3	−2.9
1981	66.1	1.1	86.2	1.8	18.7	−7.4	171.0	0.4
1980 January	65.7	−0.5	85.6	−3.5	20.4	4.7	171.7	−1.4
February	64.7	−1.7	86.0	−3.8	20.6	2.5	171.3	−2.3
March	65.9	0.6	85.2	−4.5	20.6	−0.5	169.0	−3.7
April	65.2	−1.1	85.2	−4.5	20.3	−1.9	170.7	−3.0
May	63.9	−4.3	84.7	−5.8	20.0	−4.8	168.6	−5.2
June	64.4	−4.0	86.3	−4.7	20.3	−5.1	171.0	−4.5
July	62.6	−5.0	83.1	−4.5	19.7	−4.8	165.4	−4.7
August	65.0	−3.0	85.5	−3.9	20.3	−2.4	170.8	−3.4
September	66.5	−1.5	85.2	−4.8	20.1	−2.9	171.8	−3.3
October	66.9	0	84.0	−4.9	20.2	−1.5	171.1	−2.6
November	67.1	1.7	83.3	−2.7	20.1	−3.8	170.5	−1.2
December	66.4	−1.3	81.9	−2.3	19.6	−3.4	167.9	−2.0
1981 January	66.7	1.5	86.4	0.9	19.3	−5.4	172.4	0.4
February	66.7	3.1	87.3	1.5	19.2	−6.8	173.2	1.1
March	67.4	2.3	87.0	2.1	19.1	−7.3	173.5	2.6
April	67.9	4.1	86.8	1.9	19.0	−6.4	173.7	1.8
May	68.0	6.4	87.1	2.8	19.0	−5.0	174.1	3.3
June	68.4	6.2	88.0	1.9	19.2	−5.4	175.6	2.7
July	66.5	6.2	85.5	2.9	18.6	−5.6	170.6	3.1
August	66.0	1.5	87.6	2.5	18.9	−8.9	172.5	1.0
September	66.2	−0.5	87.7	2.9	18.7	−7.0	172.6	0.5
October	64.8	−3.1	86.5	3.0	18.3	−9.4	169.6	−0.9
November	63.4	−5.5	83.9	0.7	18.0	−10.4	165.3	−3.0
December	61.0	−8.1	81.2	−0.9	16.9	−13.8	159.1	−5.2
1982 January	58.0	−13.0	79.4	−8.1	17.2	−10.9	154.6	−10.3
February*	56.0	−16.0	79.4	−9.0	17.2	−10.4	152.6	−11.9
March*	56.1	−16.8	76.6	−12.0	17.2	−9.9	149.9	−13.6

*Preliminary.

SOURCE: Statistics Canada, Cat. 72-002, survey of firms employing 20 or more workers.

Data on the evolution of production and employment of textile industry sub-sectors are given in Table 9. They show that in the textile industry two thirds of the sub-sectors experienced a decline while only one third increased their activities. It must be mentioned however that these sub-sectors cover only those products for which there are import restraints. Other sectors not covered have experienced difficulties in 1981, notably the traditionally strong carpet sector.

The Board closely monitors changes in employment and hours worked in the clothing industry in Québec and Ontario with the help of data regularly obtained from the Joint Committees of Québec and Ontario. It will be remem-

Table 9

TEXTILE SUB-SECTORS, VARIATIONS IN DOMESTIC SHIPMENTS AND EMPLOYMENT FROM 1980 TO 1981

per cent

Sub-sectors	Domestic Shipments (net of exports)	Employment
Yarns		
Worsted spun acrylic yarns	−5.6	−3.8
Cotton and polyester-cotton yarns	−4.8	−22.1
Nylon filament yarns	−22.2	
Polyester filament yarns	7.2	−27.4
Acetate rayon filament yarns	−24.8	
Fabrics		
Woollen and worsted fabrics	−9.8	−1.6
Cotton and polyester-cotton fabrics, corduroys and denims	21.4	−5.0
Coated fabrics	−19.3	−6.2
Man-made fabrics (rayon, nylon and polyester)	10.5	17.0
Products		
Towels and washcloths	−7.0	−16.5
Sheets and pillowcases	−7.0	−13.0
Handbags	11.4*	6.5*
Hosiery	−3.9	−8.1
Cordage, rope and twine	7.8	−7.1
Work gloves	−8.9*	−7.3

* Estimate.
SOURCE: Textile and Clothing Board.

bered that about 90 per cent of the firms in the clothing industry are located in these two provinces.

Table 10 shows that employment in this industry declined in Québec while it increased in Ontario. However, the combined data on employment for the two provinces indicate an overall decline in employment of 1 per cent.

A comparison of data for several years indicates that the women's clothing sector is shifting from Québec to Ontario. Between 1975 and 1981, there was an increase of 1,125 employees in Ontario, while in Québec there was a loss of 1,222 employees. In the men's clothing sector, employment has decreased considerably in both provinces. Between 1975 and 1981, Ontario lost 29.7 per cent of the employees in this sector, and Québec, 21.5 per cent. (Tables 11 and 12).

Table 10

AVERAGE NUMBER OF EMPLOYEES AND HOURS WORKED IN THE MEN'S AND WOMEN'S CLOTHING SECTORS (QUÉBEC, ONTARIO) AND IN THE SHIRT SECTOR (QUÉBEC)

1980-1981

Province	Year	Average number of employees	Hours worked		
			Regular	Overtime	Total
Québec					
(Men's and boys' clothing, women's and girls' clothing, shirts)	1980	38,180	52,754,919	726,743	53,481,662
	1981	37,328	51,896,672	807,320	52,703,992
	1981/ 1980	−2.2%	−1.6%	11.1%	−1.5%
Ontario					
(Men's and boys' clothing, women's and girls' clothing)	1980	7,054	10,813,148	393,869	11,207,017
	1981	7,438	11,298,246	559,002	11,857,248
	1981/ 1980	5.4%	4.5%	41.9%	5.8%
Total, Québec and Ontario	1980	45,234	63,568,067	1,120,612	64,688,679
	1981	44,766	63,194,918	1,366,322	64,561,240
	1981/ 1980	−1.0%	−0.6%	21.9%	−0.2%

SOURCE: Parity and Joint Committees for Québec and Ontario.

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Fabrics		
Woollen and worsted fabrics	−9.8	−1.6
Cotton and polyester-cotton fabrics, corduroys and denims	21.4	−5.0
Coated fabrics	−19.3	−6.2
Man-made fabrics (rayon, nylon and polyester)	10.5	17.0
Products		
Towels and washcloths	−7.0	−16.5
Sheets and pillowcases	−7.0	−13.0
Handbags	11.4*	6.5*
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* Estimate.
SOURCE: Textile and Clothing Board.

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	1981	7,438	11,298,246	559,002	11,857,248
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Total, Québec and Ontario	1980	45,234	63,568,067	1,120,612	64,688,679
	1981	44,766	63,194,918	1,366,322	64,561,240
	1981/ 1980	−1.0%	−0.6%	21.9%	−0.2%

SOURCE: Parity and Joint Committees for Québec and Ontario.

Table 11

AVERAGE NUMBER OF EMPLOYEES AND HOURS WORKED IN THE WOMEN'S AND MEN'S CLOTHING SECTORS IN ONTARIO

Sectors	Year	Average number of employees	Hours worked		
			Regular	Overtime	Total
Women's dresses and sportswear	1975	2,885	3,912,363	194,437	4,106,800
	1976	2,927	3,103,818	163,632	3,267,450
	1977	3,142	4,667,962	264,567	4,932,529
	1978	3,084	4,574,667	326,509	4,901,176
	1979	3,324	5,039,409	355,085	5,394,494
	1980	3,328	5,059,296	265,889	5,325,185
	1981	3,629	5,265,867	379,036	5,644,903
Women's cloaks and suits	1975	1,114	1,557,111	70,935	1,628,046
	1976	1,183	1,538,348	59,641	1,597,989
	1977	1,183	1,730,298	72,731	1,803,029
	1978	1,181	1,703,134	68,663	1,771,797
	1979	1,101	1,637,195	47,390	1,684,585
	1980	1,161	1,696,619	70,090	1,766,709
	1981	1,495	2,311,366	108,024	2,419,390
Men's and boys' clothing	1975	3,292	5,410,722	110,056	5,520,778
	1976	3,306	5,531,360	163,424	5,694,784
	1977	3,103	5,091,883	124,038	5,215,921
	1978	3,133	5,032,921	131,338	5,164,259
	1979	2,966	4,989,933	105,276	5,095,209
	1980	2,565	4,057,233	57,890	4,115,123
	1981	2,314	3,721,013	71,942	3,792,955

SOURCE: Ontario Joint Committees.

Table 12

AVERAGE NUMBER OF EMPLOYEES AND HOURS WORKED IN THE WOMEN'S AND MEN'S CLOTHING SECTORS IN QUÉBEC

Sectors	Year	Average number of employees	Hours worked		
			Regular	Overtime	Total
Women's clothing	1975	24,064	35,429,247	1,488,163	36,917,410
	1976	25,490	37,079,676	1,287,152	38,366,828
	1977	24,621	34,735,655	1,045,549	35,781,204
	1978	25,198	35,917,998	1,024,701	36,942,669
	1979	25,550	35,662,897	986,998	36,649,895
	1980	23,416	29,478,504	402,174	29,880,678
	1981	22,842	29,041,194	414,176	29,455,370
Men's and boys' clothing	1975	14,430	22,330,516	483,383	22,813,899
	1976	14,849	23,741,060	544,959	24,286,019
	1977	13,273	20,719,426	354,543	21,073,969
	1978	13,328	20,947,785	441,416	21,389,201
	1979	13,255	21,059,046	411,215	21,470,261
	1980	11,607	17,679,837	256,717	17,936,554
	1981	11,324	17,925,617	326,163	18,251,780
Men's and boys' shirts	1975	4,930	7,591,849	120,597	7,712,446
	1976	4,654	7,249,913	99,879	7,349,792
	1977	4,497	6,963,619	86,645	7,050,264
	1978	4,045	6,368,728	81,077	6,449,805
	1979	4,086	6,600,681	75,049	6,675,730
	1980	3,157	5,596,578	67,852	5,664,430
	1981	3,162	4,929,861	66,981	4,996,842

SOURCE: Parity and Joint Committees for Québec.

In the shirt manufacturing sector, employment data is available only for Québec. The loss of employment is considerable in that province: from 1975 to 1981 the shirt sector in Québec lost 36 per cent of its employees.

Results for the first three months of 1982 indicate that the employment situation has been deteriorating even more rapidly. In the first quarter of 1982, employment in Québec in the shirt sector and in the men's and women's clothing sectors has dropped 20 per cent compared to the same period in 1981. In Ontario, employment in the men's clothing sector declined 8 per cent during the same period. Obviously the current recession has very seriously affected certain sectors of the clothing industry.

To give a more general perspective of the situation in the textile and clothing industries, production and employment statistics for 1981 are compared to those for 1977, the year when employment was at its lowest level since 1971, and to those for 1973 when employment in these industries reached its highest peak since World War II. (Table 13).

Table 13

TOTAL VARIATIONS IN REAL DOMESTIC PRODUCT AND IN EMPLOYMENT IN THE TEXTILE, CLOTHING AND KNITTING SECTORS BETWEEN 1977 AND 1981 AND BETWEEN 1973 AND 1981
per cent

	1977-1981		1973-1981	
Sectors	**RDP**	**Employment**	**RDP**	**Employment**
Textile	9.3	4.4	10.4	−11.0
Clothing	0.9	3.2	3.6	−6.1
Knitting	8.1	−7.8	−3.3	−26.6

SOURCE: Statistics Canada, Cat. 61-213, 31-203, and Department of Industry, Trade and Commerce.

Production and employment in 1981 were at slightly higher levels than in 1977 in the textile and clothing sectors, whereas employment was down by 8 per cent in the knitting sector. Employment in 1981 was lower than in 1973 in the three industry sectors, whereas production was less in only one of the three sectors. Since 1973, the textile and clothing sectors have both managed to increase their production moderately, by some 10 and 4 per cent respectively, in eight years.

4 — Capacity Utilization and Productivity

The degree of utilization of production capacity is first of all an indicator of the economic situation in each industry sector. It is also an approximate indication of how profitably fixed assets are utilized. Finally, capacity utilization can be used to estimate changes in production capacity itself.

As one indicator of the economic situation, the data in Table 14 show that in 1981 only the textile sector managed to utilize its production capacity at a slightly higher rate than in 1980. Such was not the case for the clothing and knitting sectors which saw their rate of capacity utilization decline considerably at the same time that their production was decreasing.

During the first quarter of 1982, the rate of capacity utilization also diminished in the textile sector, and in the other two sectors the decline became more pronounced. Data for this first quarter of 1982 illustrate the seriousness of the current crisis: capacity utilization rates have dropped to 75.1 per cent for textiles, 71.4 per cent for clothing and 85.5 per cent for knitting.

A decline in capacity utilization usually leads to a decline in profitability. It will be particularly so when production facilities are costly and are a major component of the cost of production. Unused production capacity will affect profitability much more seriously in the textile sector than in the clothing or knitting sectors because production in the textile industry is much more capital intensive than in the other two. For a highly capital intensive industry a change

Table 14

CAPACITY UTILIZATION AND REAL DOMESTIC PRODUCT FOR THE TEXTILE, CLOTHING AND KNITTING SECTORS

	1977	1978	1979	1980	1981
Textile					
Capacity utilization in per cent	91.4	93.9	98.5	91.5	91.9
Index of capacity utilization 1977 = 100	100.0	102.7	107.8	100.1	100.5
Index of real domestic product 1977 = 100	100.0	105.2	112.3	106.8	109.3
Clothing					
Capacity utilization in per cent	88.4	92.6	95.7	84.1	80.3
Index of capacity utilization 1977 = 100	100.0	104.8	108.3	95.1	90.8
Index of real domestic product 1977 = 100	100.0	107.8	114.3	103.2	100.9
Knitting (Fabrics and clothing)					
Capacity utilization in per cent	85.7	89.8	96.4	97.0	92.5
Index of capacity utilization 1977 = 100	100.0	104.8	112.5	113.2	107.9
Index of real domestic product 1977 = 100	100.0	104.5	112.5	113.3	108.1

SOURCE: Department of Industry, Trade and Commerce and Statistics Canada, Cat. 61-213.

of a few percentage points in the rate of capacity utilization can often make all the difference between profit and loss. Conversely, in a less capital intensive industry the amount of profit or loss will not be tied as closely to the rate of capacity utilization.

Finally, as an approximate measure of newly installed production capacity, the division of the index of real domestic product by the index of capacity utilization indicates that from 1977 to 1981, the increase in production capacity in the textile sector amounted to about 9 per cent and in the clothing sector to approximately 11 per cent, while the knitting sector remained at the same capacity level. In the 1981 report, the same calculations gave respective increases of 6, 7 and ±0 per cent for the period 1977-1980. Some increase in production capacity therefore occurred in two of the three sectors. Such increases are often the result of modernization: technologically advanced equipment often has greater production capacity.

Caution must be exercized when interpreting comprehensive data on production capacity covering a whole industry. In fact, the less dynamic firms using only a portion of their installed capacity will still want to keep their equipment until the situation improves. On the other hand the more pro-

gressive, dynamic producers offering a range of products popular with the consumers and already operating at full capacity will add new production capacity. As a result there is an increase in production capacity for the whole sector.

The decline in the rate of capacity utilization is generally accompanied by lower productivity per hour worked. Each firm has an optimum level of capacity utilization corresponding to an optimum in employment. The hours worked can be fairly easily adjusted to the rate of production when production is growing, but this adjustment is not so easy when production is declining. As a result some loss in efficiency occurs in utilization of labour.

The textile and clothing sectors provide a good illustration of the relationship between production, capacity utilization and hours worked. (Tables 15 and 16). In the textile sector the greatest increase in production occurred from 1978 to 1979 (+6.7 per cent). During the same period the rate of capacity utilization went up 4.9 per cent, and value added per hour worked rose 4.7 per cent. In contrast, production in the sector increased very little in 1981. Capacity utilization therefore barely went up, and there was only a modest increase in value added per hour worked.

The same relationship exists in the clothing sector. The best performance in this sector also occurred in 1979, when production increased 6.1 per cent, capacity utilization went up by 3.3 per cent, and value added per hour worked rose 5.5 per cent. In parallel with the decline in production and in the rate of capacity utilization in 1980 and 1981, value added per hour worked went down 4.1 per cent in 1980 and 2.1 per cent in 1981.

Table 15

INDEX OF REAL DOMESTIC PRODUCT AND VALUE ADDED PER MAN-HOUR WORKED IN THE TEXTILE, CLOTHING AND KNITTING SECTORS AND IN TOTAL MANUFACTURING
1977 = 100

	1978		1979		1980		1981	
		VA		VA		VA		VA
Sectors	**RDP**	**M-HR**	**RDP**	**M-HR**	**RDP**	**M-HR**	**RDP**	**M-HR**
Textile	105.2	100.7	112.3	105.5	106.8	104.5	109.6	106.4
Clothing	107.8	103.9	114.3	109.7	103.2	105.2	100.9	103.0
Knitting	104.5	105.9	112.5	107.2	113.3	112.6	108.1	116.9
Total Manufacturing	**105.1**	**101.4**	**110.0**	**102.9**	**106.5**	**104.3**	**108.4**	**107.1**

SOURCE: Statistics Canada, Cat. 61-213, 61-005 and 72-002.

In contrast with the two sectors above, the knitting sector has been making remarkable and regular improvements in productivity during the same period, probably as a result of rationalization. Although in 1980 knitting production increased by only 0.7 per cent and in 1981 decreased by 4.6 per cent the value added per hour worked showed a remarkable increase of 5.0 per cent in 1980 and 3.8 per cent in 1981.

Table 16

INDEX OF REAL DOMESTIC PRODUCT AND VALUE ADDED PER MAN-HOUR WORKED IN TOTAL CLOTHING AND IN CLOTHING SECTORS

1977 = 100

	1978		1979		1980		1981	
		VA		VA		VA		VA
Sectors	RDP	M-HR	RDP	M-HR	RDP	M-HR	RDP	M-HR
Total clothing	107.8	103.9	114.3	109.7	103.2	105.2	100.9	103.0
Women's clothing	106.9	101.0	114.5	107.6	99.6	103.4	96.5	100.4
Men's clothing	108.1	107.9	115.6	114.2	109.1	110.7	107.0	116.5
Children's clothing	115.5	105.6	127.8	120.2	114.2	118.6	116.5	142.8

SOURCE: Statistics Canada, Cat. 61-213, 61-005 and 72-002.

A breakdown of the clothing sector into its major sub-sectors (men's, women's and children's clothing) appears to indicate that the problem of productivity rests mainly with the women's clothing sub-sector. In fact, the increase in value added per hour worked in the men's and children's clothing sub-sectors has been exceptionally rapid, which was not the case in the women's clothing sector.

Table 17 summarizes productivity increases for the period 1977-1981. It shows that the rise in productivity in the textile sector was similar to that for all manufacturing industries. The clothing sub-sectors registered considerable gains, with the exception of the women's clothing sub-sector. Although the latter includes a number of large firms with very modern and efficient equipment, it is still an area of manufacturing which remains difficult to standardize. This difficulty, inherent to the sub-sector, has been aggravated by the major decline in production of 16 per cent during 1980 and 1981.

Table 17

GROWTH IN REAL VALUE ADDED PER MAN-HOUR WORKED IN THE TEXTILE, CLOTHING AND KNITTING SECTORS AND IN TOTAL MANUFACTURING, 1977 TO 1981

average annual growth rates in per cent

Sectors	Growth Rate
Textile	1.6
Clothing	0.8
Women's clothing	0.15
Men's clothing	4.0
Children's clothing	9.6
Knitting	4.0
Total manufacturing	**1.7**

SOURCE: Statistics Canada, Cat. 61-213 and 72-002.

5 — Evolution of Hourly Wages and Prices

The uncertainties surrounding the near term prospects of production in the textile and clothing industries and the relatively high levels of unemployment in these industries have had a moderating effect on the evolution of hourly wage rates. While average hourly wage rates in manufacturing industries went up 12 per cent in 1981, the increase in average hourly wages was limited to 8.3 per cent in the textile sector, 8.1 per cent in clothing and 9.9 per cent in knitting. (Table 18). While at present there is practically no economic activity in Canada which is not subjected to inflation because of wage costs,—with the latter increasing more rapidly than productivity,—the textile, clothing and knitting sectors are some of the sectors where wage cost-push inflation is least severe.

Industry selling prices have been evolving in a variety of ways. In 1981 the rise of some prices, notably those of man-made textiles, has been rapid because of continuous price increases of raw materials. Other industry selling prices did considerable catching up: market conditions in 1980 had not allowed any significant increases, but in 1981, producers were forced because of rising costs to increase their selling prices, sometimes quite substantially, in order to retain a degree of profitability in their operations. This seems to have been the case for fabrics of wool and wool blends with man-made fibres. Some selling prices were increased once at the end of 1980 or in January 1981 and have remained stable since, while others have been increased two or three times during the first half of 1981, only to decline once or twice at the end of the year. (Table 19). These numerous changes were often the results of fluctuations in international prices of fibres.

In the clothing sector, the production phase closest to consumers, the cautious attitude of the latter and the fierce competition among domestic clothing producers have moderated price increases. Industry selling prices of men's clothing and of hosiery have increased at rates well below 10 per cent.

Table 18

AVERAGE HOURLY EARNINGS IN CURRENT DOLLARS IN THE TEXTILE, CLOTHING AND KNITTING SECTORS AND IN ALL MANUFACTURING, AND RATE OF INCREASE OVER THE SAME PERIOD OF THE PREVIOUS YEAR

in dollars and in per cent

Period	Textile		Clothing		Knitting		All Manufacturing	
	$	%	$	%	$	%	$	%
1978								
Quarter								
I	5.27	9.1	4.52	9.7	4.19	7.4	6.67	8.3
II	5.37	7.0	4.56	7.5	4.34	9.3	6.77	6.8
III	5.48	6.4	4.65	7.6	4.37	8.2	6.87	6.7
IV	5.59	7.3	4.74	8.0	4.39	7.6	7.03	7.0
Year 1978	5.43	7.5	4.62	8.2	4.32	8.0	6.84	7.2
1979								
Quarter								
I	5.70	8.2	4.84	7.1	4.54	8.4	7.19	7.8
II	5.94	10.6	4.95	8.6	4.58	5.5	7.37	8.9
III	6.01	9.7	5.04	8.4	4.67	6.9	7.50	9.2
IV	6.09	8.9	5.10	7.6	4.68	6.6	7.68	9.2
Year 1979	5.94	9.4	4.98	7.8	4.62	6.9	7.44	8.8
1980								
Quarter								
I	6.33	11.1	5.23	8.1	4.92	8.4	7.90	9.9
II	6.38	7.4	5.31	7.3	4.92	7.4	8.06	9.4
III	6.60	9.8	5.38	6.7	5.11	9.4	8.25	10.0
IV	6.76	11.0	5.41	6.1	5.32	13.7	8.54	11.2
Year 1980	6.52	9.8	5.33	7.0	5.07	9.7	8.19	10.1
1981								
Quarter								
I	6.87	8.5	5.58	6.7	5.42	10.2	8.78	11.1
II	7.01	9.9	5.69	7.2	5.53	12.4	9.07	12.5
III	7.12	7.9	5.83	8.4	5.59	9.4	9.22	11.8
IV	7.25	7.2	5.94	9.8	5.73	7.7	9.61	12.5
Year 1981	7.06	8.3	5.76	8.1	5.57	9.9	9.17	12.0
In per cent of wages of all manufacturing.								
1978		79.4		67.5		63.2		100.0
1979		79.8		66.9		62.1		100.0
1980		79.6		65.1		61.9		100.0
1981		77.0		62.8		60.7		100.0

SOURCE: Statistics Canada, Cat. 72-002.

Table 19

INCREASE IN INDUSTRY SELLING PRICES OF TEXTILE PRODUCTS

per cent per annum

Products	1979	1980	1981
Cotton yarns	12.5	10.2	9.4
Polyester-cotton yarns	10.1	15.0	12.3
Wool yarns	19.1	10.8	8.7
Man-made yarns	14.3	18.7	12.1
Cotton fabrics (for apparel)	9.9	8.2	11.2
Cotton and man-made fibre blend sheets	15.2	15.3	11.7
All wool worsted fabrics (for apparel)	13.6	3.0	12.8
Wool-polyester blend fabrics	10.6	2.8	15.5
Man-made fibres	—*	13.9	13.9
Hosiery	7.1	9.9	6.7
Knitted fabrics	12.9	7.0	6.3
Knitted garments	9.4	9.6	10.5
Men's clothing	10.0	11.8	8.8

*Not available.

SOURCE: Statistics Canada, Cat. 62-011.

Retail prices for clothing increased only 6.9 per cent in 1981, which is barely more than half the overall increase in consumer prices of 12.5 per cent during the same year. The rise in clothing prices was even slower at the beginning of 1982. During the first quarter of 1982, this increase amounted to 4.9 per cent, compared to the same period in 1981. (Table 20).

The contribution of textiles and clothing to general price inflation has been most modest. Import competition and fierce competition among Canadian producers in domestic markets have forced these producers to keep a very close watch on their costs and their selling prices.

Table 20

CONSUMER PRICE INDICES

annual increases in per cent

Products Groups	1979	1980	1981	First 3 months 1982/81
Apparel only (excludes footwear, accessories and services)	9.3	12.0	6.9	4.9
Women's clothing[1]	10.3	13.3	6.3	4.2
Girls' clothing[1]	8.8	10.4	6.8	5.6
Men's clothing[1]	8.5	10.8	7.3	5.5
Boys' clothing[1]	7.8	9.8	8.1	7.1

[1] Clothing includes footwear and accessories, and excludes services.

SOURCE: Statistics Canada, Cat. 62-001 and Department of Industry, Trade and Commerce.

6 — Investments in the Textile and Clothing Sectors

Statistics on investments undergo numerous modifications between reported investment intentions, preliminary statistics on actual investments, and final statistics on actual investments. As a result the latter are available only two years after publication of the statistics on investment projects.

By comparing the statistics in this report to those published in the 1981 report, it becomes possible to measure the differences resulting from the modifications mentioned above. In 1971 dollars, actual capital expenditures in 1980 were 9.4 per cent above the preliminary actual capital expenditures reported last year. In contrast, capital expenditures planned for 1981 were not carried out fully, and, in 1971 dollars, only 95 per cent of the capital expenditures planned for 1981 in the textile, clothing and knitting sectors were made. Capital expenditure intentions for 1982, also in 1971 dollars, should decline by 22.9 per cent compared to the preliminary actual capital expenditures reported for 1981. (Tables 21 and 22). The evolution of capital expenditures in the textile and clothing industries for 1981 and 1982 is not surprising. The outlook for these two years was poor.

Total investments,—including capital and repair expenditures,—exhibit similar differences in the same direction as for capital expenditures only.

Taking into account the difficulties experienced by a large number of firms, it is really not surprising to find that capital expenditure projects in 1982 will be reduced by close to one quarter compared to 1981. As mentioned earlier, there is unused production capacity which at the beginning of 1982 accounted for approximately 25 per cent of installed capacity. Moreover, loans are not only excessively costly, they are also more difficult to obtain, the banking system being concerned with the quality of its loans. In addition, the generalized lack of growth in the textile and clothing industries since 1979 has decreased the internal generation of funds and reduced cash flows. Since short term prospects have not shown much improvement it can be concluded that a number of capital expenditure plans may be revised and that some of these may be postponed. With mediocre prospects for the next few months and a more than ample production capacity the main concern of management will be to maintain a satisfactory degree of liquidity to allow the firms to meet financial obligations from previous years even if cash flows were to remain the same or, even more so, should they deteriorate further. During a recession each firm's operational strategy is dominated by its concern for survival.

Production equipment utilized by the textile and clothing industries is imported for the most part. Because of its small size the domestic market can accommodate only a small number of Canadian equipment manufacturers, and then only if these manufacturers are highly specialized and have access to export markets. The Canadian market for production equipment for the textile, clothing and knitting sectors is therefore dominated by those firms, often multinational, which produce specialized lines of equipment for the world market. It is therefore not surprising that imports of equipment and spare parts

CAPITAL EXPENDITURES BY THE TEXTILE, CLOTHING AND KNITTING SECTORS[1]

expenditures in million current dollars and indices (1978 = 100)

	Capital expenditures					Indices				
Sectors	**1978**	**1979**	**1980**	**1981**	**1982**	**1978**	**1979**	**1980**	**1981**	**1982**
TEXTILE										
Capital expenditures on new buildings	17.3	15.4	20.0	23.9	21.5	100	89	116	138	124
Capital expenditures on new machinery and equipment	77.7	93.9	144.0	153.0	132.0	100	121	185	197	170
Total capital expenditures on buildings	28.4	26.0	34.4	40.3	37.8	100	92	121	142	133
Total capital expenditures on machinery and equipment	133.5	161.3	227.1	241.4	232.8	100	121	170	181	174
CLOTHING										
Capital expenditures on new buildings	8.9	5.9	5.2	14.0	10.3	100	66	58	157	116
Capital expenditures on new machinery and equipment	17.2	20.2	27.7	30.5	22.4	100	117	161	177	130
Total capital expenditures on buildings	11.0	8.5	8.0	16.1	12.2	100	77	73	146	111
Total capital expenditures on machinery and equipment	26.3	27.6	39.1	38.4	30.7	100	105	149	146	117
KNITTING										
Capital expenditures on new buildings	1.2	2.6	5.7	3.6	5.9	100	217	475	300	492
Capital expenditures on new machinery and equipment	10.1	13.1	21.4	15.1	13.6	100	130	212	150	135
Total capital expenditures on buildings	2.3	4.2	8.1	5.6	8.2	100	183	352	243	357
Total capital expenditures on machinery and equipment	15.3	18.7	28.3	20.2	20.7	100	122	185	132	135
TOTAL, ALL THREE SECTORS										
Capital expenditures on new buildings	27.4	23.9	30.9	41.5	37.7	100	87	113	151	138
Capital expenditures on new machinery and equipment	105.0	127.2	193.1	198.6	168.0	100	121	184	189	160
Total capital expenditures on buildings	41.7	38.7	50.5	62.0	58.2	100	93	121	149	140
Total capital expenditures on machinery and equipment	175.1	207.6	294.5	300.0	284.2	100	119	168	171	162

[1] 1978, 1979 and 1980, actual; 1981, preliminary actual; 1982, intentions as of July 1982.

SOURCE: Statistics Canada, Cat. 61-205 and 61-206.

CAPITAL EXPENDITURES BY THE TEXTILE, CLOTHING AND KNITTING SECTORS[1]

expenditures in million 1971 dollars and indices (1978 = 100)

	Capital expenditures					Indices				
Sectors	**1978**	**1979**	**1980**	**1981**	**1982**	**1978**	**1979**	**1980**	**1981**	**1982**
TEXTILE										
Capital expenditures on new buildings	9.2	7.5	9.0	9.7	7.8	100	82	98	105	85
Capital expenditures on new machinery and equipment	44.5	48.7	66.6	64.3	49.9	100	109	150	144	112
Total capital expenditures on buildings	15.2	12.7	15.6	16.4	13.7	100	84	103	108	90
Total capital expenditures on machinery and equipment	76.5	83.7	105.0	101.4	88.1	100	109	137	133	115
CLOTHING										
Capital expenditures on new buildings	4.8	2.9	2.4	5.7	3.7	100	60	50	119	77
Capital expenditures on new machinery and equipment	9.9	10.5	12.8	12.8	8.5	100	106	129	129	86
Total capital expenditures on buildings	5.9	4.1	3.6	6.6	4.4	100	69	61	112	75
Total capital expenditures on machinery and equipment	15.1	14.3	18.1	16.1	11.6	100	95	120	107	77
KNITTING										
Capital expenditures on new buildings	0.6	1.3	2.6	1.5	2.1	100	217	433	250	350
Capital expenditures on new machinery and equipment	5.8	6.8	9.9	6.3	5.1	100	117	171	109	88
Total capital expenditures on buildings	1.2	2.0	3.7	2.3	3.0	100	167	308	192	250
Total capital expenditures on machinery and equipment	8.8	9.7	13.1	8.5	7.8	100	110	149	97	89
TOTAL, ALL THREE SECTORS										
Capital expenditures on new buildings	14.6	11.6	14.0	16.9	13.7	100	79	96	116	94
Capital expenditures on new machinery and equipment	60.2	66.0	89.3	83.4	63.6	100	110	148	139	106
Total capital expenditures on buildings	22.3	18.8	22.8	25.3	21.2	100	84	102	113	95
Total capital expenditures on machinery and equipment	100.4	107.7	136.2	126.0	107.5	100	107	136	125	107

[1] 1978, 1979 and 1980, actual; 1981, preliminary actual; 1982, intentions as of July 1982.

SOURCE: Table 21.

usually account for two thirds to three quarters of total expenditures (capital and repair expenditures) for machinery and equipment. Imports of equipment and parts therefore follow very closely the evolution of investments in the textile and clothing industries. The situation of these imports is presented in Table 23 by category of equipment. In 1981, the nominal value of imports of textile and knitting equipment was approximately the same as in the preceding year, which in real terms, means that imports dropped by about 10 per cent. In contrast, the nominal value of equipment imports for the clothing sector increased 9.2 per cent, indicating an approximately identical volume of imports in real terms in both 1980 and 1981. During the first quarter of 1982, total imports of machinery have decreased considerably, by 13 per cent in current dollars and by 21 per cent in 1971 dollars. This decrease is comparable to the decline in planned new investments.

7 — External Trade in Textile Products

a) Imports, Exports and Balance of Trade

The 1981 report placed emphasis on the fact that, during the period of declining activity in 1980, imports had decreased proportionately more than domestic shipments, and thus, for the first time in several years, importers had shared with domestic producers the adverse effects of a general decline in sales. The same report also cautioned against too optimistic an interpretation of this situation by pointing out that it could not be concluded from such a situation that the ability of the Canadian textile and clothing industries to face international competition had been greatly improved. The major decline in imports in 1980 was only partly due to the decline in final demand by consumers. Rather, it was mainly attributable to the widespread liquidation of inventories imposed by poor future prospects and excessively high interest rates.

When the downward adjustment of the inventory/sales ratios was completed, the pressure of imports on domestic producers regained the same intensity as before. At the first signs of a more stable and somewhat growing demand, imports again experienced strong growth. As a result the value of textile imports in 1981 increased 13.7 per cent and of clothing imports, 22.8 per cent, compared to 1980. This new surge of imports again benefitted the low-cost countries: the value of imports from these countries in 1981 increased 19.4 per cent for textiles and 27.9 per cent for clothing. (Table 24).

Increases of such magnitude in imports have evidently exceeded the increases in value attributable to higher prices. In constant 1971 dollars, imports from all sources increased 2.0 per cent for textiles and 13.9 per cent for clothing, while imports from low-cost countries made substantial gains: 7.1 per cent for textiles and 18.6 per cent for clothing. (Table 25).

Although the Canadian textile and clothing industries managed to increase their exports in 1981, these nominal increases amounted to only 11.6 per cent for textiles and 14.5 per cent for clothing, barely above the rise in prices. Under these conditions, the Canadian trade balance in textile products

IMPORTS OF TEXTILE, CLOTHING AND KNITTING MACHINERY AND EQUIPMENT

quarterly and annual data in thousand dollars

	1979					1980					1981					1982
	I	II	III	IV	YEAR	I	II	III	IV	YEAR	I	II	III	IV	YEAR	I
TEXTILE AND KNITTING SECTORS																
Spinning machinery and parts	5,756	4,051	5,340	4,389	19,536	5,372	6,213	7,493	6,647	25,725	5,957	5,903	5,644	4,462	21,966	6,737
Weaving machinery and parts	4,499	3,658	5,467	5,741	19,365	9,355	7,065	5,620	8,233	30,273	9,309	9,372	6,703	11,718	37,102	5,302
Knitting machinery, needles and parts	7,177	5,364	5,353	5,647	23,541	6,935	5,127	4,365	6,022	22,449	5,812	6,781	4,292	6,018	22,903	6,561
Bleaching, dyeing, printing and finishing equipment and parts	2,609	2,274	3,376	2,388	10,647	2,687	4,040	4,174	3,309	14,210	5,505	3,616	1,798	3,054	13,973	4,263
Textile machinery equipment and parts not elsewhere specified	14,768	15,782	16,897	15,258	62,705	16,877	14,849	13,491	16,655	61,872	14,054	15,976	14,781	13,890	58,701	12,542
TOTAL, textile and knitting sectors	**34,809**	**31,129**	**36,433**	**33,423**	**135,794**	**41,226**	**37,294**	**35,143**	**40,866**	**154,529**	**40,637**	**41,648**	**33,218**	**39,142**	**154,645**	**35,405**
CLOTHING SECTOR																
Industrial sewing machines, accessories and parts (including those for the leather and footwear industry)	7,145	7,509	6,997	6,709	28,360	6,860	7,488	5,585	8,321	28,260	7,603	8,023	7,148	8,081	30,855	6,644

SOURCE: Statistics Canada, Cat. 65-007.

Table 24

VALUE OF TEXTILE AND CLOTHING IMPORTS FROM DEVELOPED COUNTRIES AND LOW-COST COUNTRIES

values in million current dollars and changes in per cent

	Value of imports			Percentage change from previous year		
	Developed countries	Low-cost countries	Total	Developed countries	Low-cost countries	Total
TEXTILES[1]						
1978	1,146.6	217.6	1,364.2	15.7	21.2	16.6
1979	1,447.9	284.4	1,732.3	26.3	30.7	27.0
1980	1,363.8	279.3	1,643.1	−5.8	−1.8	−5.1
1981	1,534.8	333.4	1,868.2	12.5	19.4	13.7
CLOTHING[2]						
1978	205.3	449.6	654.9	0.2	12.9	8.6
1979	227.8	566.9	794.7	11.0	26.1	21.3
1980	214.5	563.0	777.5	−5.8	−0.7	−2.2
1981	234.6	719.8	954.4	9.4	27.9	22.8

[1] Including floor coverings, hosiery and knitted fabrics.

[2] Including knitted clothing.

SOURCE: Department of Industry, Trade and Commerce, based on Statistics Canada data.

Table 25

VALUE OF TEXTILE AND CLOTHING IMPORTS FROM DEVELOPED COUNTRIES AND LOW-COST COUNTRIES

values in million 1971 dollars and changes in per cent

	Value of Imports			Percentage change from previous year		
	Developed countries	Low-cost countries	Total	Developed countries	Low-cost countries	Total
TEXTILES						
1978	673.3	127.8	801.1	−0.4	4.2	0.3
1979	754.5	148.2	902.7	12.1	16.0	12.7
1980	647.3	132.6	779.9	−14.2	−10.5	−13.6
1981	653.7	142.0	795.7	1.0	7.1	2.0
CLOTHING						
1978	88.5	193.9	282.4	−12.1	−1.0	−4.8
1979	84.8	211.1	295.9	−4.2	8.9	4.8
1980	71.3	187.2	258.5	−15.9	−11.3	−12.6
1981	72.4	222.1	294.5	1.5	18.6	13.9

SOURCE: Table 24 and Statistics Canada, Cat. 65-001.

deteriorated once more, with the deficit exceeding 2 billion dollars. (Table 26).[1] As usual, two thirds of the trade deficit was attributable to textile products, the other third being accounted for by clothing.

Table 26

IMPORTS, EXPORTS AND TRADE BALANCE OF TEXTILE PRODUCTS AND CLOTHING

in million dollars

Period	Textiles[1]			Clothing[2]			Total
	Imports	Exports	Balance	Imports	Exports	Balance	Balance
1978	1,364.2	256.8	−1,107.4	654.9	147.4	−507.5	−1,614.9
1979	1,732.3	335.9	−1,396.4	794.7	−189.9	−604.8	−2,001.2
1980	1,643.1	424.6	−1,218.5	777.5	230.2	−547.3	−1,765.8
1981	1,868.2	473.9	−1,394.3	954.4	263.7	−690.7	−2,085.0

[1] Including floor coverings, hosiery and knitted fabrics.
[2] Including knitted clothing.
SOURCE: Department of Industry, Trade and Commerce, based on Statistics Canada data.

The Textile and Clothing Board is fully aware that only the overall trade balance covering all products and all countries is of economic significance, and that it is neither useful nor desirable to aim for equilibrium in trade balances by groups of countries or by product groups. Trying to maintain individual product trade balances in equilibrium would negate all the advantages of international trade. From the Board's point of view, the balance of trade in textile products represents only one more measurement of the situation of the textile and clothing industries. It should be mentioned that at no time have textile or clothing producers suggested the possibility of an equilibrium in the balance of trade in textile products.

The geographic distribution of imports continues to change slowly but unrelentingly. The share of total Canadian imports of textiles and clothing held by industrialized countries continues to decline, while the share of low-cost countries keeps increasing. The fact remains that even now more than three quarters of imported primary textile products originate in industrialized countries while less than one quarter of the imports come from low-cost countries. (Table 27).

[1] The results of Table 26 in this Report are not directly comparable to those of Table 21 in the 1981 Report. At the request of the Department of Industry, Trade and Commerce, Statistics Canada has made new calculations which provide a more comprehensive coverage of textile products. The new figures for the trade balance are now entirely consistent with those for imports, which was not the case in the 1981 Report.

Table 27

CANADIAN IMPORTS OF TEXTILES[1] FROM MAJOR SOURCES

in million dollars and percentage of total value

Sources	1980		1981	
	Value	%	Value	%
DEVELOPED COUNTRIES				
United States	994.4	60.5	1,108.6	59.3
Japan	76.9	4.7	107.0	5.7
Italy	64.9	4.0	75.0	4.0
United Kingdom	72.1	4.4	69.7	3.7
Germany, West	29.9	1.8	38.0	2.0
France	35.5	2.2	35.3	1.9
Sub-Total	1,273.7	77.6	1,433.6	76.7
LOW-COST SOURCES				
China, P.R.	48.8	3.0	62.1	3.3
Korea, South	43.1	2.6	59.3	3.2
Brazil	20.1	1.2	31.8	1.7
Taiwan	20.0	1.2	30.6	1.6
Hong Kong	20.1	1.2	22.8	1.2
India	27.6	1.7	21.5	1.2
Sub-Total	179.7	10.9	228.1	12.2
OTHER SOURCES	189.7	11.5	206.5	11.1
TOTAL ALL COUNTRIES	**1,643.1**	**100.0**	**1,868.2**	**100.0**

[1] Including floor coverings, hosiery and knitted fabrics.
SOURCE: Department of Industry, Trade and Commerce, based on Statistics Canada data.

In contrast, the proportions for clothing imports are reversed. Only slightly more than one fifth of the imports come from industrialized countries while somewhat less than four fifths are supplied by low-cost countries. (Table 28).

Close to two thirds of all primary textile imports are obtained from two countries only: United States (59.3 per cent) and Japan (5.7 per cent). Almost two thirds of total clothing imports come from only four sources: Hong Kong (23.8 per cent), Taiwan (16.9 per cent), South Korea (16.7 per cent) and People's Republic of China (5.8 per cent). These four countries together account for close to 85 per cent of all clothing imports from low-cost countries.

Table 28

CANADIAN IMPORTS OF CLOTHING[1] FROM MAJOR SOURCES

in million dollars and percentage of total value

Sources	1980		1981	
	Value	%	Value	%
DEVELOPED COUNTRIES				
United States	101.9	13.1	117.8	12.3
France	24.7	3.2	27.6	2.9
Italy	24.8	3.2	27.4	2.9
United Kingdom	19.5	2.5	18.5	1.9
Germany, West	7.7	1.0	8.2	0.9
Iceland	3.7	0.5	3.3	0.3
Sub-Total	182.3	23.5	202.8	21.2
LOW-COST SOURCES				
Hong Kong	189.3	24.3	226.8	23.8
Taiwan	124.9	16.1	161.3	16.9
Korea, South	106.3	13.7	159.1	16.7
China, P.R.	52.3	6.7	55.4	5.8
India	17.6	2.3	31.2	3.3
Philippines	11.2	1.4	19.6	2.1
Sub-Total	501.6	64.5	653.4	68.5
OTHER SOURCES	93.6	12.0	98.2	10.3
TOTAL ALL COUNTRIES	**777.5**	**100.0**	**954.4**	**100.0**

[1] Including knitted garments.
SOURCE: Department of Industry, Trade and Commerce, based on Statistics Canada data.

b) Rates of Utilization of Restraints

i) Restraints on Textile Products

In the presentation of data on utilization rates of restraints, the Board shows for each year the original restraints as stipulated in the bilateral agreements in force. These original restraint levels do not take into account subsequent adjustments attributable to the utilization of the flexibility provisions of the International Agreement. These include carry-over (utilizing in the current year a portion of the restraint not used in the preceding year), carry forward (using in the current year a portion of the following year's restraint, with an equivalent decrease in the latter) and substitution or swing (within a product group, exporting more than the restraint for one product when the restraint for another product in the group has not been fully utilized).

Each table will therefore contain for each complete year the original restraint level, the import permits issued against the restaint, and the restraint utilization rate as a percentage of the original restraint. In the 1981 Report the

adjusted restraints were shown, which may have confused a reader who was not completely familiar with the complexities of operations in international trade in textiles.

On a weight basis, the original restraints for textile products in 1981 were increased by 7.7 per cent over the 1980 level, and the permits issued, by 7.5 per cent or close to the same rate of increase as for the value of textile products imported from low-cost countries (this approximation is evidently a coincidence). The utilization rate has been 55.8 per cent of the original restraints. (Table 29). As shown in Table 29, the utilization rate for 1981 has been substantially less than for 1979, but slightly higher than in 1980.

Table 29 also shows that in 1981 imports of yarns from countries under restraint showed the greatest increase, 26 per cent, over 1980, followed in decreasing order by sheets and pillowcases (+17 per cent) and fabrics (+15 per cent). On the other hand, imports of miscellaneous textile products (which include cordage, ropes, twine, and coated fabrics) from restraining countries have decreased considerably (−54.7 per cent).

Work gloves, handbags of textiles and hosiery are among the "special" textile products subject to restraints. In 1981, work glove imports from restrained sources were 5 per cent lower than in 1980, while imports of both handbags and hosiery were 37 per cent higher. (Table 30). Restraint utilization rates reached 93 per cent in 1979. In 1981 the utilization rate of the original restraint was 65 per cent.

With regard to rates of utilization of restraints by countries, the highest rates have been attained by Taiwan, South Korea, and the People's Republic of China. Restraint utilization rates by products have been highest for acrylic yarns, worsted fabrics, towels and hosiery.

ii) Restraints on Clothing

Import permits issued against the restraints for clothing in 1981 reached close to 129 million units, or 12.6 per cent more than in 1980, and about the same amount as in 1979[1].

Table 31 shows that the restraint utilization rates by country were at the following levels: around 90 per cent: India and People's Republic of China; around 80 per cent: Taiwan, Hong Kong and Macao; around 60-70 per cent: South Korea and Philippines; and less than 60 per cent: all other countries including Hungary with 4.9 per cent and Bulgaria with 2.6 per cent.

With regard to utilization of restraints by major product groups, utilization rates of more than 80 per cent were attained for outerwear, pants and overalls, and underwear. All other product groups, including men's tailored collar shirts, had restraint utilization rates between 50 and 80 per cent. (Table 32).

[1] These import permits have been counted according to shipment dates. The effective dates of entry of the goods may differ from shipment dates by several weeks.

RESTRAINT LEVELS AND UTILIZATION RATES, TEXTILE PRODUCTS

levels in tonnes

Products	1979 Restraint level	1979 Permits issued against restraint	1979 Restraint utilization rate per cent	1980 Restraint level	1980 Permits issued against restraint	1980 Restraint utilization rate per cent	1981 Restraint level	1981 Permits issued against restraint	1981 Restraint utilization rate per cent
Yarns	2,182	1,610	73.7	2,432	1,448	59.5	2,477	1,824	73.6
Fabrics	8,052	6,499	80.7	8,916	4,943	55.4	9,735	5,689	58.4
Sheets and pillowcases	2,736	1,164	42.5	2,802	1,173	41.8	2,915	1,371	47.0
Towels	1,919	1,650	86.0	2,369	1,805	76.2	2,522	2,136	84.6
Other household products	2,360	788	33.3	2,634	841	31.9	2,934	880	29.9
Misc. textiles: cordage, rope, twine; coated fabrics	1,567	1,250	79.8	1,602	1,274	79.5	1,760	577	32.8
TOTAL	**18,816**	**12,961**	**68.8**	**20,755**	**11,484**	**55.3**	**22,343**	**12,477**	**55.8**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

adjusted restraints were shown, which may have confused a reader who was not completely familiar with the complexities of operations in international trade in textiles.

On a weight basis, the original restraints for textile products in 1981 were increased by 7.7 per cent over the 1980 level, and the permits issued, by 7.5 per cent or close to the same rate of increase as for the value of textile products imported from low-cost countries (this approximation is evidently a coincidence). The utilization rate has been 55.8 per cent of the original restraints. (Table 29). As shown in Table 29, the utilization rate for 1981 has been substantially less than for 1979, but slightly higher than in 1980.

Table 29 also shows that in 1981 imports of yarns from countries under restraint showed the greatest increase, 26 per cent, over 1980, followed in decreasing order by sheets and pillowcases (+17 per cent) and fabrics (+15 per cent). On the other hand, imports of miscellaneous textile products (which include cordage, ropes, twine, and coated fabrics) from restraining countries have decreased considerably (−54.7 per cent).

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With regard to rates of utilization of restraints by countries, the highest rates have been attained by Taiwan, South Korea, and the People's Republic of China. Restraint utilization rates by products have been highest for acrylic yarns, worsted fabrics, towels and hosiery.

ii) Restraints on Clothing

Import permits issued against the restraints for clothing in 1981 reached close to 129 million units, or 12.6 per cent more than in 1980, and about the same amount as in 1979[1].

Table 31 shows that the restraint utilization rates by country were at the following levels: around 90 per cent: India and People's Republic of China; around 80 per cent: Taiwan, Hong Kong and Macao; around 60-70 per cent: South Korea and Philippines; and less than 60 per cent: all other countries including Hungary with 4.9 per cent and Bulgaria with 2.6 per cent.

With regard to utilization of restraints by major product groups, utilization rates of more than 80 per cent were attained for outerwear, pants and overalls, and underwear. All other product groups, including men's tailored collar shirts, had restraint utilization rates between 50 and 80 per cent. (Table 32).

[1] These import permits have been counted according to shipment dates. The effective dates of entry of the goods may differ from shipment dates by several weeks.

RESTRAINT LEVELS AND UTILIZATION RATES, TEXTILE PRODUCTS

levels in tonnes

Products	1979 Restraint level	1979 Permits issued against restraint	1979 Restraint utilization rate per cent	1980 Restraint level	1980 Permits issued against restraint	1980 Restraint utilization rate per cent	1981 Restraint level	1981 Permits issued against restraint	1981 Restraint utilization rate per cent
Yarns	2,182	1,610	73.7	2,432	1,448	59.5	2,477	1,824	73.6
Fabrics	8,052	6,499	80.7	8,916	4,943	55.4	9,735	5,689	58.4
Sheets and pillowcases	2,736	1,164	42.5	2,802	1,173	41.8	2,915	1,371	47.0
Towels	1,919	1,650	86.0	2,369	1,805	76.2	2,522	2,136	84.6
Other household products	2,360	788	33.3	2,634	841	31.9	2,934	880	29.9
Misc. textiles: cordage, rope, twine; coated fabrics	1,567	1,250	79.8	1,602	1,274	79.5	1,760	577	32.8
TOTAL	**18,816**	**12,961**	**68.8**	**20,755**	**11,484**	**55.3**	**22,343**	**12,477**	**55.8**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

RESTRAINT LEVELS AND UTILIZATION RATES, WORK GLOVES, HANDBAGS AND HOSIERY

levels in thousands of units

Products	1979			1980			1981		
	Restraint level	Permits issued against restraint	Restraint utilization rate per cent	Restraint level	Permits issued against restraint	Restraint utilization rate per cent	Restraint level	Permits issued against restraint	Restraint utilization rate per cent
Work gloves	20,976	20,788	99.1	25,775	16,226	63.0	28,072	15,434	55.0
Handbags of textiles	5,417	3,023	55.8	5,708	2,898	50.8	6,043	3,968	65.6
Hosiery	9,667	9,779	101.2	9,958	6,908	69.4	10,256	9,466	92.3
TOTAL	**36,060**	**35,590**	**93.2**	**41,441**	**26,032**	**62.8**	**44,371**	**28,868**	**65.0**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

RESTRAINT LEVELS AND UTILIZATION RATES BY COUNTRY, CLOTHING

levels in thousands of units

Country of origin	1979			1980			1981		
	Restraint	Permits issued	Percentage utilization	Restraint	Permits issued	Percentage utilization	Restraint	Permits issued	Percentage utilization
Taiwan	49,884	43,535	87.3	51,538	37,234	72.2	53,265	43,767	82.2
Hong Kong	37,230	34,164	91.8	38,318	32,459	84.7	39,449	31,807	80.6
Korea, South	33,711	24,345	72.2	34,607	18,437	53.3	35,539	24,865	70.0
China, P.R.	14,196	18,052	127.2	14,746	14,374	97.5	17,345	15,472	89.2
India	0	0	0	4,775	3,705	77.6	5,053	4,657	92.2
Philippines	4,180	3,697	88.4	4,450	2,809	63.1	4,739	2,959	62.4
Romania	2,625	2,342	89.2	2,702	1,460	54.0	2,804	1,429	51.0
Poland	1,515	1,267	83.6	1,567	598	38.2	1,620	886	54.7
Macao	924	693	75.0	997	741	74.3	1,057	865	81.8
Thailand	490	591	120.6	1,663	903	54.3	1,764	851	48.7
Singapore	1,945	488	25.1	2,062	868	42.1	2,185	842	38.5
Malaysia	0	0	0	1,425	612	42.9	1,499	450	30.0
Sri Lanka	0	0	0	924	484	52.4	666	378	56.8
Bulgaria	915	353	38.6	961	217	22.6	1,014	26	2.6
Hungary	40	68	170.0	40	23	57.5	41	2	4.9
TOTAL	**147,655**	**129,596**	**87.8**	**160,775**	**114,924**	**71.5**	**168,039**	**129,256**	**76.9**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

Table 32

RESTRAINT LEVELS AND UTILIZATION RATES BY PRODUCT, CLOTHING

levels in thousands of units

Product category	1979			1980			1981		
	Restraint	Permits issued	Percentage utilization	Restraint	Permits issued	Percentage utilization	Restraint	Permits issued	Percentage utilization
1. Outerwear	3,074	2,894	94.1	3,118	2,435	78.1	3,181	2,594	81.5
2. Pants, shorts, overalls, coveralls	20,201	18,147	89.8	21,319	16,056	75.3	22,807	18,873	82.8
3. Shirts, tailored collar, men's and boys'	12,351	13,358	108.2	14,242	11,957	84.0	14,501	11,448	78.9
4. Blouses, shirts, T-shirts, and sweatshirts	50,686	46,387	91.5	56,308	39,335	69.9	58,902	45,985	78.1
5. Sweaters, pullovers, cardigans	26,071	18,669	71.6	26,375	17,799	67.5	26,876	21,037	78.3
6. Sleepwear	4,661	4,873	104.5	4,916	3,242	65.9	5,486	3,736	68.1
7. Dresses, skirts, coordinates	9,703	5,924	61.1	11,732	5,509	47.0	12,453	6,573	52.8
8. Underwear	8,525	8,983	105.4	8,870	9,514	107.3	9,230	7,999	86.7
9. Swimwear, foundation garments	4,055	3,558	87.7	4,298	2,926	68.1	4,556	3,231	70.9
10. Coats, jackets, rainwear	6,020	4,408	73.2	7,135	4,041	56.6	7,415	5,864	79.1
11. Fine suits, sports-coats	496	568	114.5	510	356	69.8	531	349	65.7
12. Leather coats	112	12	10.7	115	14	12.2	119	77	64.7
13. Children's clothing: categories above apply to all ages as specified in the agreements except in Philippines agreement where restraint is:	1,700	1,813	106.6	1,836	1,738	94.7	1,983	1,491	75.2
TOTAL	**147,655**	**129,596**	**87.8**	**160,775**	**114,924**	**71.5**	**168,039**	**129,256**	**76.9**

SOURCE: Textile and Clothing Board, based on data provided by the Department of External Affairs.

In 1981 the overall rate of restraint utilization (76.9 per cent of original restraints) was significantly higher than the 71.5 per cent recorded in 1980, but was appreciably less than the 87.8 per cent rate attained in 1979.

c) Stuctural Aspects of Textile Imports

In the 1981 Report, four headings were discussed under this title, notably the geographical distribution of imports, the "openness" of industrialized country markets to imports of textile products from low-cost countries, the importance of the Canadian market to the major clothing exporting countries and the share of different categories of importers in imports of clothing in Canada.

In the present Report, the geographical distribution of imports has been discussed in the section on "Imports, Exports and Balance of Trade". Also, having established last year that for all major clothing exporting countries the Canadian market was only a minor outlet never taking more than 3 per cent of their total textile exports, there is no need to elaborate further on this subject. Trade patterns evolve only gradually and in one year, no major change can have occurred. Canada remains a minor outlet. The task of the Canadian negotiators of bilateral agreements remains just as difficult as before. Their bargaining power is limited in comparison to the position of negotiators for major powers such as the United States and the European Economic Community, each of whom absorbs between 30 and 35 per cent of the textile exports of the major exporting countries. In the meantime, since January 1st 1982, when the new Arrangement Regarding International Trade in Textiles came into force, the international rules governing bilateral agreements have been somewhat loosened up, giving way to negotiations instead.

For these reasons, this section therefore contains only the international comparison of the "openness" of national markets and the share by different categories of importers of the imports of clothing.

i) International Comparison of the "Openness" of National Markets

In terms of value of imports per capita, Canada has traditionally occupied a middle position among the highly industrialized countries which apply quantitative restraint measures on textile imports. In 1980 however, textiles had a very poor year. Not only did domestic production decline, but also, and quite substantially, did imports from both developed countries and low-cost countries.

Among 18 highly industrialized countries only Canada and Japan reported a decrease in imports in 1980. (Table 33). Because of this decrease Canada has slipped to the 13th position, down from an average 9th position in previous years. However, looking at the statistics on imports of clothing only, it can be seen that Canada ranks 9th for 1980 compared to 7th and 8th ranks for the preceding years. These statistics are for 1980 and since statistics for 1981 show a substantial increase in imports into Canada, there is reason to conclude that Canada will have returned in 1981 to its traditional position.

VALUE OF TEXTILE IMPORTS BY HIGHLY DEVELOPED COUNTRIES FROM LOW-COST COUNTRIES

United States dollars per capita

Country	Primary Textile Products				Clothing				Total			
	1975	1978	1979	1980	1975	1978	1979	1980	1975	1978	1979	1980
1. West Germany	4.92	8.29	11.14	13.18	19.27	32.53	42.05	50.00	24.19	40.82	53.19	63.19
2. Netherlands	6.68	10.41	13.49	15.50	22.21	34.89	41.74	44.66	28.89	45.30	55.23	60.15
3. Sweden	8.67	9.14	12.06	14.47	20.84	28.42	35.05	41.87	29.51	37.56	47.11	56.34
4. Denmark	7.70	11.88	15.67	16.70	13.22	23.03	30.42	34.89	20.92	34.91	46.09	51.59
5. Switzerland	3.49	5.39	6.79	11.57	12.81	27.43	28.77	36.34	16.30	32.82	35.56	47.91
6. New Zealand	21.10	35.44	44.25	44.46	0.85	0.74	1.28	2.34	21.95	36.18	45.53	46.81
7. Australia	12.40	21.26	26.65	29.60	10.50	16.23	14.97	16.47	22.90	37.49	41.62	46.07
8. Belgium-Luxembourg	7.76	11.72	17.77	22.57	6.86	11.36	14.28	17.76	14.62	23.08	32.06	40.32
9. United Kingdom	4.64	7.60	10.03	8.81	10.26	15.35	22.11	24.08	14.90	22.95	32.14	32.90
10. Norway	4.42	5.87	7.47	9.53	12.78	17.51	17.63	22.42	17.20	23.38	25.09	31.95
11. United States	2.28	4.12	4.24	4.91	9.30	22.65	23.05	25.73	11.58	26.77	27.29	30.64
12. Austria	4.02	7.22	8.60	12.35	6.53	9.59	13.97	17.20	10.55	16.80	22.57	29.55
13. Canada	4.88	7.25	9.47	9.23	11.74	16.25	20.40	20.00	16.62	23.50	29.87	29.23
14. Finland	4.88	5.96	10.05	12.78	4.17	5.74	8.97	14.09	9.05	11.70	19.02	26.87
15. France	3.04	5.03	7.29	8.34	4.32	7.07	11.22	14.89	7.36	12.10	18.51	23.23
16. Japan	4.05	8.69	11.58	8.56	3.17	7.13	10.02	8.11	7.22	15.82	21.59	16.67
17. Ireland	4.47	7.31	10.27	9.36	0.78	3.00	4.78	6.19	5.25	10.31	15.05	15.55
18. Italy	2.79	4.86	9.15	10.33	1.12	1.91	2.98	4.91	3.91	6.77	12.13	15.24

SOURCE: Textile and Clothing Board, based on U.N. Trade Statistics (International Trade Data Bank).

ii) Share of Different Categories of Importers in Imports of Clothing

The 1981 Report presented a study on clothing imports of large importers (500,000 units or more) by category of importers. It covered imports from all sources, including industrialized countries as well as countries subject to quantitative restraints.

This study showed that during the period 1975-1980 more than half of all clothing imports were brought in by professional importing firms. The other half consisted of direct imports divided almost evenly between retailers and manufacturers. Since 1978 the share of imports brought in by professional importing firms has been declining while the shares of the other two groups have been increasing. In addition, it has been mentioned that the unit value for goods imported by retailers was higher than for professional importing firms, which indicated that the latter were concentrating on imports of more standard items in low price ranges.

Since the study covered only large importers, its results could not be extrapolated to small and medium size importers. Therefore, in order to prove or disprove the results obtained, the Board decided to undertake a much more complete study of imports by category of importers. With the assistance of Statistics Canada this new study was carried out for the period 1978-1981 and covered all importers having brought in 1,000 units or more of clothing in any single year.

The much greater coverage of the study has brought up problems which did not occur when only large importers were studied: it was the difficulty in identifying the major activity of numerous importers, and also the fact that from one year to the next, a number of importers disappeared and new ones appeared. As a result the new study identifies a new quite heterogeneous category of "other" importers, which includes manufacturers, retailers, importers, firms for which textiles are not the main activity and other firms which have ceased to exist or could not be identified accurately.

The results for the "other" category will not be discussed here. However, comprehensive data for this category are given in Appendices I-1 to I-4. Importers of 1,000 or more units of clothing account for 93 per cent of total clothing imports.

The study shows that in unit terms professional importing firms accounted for the majority of transactions, and that in 1981 their share of total imports approached 60 per cent. (Table 34).

This result differs slightly from last year's result covering only imports by large importers. The share of professional importing firms is now larger, and that of retail stores smaller than was the case in the study of large importers. This tends to demonstrate that there are many smaller professional importing firms while smaller retail stores are somewhat less active in imports than large department stores or specialized chain stores. Such a result was predictable, since importing is an onerous activity involving considerable costs which

Table 34

SHARE DISTRIBUTION OF CLOTHING IMPORTS BY CATEGORY OF IMPORTERS

per cent based on units imported

Category of importers	1978	1979	1980	1981
Professional importing firms	67.6	65.0	61.6	59.5
Retail stores	13.8	15.3	15.8	18.2
Clothing manufacturers	18.6	19.7	22.6	22.3
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Textile and Clothing Board, based on Statistics Canada data.

smaller retail stores cannot afford unless they are highly specialized. Medium size and smaller retail stores will therefore rely more than large retailers on the services of professional importing firms.

However, the trends detected in the 1981 Report tend to be confirmed: the share of total imports held by professional importing firms is decreasing from year to year while the shares of retail stores and manufacturers are increasing.

In terms of value instead of units, the share distribution of imports is similar to the preceding one but at different levels. The import share held in this case by professional importing firms is close to 52 per cent, and in unit terms, amounts to 60 per cent. The shares of imports held by retail stores and manufacturers continue to increase. (Table 35).

Table 35

SHARE DISTRIBUTION OF CLOTHING IMPORTS BY CATEGORY OF IMPORTERS

per cent of value of imports

Category of importers	1978	1979	1980	1981
Professional importing firms	60.3	57.6	53.5	51.5
Retail stores	18.8	19.6	20.5	22.3
Clothing manufacturers	20.9	22.8	26.0	26.2
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**

SOURCE: Textile and Clothing Board, based on Statistics Canada data.

As noted last year, professional importing firms apparently import large volumes of standardized clothing items in low price ranges. Clothing manufacturers and, to a greater extent, retail stores generally tend to import clothing items in higher price ranges. (Table 36).

Table 36

WEIGHTED AVERAGE UNIT VALUE OF IMPORTS BY CATEGORY OF IMPORTERS
in dollars

Category of importers	1978	1979	1980	1981
Professional importing firms	2.86	3.43	3.86	4.02
Retail stores	4.37	4.98	5.79	5.70
Clothing manufacturers	3.60	4.48	5.12	5.47

SOURCE: Textile and Clothing Board, based on Statistics Canada data.

In 1981 the average unit value of clothing imported by retail stores was 42 per cent higher than for imports by professional importing firms. Similarly, the average unit value of clothing imported by manufacturers was 36 per cent higher than for imports by professional importing firms.

Appendix Table I-3 shows however that what holds true for all clothing imports does not necessarily do so for each import category. For example clothing manufacturers import the most expensive pants and the lowest priced men's suits, sport jackets and blazers. By contrast, professional importing firms import the most expensive men's suits and jackets. Retailers import leather coats and jackets with the highest unit values while manufacturers concentrate on the lowest prices for these imports.

The preceding comments indicate that the import market is a competitive market with three groups of participants. However, this competition is moderated to some extent by the fact that importers specialize according to price ranges of imports.

8 — Apparent Canadian Markets for Textiles and Clothing

The apparent Canadian market for any one product is obtained by adding the quantities of the product which have been imported to those shipped by Canadian producers, and subtracting the export shipments of the latter.

The statistics on apparent Canadian markets for textile products are collected by the Textile and Consumer Products Branch of the Department of Industry, Trade and Commerce. The data on clothing are obtained from an annual survey of a sample of firms carried out by the Textile and Clothing Board. The Board is publishing this information in a separate document from the Annual Report.

The apparent markets of only six of the fifteen categories of textile products showed some expansion in 1981. Domestic shipments (excluding exports) increased for five categories while imports increased in nine. (Table 37). The situation improved for Canadian producers with regard to polyester fabrics, cotton and polyester-cotton fabrics, rayon fabrics, polyester-cotton

yarns and polyester filament yarns. In contrast, the situation deteriorated seriously for wool fabrics (with shipments by Canadian producers decreasing about 10 per cent while imports increased 24.5 per cent)[1], towels and washcloths, worsted spun acrylic yarns, pillowcases and coated fabrics. Nylon filament yarns also experienced a poor year.

Table 37

VARIATIONS IN APPARENT MARKETS, DOMESTIC SHIPMENTS AND IMPORTS OF PRIMARY TEXTILE PRODUCTS BETWEEN 1980 AND 1981

per cent

Products	Apparent market	Domestic shipments (net of exports)	Total imports
Polyester fabrics	15.5	28.6	7.1
Cotton and polyester-cotton fabrics, corduroys and denims	14.6	21.4	8.4
Polyester-cotton yarns	5.8	6.1	5.0
Woollen and worsted fabrics	5.6	−9.8	24.5
Towels and washcloths	4.3	−7.0	23.5
Acrylic yarns (worsted spun)	−0.3	−5.6	10.4
Pillowcases	−0.7	−6.3	11.2
Rayon fabrics	−0.9	3.3	−12.5
Sheets	−5.3	−7.0	—
Nylon fabrics	−8.8	−4.7	−17.7
Coated fabrics	−9.5	−19.3	2.5
Polyester filament yarns	4.1	7.2	−5.6
Nylon filament yarns	−15.1	−22.2	11.3
Cotton yarns	−21.5	−15.7	−27.6
Acetate rayon filament yarns	−27.8	−24.8	−49.4

SOURCE: Department of Industry, Trade and Commerce, Textile and Consumer Products Branch.

Under these conditions, the share of the apparent market held by domestic shipments has decreased for the most part. Shipments of wool fabrics by Canadian producers represented less than 50 per cent of the apparent Canadian market. (Table 38).

The situation is similar for the four categories of "special" products. Domestic producers of these products have succeeded in increasing their share of the market in the cordage, rope and twine category only, while their shares were decreasing for the other three. The apparent market for handbags of textiles increased by about 18 per cent while domestic shipments increased

[1] Data on wool fabrics partly reflect the effects of the cessation of activities of a major producer of worsted fabrics in November 1980.

Table 38

SHARES OF APPARENT MARKETS FOR PRIMARY TEXTILES HELD BY DOMESTIC SHIPMENTS AND IMPORTS

per cent

Products	1979		1980		1981	
	Domestic shipments	Imports	Domestic shipments	Imports	Domestic shipments	Imports
All yarns[1]	68	32	73	27	72	28
Acrylic yarns (worsted spun)	64	36	67	33	63	37
All fabrics[2]	45	55	48	52	49	51
Cotton and polyester-cotton fabrics, corduroys and denims	39	61	48	52	50	50
Woollen and worsted fabrics	52	48	55	45	47	53
Sheets	78	22	75	25	74	26
Pillowcases	61	39	68	32	64	36
Towels and washcloths	59	41	63	37	56	44

[1] Excludes cotton spun acrylic yarns, and spun yarns of rayon, nylon and polyester.
[2] Excludes coated fabrics.
SOURCE: Department of Industry, Trade and Commerce, Textile and Consumer Products Branch.

11 per cent, and imports, 23 per cent. (Table 39). The situation in the work glove market has continued to deteriorate, with the share held by domestic producers falling to 38 per cent in 1981, compared to 41 per cent in 1980.

As shown previously, the situation of the clothing industry deteriorated significantly in 1981. Table 40 demonstrates this clearly: in 1981, the apparent market for clothing increased by 2 per cent, shipments by domestic producers dropped 3 per cent, total imports rose 17 per cent and imports of restrained products from countries subject to restraints increased by 21 per cent[1]. It must be remembered that these data are based on units and not on value, and are therefore not influenced by price increases.

The apparent market increased for 11 of the 18 categories of clothing while there was a decrease for the other seven categories. Domestic shipments increased in six categories, remained unchanged in two, and decreased in the other ten categories. Total imports and imports from countries subject to restraints increased in 15 categories and decreased in three.

Professional importing firms increased their imports by 13 per cent, clothing manufacturers, by 15 per cent and retail stores, by 34 per cent. Thus, professional importing firms were the group which showed the least increase in imports.

[1] The difference between this rate of increase of 21 per cent and that of import permits issued (12.6 per cent) is due mainly to products entered at the start of 1981 against permits issued at the end of 1980. Permits covering products shipped amounted in 1980 to 4 million more units than imports actually entered in 1980. Conversely, actual imports entered in 1981 amounted to about 4 million more units than the permits issued for imports shipped.

Table 39

VARIATIONS IN APPARENT MARKETS, DOMESTIC SHIPMENTS AND IMPORTS OF "SPECIAL" TEXTILE PRODUCTS, AND MARKET SHARES OF DOMESTIC SHIPMENTS AND IMPORTS

VARIATIONS IN APPARENT MARKETS, DOMESTIC SHIPMENTS AND IMPORTS

per cent

Products	Apparent market 1981/80	Domestic shipments net of exports 1981/80	Total imports 1981/80
Hosiery	0.0	−3.9	11.2
Cordage, rope and twine	−1.7	7.8	−5.2
Handbags	17.6	11.4	22.9
Work gloves	−1.8	−8.9*	3.0

SHARES OF APPARENT MARKETS HELD BY DOMESTIC SHIPMENTS AND IMPORTS

per cent

	1979		1980		1981	
Products	Domestic shipments	Imports	Domestic shipments	Imports	Domestic shipments	Imports
Hosiery	65	35	73	27	71	29
Cordage, rope and twine	24	76	27	73	29	71
Handbags	40	60	46	54	43	57
Work gloves	42	58	41	59	38	62

* Estimate.

SOURCE: Department of Industry, Trade and Commerce, Textile and Consumer Products Branch, and Textile and Clothing Board.

As a result of the overall decline in domestic shipments, the share of apparent markets held by domestic producers has diminished. In 1980, the overall share of domestic producers in terms of units amounted to 72 per cent, while the share of imports was 28 per cent. In 1981, domestic producers supplied 68 per cent of the domestic market, and imports, 32 per cent.

The share of domestic shipments in 1981 decreased for 13 categories of clothing, remained unchanged for three, and increased in two categories only. (Table 41).

Table 40

VARIATIONS IN APPARENT MARKETS, DOMESTIC SHIPMENTS AND IMPORTS OF CLOTHING FROM 1979 TO 1981

per cent

Clothing category	Apparent market		Domestic shipments net of exports		Total imports		Imports from restrained sources	
	80/79	81/80	80/79	81/80	80/79	81/80	80/79	81/80
Raincoats	9	−18	35	−17	−7	−18	−30	39
Other men's shirts	7	−6	15	−24	−15	60	−11	41
Pants, shorts, overalls	4	4	10	−9	−13	12	−5	12
Underwear	2	−8	3	−10	−8	7	13	6
Women's sportswear, dresses	1	5	5	—*	−12	26	−4	38
Sweaters	—*	10	−6	4	6	15	8	16
Pyjamas and sleepwear	−1	5	9	1	−34	26	−36	21
Men's shirts with tailored collars	−3	−3	2	−4	−10	−3	−15	−2
Foundation garments	−3	4	−1	3	−23	8	−28	20
T-shirts and sweatshirts	−3	3	22	−3	−21	11	−26	22
Children's and infants' wear[1]	−5	16	3	6	−23	46	−27	62
Jackets, overcoats and topcoats	−6	12	−17	−4	19	37	23	57
Structured suits and jackets	−10	−8	−6	−3	−26	−29	−30	−30
Leather coats and jackets	−10	14	−10	11	−16	69	0	333
Swimsuits	−10	12	−12	16	−7	5	−21	8
Women's blouses and shirts	−13	13	19	—*	−32	27	−31	32
Outerwear	−22	−8	−5	−13	−49	6	−49	3
Unstructured suits	−37	−8	3	−42	−53	23	−62	−13
All clothing categories	**−2**	**2**	**5**	**−3**	**−16**	**17**	**−16**	**21**

[1] Children's and infants'—includes outerwear, pants, slacks, shorts, overalls, coveralls, pyjamas and sleepwear, dresses, skirts, suits, co-ordinates, short sets, sweaters, pullovers, cardigans. (All 0–6X).

*Negligible.

SOURCE: Textile and Clothing Board.

Table 41

SHARES OF APPARENT MARKETS FOR CLOTHING HELD BY DOMESTIC SHIPMENTS AND IMPORTS

per cent

Clothing category	Domestic shipments			Total imports		
	1979	1980	1981	1979	1980	1981
Raincoats	40	49	49	60	51	51
Other men's shirts	74	79	65	26	21	35
Pants, shorts, overalls	72	77	74	28	23	26
Underwear .	87	88	87	13	12	13
Women's sportswear, dresses	76	79	75	24	21	25
Sweaters	48	45	43	52	55	57
Pyjamas and sleepwear	77	85	82	23	15	18
Men's shirts with tailored collars	57	60	60	43	40	40
Foundation garments	88	90	90	12	10	10
T-shirts and sweatshirts	41	53	49	59	47	51
Children's and infants' wear[1]	68	74	67	32	26	33
Jackets, overcoats, topcoats	69	60	52	31	40	48
Structured suits and jackets	80	83	87	20	17	13
Leather coats and jackets	95	95	93	5	5	7
Swimsuits	61	60	62	39	40	38
Women's blouses and shirts	37	50	44	63	50	56
Outerwear	61	74	70	39	26	30
Unstructured suits	29	48	30	71	52	70
All clothing categories	**68**	**72**	**68**	**32**	**28**	**32**

[1] Children's and infants'—includes outerwear, pants, slacks, shorts, overalls, coveralls, pyjamas and sleepwear, dresses, skirts, suits, co-ordinates, short sets, sweaters, pull-overs, cardigans. (All 0–6X).

SOURCE: Textile and Clothing Board.

II — Results of the Survey on Age of Equipment in the Textile and Clothing Industries and in Contracting Firms

The survey on age of equipment, undertaken initially in early 1981, has been repeated during the first half of 1982 for the following reasons: firstly, the Board wanted to find out the extent to which the investment intentions formulated at the beginning of 1981 for that year have been implemented; secondly, the Board wanted to ascertain the investment intentions for 1982 by type of equipment; and lastly, the Board wanted to modify the composition of its sample to take into account the disappearance of a number of firms.

With regard to the sample for the textile industry, the changes in 1981 and in early 1982 occurred mainly in the worsted fabric sector. Since the end of 1980, only one major producer of worsted fabrics remains in Canada. The survey results for both worsted and woolen fabric sub-sectors have therefore been grouped together to maintain confidentiality of data. This year, the Board has added producers of knitted fabrics to its sample. Even though knitted fabrics are not included at present in the list of products subject to restraints they have been included in the past and have been the subject of several Board reports. With the addition of knitted fabrics, coverage of the primary textile industry by the equipment survey is almost complete.

The 1982 sample of the textile and "special" products industry now covers 97 firms out of a total of 230, or somewhat more than one third of the firms. These 97 firms account for some 85 per cent of the textile products made and more than two thirds of the "special" products made. (Table 1).

In the clothing industry sample, some firms which have ceased production since last year have been replaced, and some additional firms have been included to improve the geographical distribution of the sample. The latter now covers 301 firms, or 11 more than last year. These 301 firms account for approximately two thirds of all shipments by the clothing industry. (Table 2).

The survey results for the textile industry likely reflect the true situation of the industry as a whole since the sample firms often account for almost all the production of their sub-sectors. However, and as mentioned in the 1981 Report, a sample of 301 firms out of 1,400 in the clothing industry brings up some problems because of the fact that practically all the major firms are included while smaller establishments are under-represented. Since medium size and large firms often have a stronger financial structure, more comprehensive

Table 1

SAMPLE USED IN THE SURVEY OF EQUIPMENT IN THE TEXTILE INDUSTRY
in numbers and per cent

Sectors	Number of firms in sector	Number of firms in the sample	Share of total shipments held by sample firms
Acrylic yarns (cotton spun)	4	4	100
Acrylic yarns (worsted spun)	6	5	98
Cotton and polyester-cotton yarns	3	3	100
Rayon, polyester, nylon yarns	18	9	77
Cotton and polyester-cotton fabrics, corduroys and denims	3	2	83
Woollen and worsted fabrics	9	6	95
Rayon, nylon, polyester fabrics	19	9	76
Coated fabrics	5	3	95
Sheets and pillowcases	2	2	100
Towels	3	3	100
Knitted fabrics	57	25	67
Cordage, rope and twine	21	7	91
Hosiery	45	14	58
Work gloves	27	8	62
Handbags (of textiles)	22	10	90
TOTAL	244	110	
Firms producing in more than one sector	14	13	
NET TOTAL	**230**	**97**	

SOURCE: Textile and Clothing Board.

technical knowledge and greater production volume allowing them to acquire sophisticated equipment than is the case for smaller firms, the survey results for the clothing industry are inherently biased to project a pattern of age of equipment probably more optimistic than is actually the case.

1 — Age of Equipment in the Textile Industry

Investment in equipment in all industries is normally governed by stringent economic criteria. The main aspects of investment strategy in the textile industry have been described in the 1981 Report and there is no need to repeat them here. It need only be remembered that in comparison with the other textile industry sectors, the primary textile sector generally uses heavier and costlier equipment for which the pay-back period and eventual replacement is spread over a longer time frame. The rate at which equipment is renewed will therefore be slower than in the "special" textile products or the clothing subsectors.

Table 2

SAMPLE USED IN THE SURVEY OF EQUIPMENT IN THE CLOTHING INDUSTRY

in numbers and per cent

Sectors	Number of firms in the sample[1]		Share of total shipments held by sample firms	
	1980	1981	1980	1981
Outerwear	21	23	84	85
Pants, overalls, coveralls	45	46	63	63
Unstructured suits and sport jackets[2]	—	—	90	53
Women's blouses and shirts, T-shirts and sweatshirts	26	28	71	77
Pyjamas and sleepwear	23	27	56	56
Raincoats	4	2	41	46
Women's sportswear, dresses, skirts and suits	51	54	47	47
Foundation garments	7	6	89	89
Swimwear	6	8	67	68
Underwear	15	15	64	66
Jackets, overcoats and topcoats	18	22	53	54
Structured suits and jackets	14	17	64	69
Leather coats and jackets	8	6	16	15
Men's shirts	27	22	57	62
Sweaters, pullovers and cardigans	25	25	53	55
TOTAL	**290**	**301**	**62**	**64**

[1] Firms whose major product falls within sector.

[2] Unstructured suits and sport jackets are the products of manufacturers whose main product is in another sector.

SOURCE: Textile and Clothing Board.

Any investment process, and the textile industry is no exception, involves making a series of decisions or trade-offs. New machines are often much more productive than older types and necessitate realignments in production capacities in both upstream and downstream processes. In addition, there are technical limitations to any machine, even the most sophisticated: it may be very good at making some products, but it will not completely replace existing equipment because, for instance, of limitations on the sizes or types of yarns which it can produce. Important trade-offs must also be considered in balancing accquisition costs against productivity gains and product quality. Again, another trade-off must be made between high speed equipment for a limited product range and the more versatile equipment which may be slower but is capable of producing a wide range of products of varying constructions at different quality levels.

Table 3 summarizes the results of the survey on age of equipment in the primary textile industry. As a whole these results are similar to those obtained

Table 3

AGE OF EQUIPMENT IN THE TEXTILE INDUSTRY[1]

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Cards	*Number*	38	220	452	132	265	1,107	71	39	2
	Per cent	(3)	(20)	(41)	(12)	(24)	(100)			
Ring spinning										
— Frames	*Number*	225	569	1,122	211	108	2,235	19	28	17
	Per cent	(10)	(26)	(50)	(9)	(5)	(100)			
— Spindles	*Number*	57,556	142,654	325,754	56,816	29,592	612,372	n/a*	n/a*	n/a*
	Per cent	(10)	(23)	(53)	(9)	(5)	(100)			
Open-end spinning										
— Frames	*Number*	—	—	—	45	37	82	13	2	2
	Per cent	—	—	—	(55)	(45)	(100)			
— Rotors	*Number*	—	—	—	4,700	6,704	11,404	n/a*	n/a*	n/a*
	Per cent	—	—	—	(41)	(59)	(100)			
REPCO spinning										
— Frames	*Number*	—	—	—	—	67	67	—	25	—
	Per cent	—	—	—	—	(100)	(100)			
Total, spinning frames	*Number*	225	569	1,122	256	212	2,384	32	55	19
	Per cent	(9)	(24)	(47)	(11)	(9)	(100)			

AGE OF EQUIPMENT IN THE TEXTILE INDUSTRY[1]

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Ring spinning frames	*% of Total*	(100)	(100)	(100)	(82)	(51)	(94)			
Open-end spinning frames	*% of Total*	—	—	—	(18)	(17)	(3)			
REPCO spinning frames	*% of Total*	—	—	—	—	(32)	(3)			
Winders										
— Machines	*Number*	12	12	252	127	74	477	52	63	16
	Per cent	(2)	(2)	(53)	(27)	(16)	(100)			
— Spindles	*Number*	1,406	696	6,843	3,589	2,035	14,569	n/a*	n/a*	n/a*
	Per cent	(10)	(5)	(47)	(24)	(14)	(100)			
Twisters										
— Machines	*Number*	29	49	187	48	58	371	18	13	8
	Per cent	(8)	(13)	(50)	(13)	(16)	(100)			
— Spindles	*Number*	4,352	7,600	28,172	6,770	6,360	53,254	n/a*	n/a*	n/a*
	Per cent	(8)	(14)	(53)	(13)	(12)	(100)			
Texturing										
— Machines	*Number*	—	—	33	34	38	105	1	21	3
	Per cent	—	—	(31)	(32)	(36)	(100)			
— Positions	*Number*	—	—	5,219	7,056	7,536	19,811	n/a*	n/a*	n/a*
	Per cent	—	—	(26)	(36)	(38)	(100)			

AGE OF EQUIPMENT IN THE TEXTILE INDUSTRY[1]

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Looms										
— Shuttle	*Number*	1,970	1,415	5,480	1,002	405	10,272	—	—	12
	Per cent	(19)	(14)	(53)	(10)	(4)	(100)			
— Shuttleless	*Number*	—	—	216	1,093	602	1,911	311	294	119
	Per cent	—	—	(11)	(57)	(32)	(100)			
Total looms	*Number*	1,970	1,415	5,696	2,095	1,007	12,183	311	294	131
	Per cent	(16)	(12)	(47)	(17)	(8)	(100)			
Shuttle looms	*1 of Total*	(100)	(100)	(96)	(48)	(40)	(84)			
Shuttleless looms	*% of Total*	—	—	(4)	(52)	(60)	(16)			
Dyeing and printing	*Number*	37	124	236	142	69	608	21	9	20
	Per cent	(6)	(20)	(39)	(23)	(11)	(100)			
Other	*Number*	17	89	259	133	227	725	64	143	69
	Per cent	(2)	(12)	(36)	(18)	(31)	(100)			
Total, all types	***Number***	**2,328**	**2,478**	**8,237**	**2,967**	**1,950**	**17,960**	**570**	**637**	**268**
	Per cent	**(13)**	**(14)**	**(46)**	**(16)**	**(11)**	**(100)**			

[1] Does not include coated fabrics; knitted fabrics; hosiery; cordage, rope and twine; handbags; work gloves; all of which use different types of equipment.

* Not available.

SOURCE: Textile and Clothing Board.

in last year's survey since for the most part the same pieces of equipment have been surveyed in both cases. There were approximately 18,000 machines surveyed in both years. In early 1981, 28 per cent of the machines were 20 or more years old, 48 per cent 10 to 19 years old, and 24 per cent less than 10 years old. In early 1982 the proportions were slightly modified: 27 per cent of the equipment was 20 or more years old, 46 per cent 10 to 19 years old, and 27 per cent less than 10 years old. In 1981 alone, 637 new pieces of equipment were installed, that is, 11.8 per cent more than the number planned at the start of 1981.

Two factors explain this difference between planned and actual expenditures within a relatively short period of less than a year. On the one hand, equipment manufacturers' waiting lists for their clients (often as long as 12, 18 and 24 months) can change in a period of decline in textile activity: orders on hand are cancelled or deliveries are postponed at the buyer's request, and this allows other buyers to move up on the waiting list and obtain their equipment sooner. On the other hand, textile plants which cease to produce or restructure their operations sell all or part of their equipment to the highest bidder. These therefore constitute opportunities to acquire relatively new equipment at only a fraction of the prices of similar brand new equipment sold by equipment manufacturers. According to information available to the Board, this second factor has been important in 1981.

Do such second-hand equipment purchases distort the survey results? Would a used machine purchased in 1981 from another plant be considered as a new machine? According to the method used, the results of the survey are not distorted: used machinery will appear in the column for machinery installed in 1981, but in terms of age it will appear in the column corresponding to the year of its manufacture. For example, a machine manufactured in 1976 and purchased second-hand in 1981 will be listed in the column for machines installed in 1981 and in the column for machines 5 to 9 years old.

For 1982, the number of machines to be installed is appreciably lower than the number of machines installed in 1981: instead of 637 machines installed in 1981 there are plans to install only 268 in 1982. Obviously the severe recession which started in the Fall of 1981 has adversely affected all the firms in the sample and as a result their investment plans have been considerably reduced.

The unit cost of equipment installed in 1981 is given in Table 4. In general, and as expected in a period of substantial price increases, the unit price of new pieces of equipment which have been installed has risen. However, there are some erratic price movements, with some unit values showing a large drop. Such cases manifestly involve different pieces of equipment from those installed last year, that is, machines of much lower production capacity than those acquired in 1980, or else second-hand machines.

Within the textile industry the sectors producing coated fabrics and knitted fabrics utilize production equipment which is very different from the one used

Table 4

AVERAGE COST OF NEW EQUIPMENT INSTALLED IN 1981 IN THE TEXTILE INDUSTRY

thousand dollars

Type of machine	Average cost per unit in 1981
Cards	75.0
Ring spinning frames	160.0
Rotor spinning frames	300.0
Winders	60.0
Twisters	120.0
Texturing machines	95.0
Shuttleless looms	70.0
Dyeing and printing equipment	60.0
Other equipment	80.0
Weighted cost, all machines	**75.0**

SOURCE: Textile and Clothing Board.

for spinning and weaving. In the 1981 Report very little was said about the coated fabric sector, and nothing at all about the knitted fabric sector.

The coated fabric manufacturers produce very little base fabrics. Most of them purchase their fabrics and limit their activities to coating, embossing, dyeing and finishing of the fabrics. The knitting equipment of the only coating firm producing knitted base fabric for its own use has been placed in the "other equipment" category since no other firm possesses such equipment and therefore no comparison can be made.

Coated fabrics must meet rigid specifications since they have highly specialized end uses. The most important quality requirement is the perfect uniformity of the coating layer. There will thus be a tendency in the sector to invest much more in electronic control equipment than in basic equipment: computer assisted scanning equipment controls the quality of the product and can be attached to the very durable and expensive basic production equipment.

In this industry sector, 48 per cent of the equipment is 20 or more years old, 18 per cent 10 to 19 years old, and 34 per cent less than 10 years old. (Table 5). In general the basic equipment (coating, embossing and drying and calendering) is relatively old while control equipment is more recent.

The knitted fabric sector has benefitted from numerous technological advances to the point where some time ago it appeared that this sector would be able to substitute its products for woven fabrics in a large number of end uses. The equipment of this sector is not only extremely rapid but also very versatile, being capable of producing a wide range of products from making plain jerseys to imitating lace.

AGE OF EQUIPMENT IN THE COATED FABRIC INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Calenders	*Number*	3	5	1	1	—	10	—	—	1
	Per cent	(30)	(50)	(10)	(10)	—	(100)			
Embossing	*Number*	6	3	1	—	2	12	—	—	—
	Per cent	(50)	(25)	(8)	—	(17)	(100)			
Coating	*Number*	11	4	5	4	4	28	—	—	2
	Per cent	(39)	(14)	(18)	(14)	(14)	(100)			
Curing	*Number*	2	1	—	—	—	3	—	—	—
	Per cent	(67)	(33)	—	—	—	(100)			
Dyeing	*Number*	2	3	—	—	—	5	—	—	—
	Per cent	(40)	(60)	—	—	—	(100)			
Other	*Number*	7	3	12	2	21	45	—	6	5
	Per cent	(15)	(7)	(27)	(4)	(47)	(100)			
Total, all types	***Number***	**31**	**19**	**19**	**7**	**27**	**103**	**—**	**6**	**8**
	Per cent	**(30)**	**(18)**	**(18)**	**(7)**	**(27)**	**(100)**			

SOURCE: Textile and Clothing Board.

Because of the rapid advances in technology in this sector, the equipment installed in the plants of Canadian knitters is relatively new. Of the more than 2,300 machines in the sector, 11 per cent only are 20 or more years old, 30 per cent 10 to 19 years old, and 59 per cent less than 10 years old. (Table 6). These results also hold for the two major groups of knitting machines, circular knitting machines and warp knitting machines. For these two groups of machines, 15 and 7 per cent respectively are 20 or more years old, 23 and 38 per cent 10 to 19 years old, and 62 and 55 per cent less than 10 years old.

It will be noted that knitting machines usually have a shorter useful life than looms or spinning equipment. The amortization period for most of the machines utilized in the production of knitted fabrics is 15 years, as compared to 25 years for the majority of equipment in spinning and weaving.

In comparison with 1981, investment intentions for 1982 show a significant decrease. Compared to 146 machines purchased in 1981 at a total cost of $3.2 millions, the equipment purchasing intentions for 1982 amount to 50 machines only at a total cost of $2.3 millions.

2 — Age of Equipment in the "Special" Products Sub-Sectors

Under this heading are regrouped the survey results on age of equipment of producers of cordage, rope and twine, hosiery, work gloves and handbags of textiles. The products of all of these sub-sectors are subject to quantitative restraints, and are produced on specialized equipment very different from that found in primary textile sectors.

The equipment utilized by cordage, rope and twine producers is heavy, durable and expensive. During the last twenty years, and particularly in the last ten, the producers have effected total or partial conversion of their operations from the natural fibres used in the past, to man-made fibres. In these cases the key piece of production equipment is now the extruding machine costing from $600,000 to one million dollars.

As a result of this conversion the cordage, rope and twine sector has two generations of machines: traditional ones for processing natural fibres, and those adapted to the production of cordage, rope and twine of synthetic fibres. The age of equipment reflects this polarization: equipment 20 or more years old accounts for 43 per cent of the total, equipment 10 to 19 years old, 9 per cent only, and more recent equipment less than 10 years old, 48 per cent. (Table 7).

In 1981, the sector has acquired more equipment than originally intended: 70 pieces of equipment at a cost of $1.7 million, instead of 17 pieces. In 1982, there are no plans to purchase extruding machines. Purchasing intentions are limited to 15 pieces of light equipment at a total cost of $35,000. The recession is therefore hitting directly at the investment intentions of the sector.

AGE OF EQUIPMENT IN THE KNITTED FABRIC INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Winders										
— Machines	*Number*	1	3	8	—	4	16	—	—	—
	Per cent	(6)	(19)	(50)	—	(25)	(100)			
— Spindles	*Number*	64	18	570	—	213	865	—	—	—
	Per cent	(7)	(2)	(66)	—	(25)	(100)			
Warpers	*Number*	1	6	3	24	4	38	—	—	—
	Per cent	(3)	(16)	(8)	(63)	(10)	(100)			
Single knit	*Number*	116	56	131	134	99	536	—	13	12
	Per cent	(22)	(10)	(24)	(25)	(19)	(100)			
Double knit	*Number*	—	8	76	353	68	505	—	2	—
	Per cent	—	(2)	(15)	(70)	(13)	(100)			
Interlock	*Number*	—	—	10	—	34	44	—	—	—
	Per cent	—	—	(23)	—	(77)	(100)			
Sliver knit	*Number*	—	—	53	27	26	106	—	2	3
	Per cent	—	—	(50)	(25)	(25)	(100)			
Total, circular knitting	*Number*	116	64	270	514	227	1,191	—	17	15
	Per cent	(10)	(5)	(23)	(43)	(19)	(100)			
Tricot	*Number*	—	8	130	68	106	312	—	20	2
	Per cent	—	(2)	(42)	(22)	(34)	(100)			

Because of the rapid advances in technology in this sector, the equipment installed in the plants of Canadian knitters is relatively new. Of the more than 2,300 machines in the sector, 11 per cent only are 20 or more years old, 30 per cent 10 to 19 years old, and 59 per cent less than 10 years old. (Table 6). These results also hold for the two major groups of knitting machines, circular knitting machines and warp knitting machines. For these two groups of machines, 15 and 7 per cent respectively are 20 or more years old, 23 and 38 per cent 10 to 19 years old, and 62 and 55 per cent less than 10 years old.

It will be noted that knitting machines usually have a shorter useful life than looms or spinning equipment. The amortization period for most of the machines utilized in the production of knitted fabrics is 15 years, as compared to 25 years for the majority of equipment in spinning and weaving.

In comparison with 1981, investment intentions for 1982 show a significant decrease. Compared to 146 machines purchased in 1981 at a total cost of $3.2 millions, the equipment purchasing intentions for 1982 amount to 50 machines only at a total cost of $2.3 millions.

2 — Age of Equipment in the "Special" Products Sub-Sectors

Under this heading are regrouped the survey results on age of equipment of producers of cordage, rope and twine, hosiery, work gloves and handbags of textiles. The products of all of these sub-sectors are subject to quantitative restraints, and are produced on specialized equipment very different from that found in primary textile sectors.

The equipment utilized by cordage, rope and twine producers is heavy, durable and expensive. During the last twenty years, and particularly in the last ten, the producers have effected total or partial conversion of their operations from the natural fibres used in the past, to man-made fibres. In these cases the key piece of production equipment is now the extruding machine costing from $600,000 to one million dollars.

As a result of this conversion the cordage, rope and twine sector has two generations of machines: traditional ones for processing natural fibres, and those adapted to the production of cordage, rope and twine of synthetic fibres. The age of equipment reflects this polarization: equipment 20 or more years old accounts for 43 per cent of the total, equipment 10 to 19 years old, 9 per cent only, and more recent equipment less than 10 years old, 48 per cent. (Table 7).

In 1981, the sector has acquired more equipment than originally intended: 70 pieces of equipment at a cost of $1.7 million, instead of 17 pieces. In 1982, there are no plans to purchase extruding machines. Purchasing intentions are limited to 15 pieces of light equipment at a total cost of $35,000. The recession is therefore hitting directly at the investment intentions of the sector.

AGE OF EQUIPMENT IN THE KNITTED FABRIC INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Winders										
— Machines	*Number*	1	3	8	—	4	16	—	—	—
	Per cent	(6)	(19)	(50)	—	(25)	(100)			
— Spindles	*Number*	64	18	570	—	213	865	—	—	—
	Per cent	(7)	(2)	(66)	—	(25)	(100)			
Warpers	*Number*	1	6	3	24	4	38	—	—	—
	Per cent	(3)	(16)	(8)	(63)	(10)	(100)			
Single knit	*Number*	116	56	131	134	99	536	—	13	12
	Per cent	(22)	(10)	(24)	(25)	(19)	(100)			
Double knit	*Number*	—	8	76	353	68	505	—	2	—
	Per cent	—	(2)	(15)	(70)	(13)	(100)			
Interlock	*Number*	—	—	10	—	34	44	—	—	—
	Per cent	—	—	(23)	—	(77)	(100)			
Sliver knit	*Number*	—	—	53	27	26	106	—	2	3
	Per cent	—	—	(50)	(25)	(25)	(100)			
Total, circular knitting	*Number*	116	64	270	514	227	1,191	—	17	15
	Per cent	(10)	(5)	(23)	(43)	(19)	(100)			
Tricot	*Number*	—	8	130	68	106	312	—	20	2
	Per cent	—	(2)	(42)	(22)	(34)	(100)			

AGE OF EQUIPMENT IN THE KNITTED FABRIC INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Raschel	*Number*	—	19	40	35	35	129	—	4	10
	Per cent	—	(15)	(31)	(27)	(27)	(100)			
Simplex	*Number*	—	5	2	4	—	11	—	—	—
	Per cent	—	(46)	(18)	(36)	—	(100)			
Other warp	*Number*	2	—	—	—	—	2	—	—	—
	Per cent	(100)	—	—	—	—	(100)			
Total, warp knitting	*Number*	2	32	172	107	141	454	—	24	12
	Per cent	—*	(7)	(38)	(24)	(31)	(100)			
Total, all knitting	*Number*	118	96	442	621	368	1,645	—	41	17
	Per cent	(7)	(6)	(27)	(38)	(22)	(100)			
Dyeing and printing	*Number*	6	17	79	30	17	149	—	4	6
	Per cent	(4)	(11)	(53)	(20)	(12)	(100)			
Drying and curing; tenter frames	*Number*	1	2	27	31	21	82	—	—	2
	Per cent	(1)	(2)	(33)	(38)	(26)	(100)			
Other finishing	*Number*	—	2	39	41	24	106	—	5	2
	Per cent	—	(2)	(37)	(39)	(22)	(100)			
Other	*Number*	21	1	90	66	108	286	—	96	13
	Per cent	(7)	—	(32)	(23)	(38)	(100)			
Total, all types	***Number***	**148**	**127**	**688**	**813**	**546**	**2,322**	—	**146**	**50**
	Per cent	**(6)**	**(5)**	**(30)**	**(35)**	**(24)**	**(100)**			

* Negligible.

SOURCE: Textile and Clothing Board.

AGE OF EQUIPMENT IN THE CORDAGE, ROPE AND TWINE INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Extruders	*Number*	—	—	3	11	4	18	2	1	—
	Per cent	—	—	(17)	(61)	(22)	(100)			
Twisters	*Number*	7	32	34	20	72	165	10	44	12
	Per cent	(4)	(19)	(21)	(12)	(44)	(100)			
Braiders	*Number*	193	—	—	62	127	382	2	23	2
	Per cent	(51)	—	—	(16)	(33)	(100)			
Winders	*Number*	34	13	13	42	5	107	—	—	1
	Per cent	(32)	(12)	(12)	(39)	(5)	(100)			
Rope systems	*Number*	—	15	17	5	22	59	3	1	—
	Per cent	—	(25)	(29)	(9)	(37)	(100)			
Other	*Number*	30	32	8	9	17	96	—	1	—
	Per cent	(31)	(33)	(8)	(10)	(18)	(100)			
Total, all types	***Number***	**264**	**92**	**75**	**149**	**247**	**827**	**17**	**70**	**15**
	Per cent	**(32)**	**(11)**	**(9)**	**(18)**	**(30)**	**(100)**			

SOURCE: Textile and Clothing Board.

In terms of production methods and equipment used, the hosiery sector is closer to the clothing industry than to the textile industry. The normal amortization period of its equipment is 15 years, the same as for the clothing industry. The average price of its equipment amounts to less than $10,000, the most expensive pieces rarely exceeding $20,000.

The age distribution of equipment is as follows: 39 per cent of the machines are 20 or more years old, 31 per cent 10 to 19 years old, and 30 per cent less than 10 years old. (Table 8).

Planned investments in new equipment in 1982 reflect the depressed situation of the sector: the latter intends to acquire 45 pieces of equipment at a total cost of $274,000, as opposed to 1981 acquisitions of 231 machines at a total cost of $900,000.

Work glove manufacturers are subjected to very intense international competition, and those who manage to maintain production must have efficient equipment at their disposal. This applies also to producers of cordage and twine and of handbags of textiles, whose production supplies less than 50 per cent of the apparent Canadian market, as is the case for the work glove sector.

Again, this is a sector using relatively light and inexpensive equipment. With the exception of clicker die-cutting presses, no piece of equipment exceeds $20,000 — $25,000 in value.

The age distribution of installed equipment is as follows: 12 per cent of the equipment is 20 or more years old, 16 per cent 10 to 19 years old, and 72 per cent less than 10 years old. (Table 9).

In 1981 the work glove sector had planned to install 50 new machines at a total cost of $226,000. Actual installations were slightly less, with only 45 machines installed at a total cost of $186,000. For 1982, the plans are more modest: 10 new machines only are expected to be purchased at a total cost not exceeding $120,000.

Finally, with regard to the sector producing handbags of textiles, this is also a sector using light production equipment similar to that of the clothing industry. Its equipment appears to be in good condition: only 4 per cent of the machines are 20 or more years old, 30 per cent 10 to 19 years old, and 66 per cent less than 10 years old. One third of all the installed equipment is less than 5 years old. (Table 10).

In 1981 the handbag sector largely exceeded its investment plans. At the beginning of 1981 the producers intended to augment the number of machines by acquiring 17 new ones at a cost of $56,000. During that year they actually acquired 74 pieces of equipment at a total cost of $240,000.

In 1981 therefore, two of the four sectors making "special" textile products, cordage, rope and twine and handbags, have acquired a considerably higher number of pieces of equipment than originally planned. These are also the two

AGE OF EQUIPMENT IN THE HOSIERY INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Knitting	*Number*	414	1,131	943	438	599	3,525	126	200	43
	Per cent	(12)	(32)	(27)	(12)	(17)	(100)			
Boarding	*Number*	—	6	23	19	24	72	4	5	—
	Per cent	—	(8)	(32)	(27)	(33)	(100)			
Seaming	*Number*	—	6	91	29	27	153	7	11	2
	Per cent	—	(4)	(59)	(19)	(18)	(100)			
Turning	*Number*	—	1	—	9	20	30	1	3	—
	Per cent	—	(3)	—	(30)	(67)	(100)			
Other	*Number*	22	33	217	43	57	372	5	12	—
	Per cent	(6)	(9)	(58)	(12)	(15)	(100)			
Total, all types	***Number***	**436**	**1,177**	**1,274**	**538**	**727**	**4,152**	**143**	**231**	**45**
	Per cent	**(11)**	**(28)**	**(31)**	**(13)**	**(18)**	**(100)**			

SOURCE: Textile and Clothing Board.

AGE OF EQUIPMENT IN THE WORK GLOVE INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Clicker die-cutting presses	*Number*	—	13	41	18	21	93	—	2	1
	Per cent	—	(14)	(44)	(19)	(23)	(100)			
Sewing	*Number*	—	87	112	536	178	913	35	30	5
	Per cent	—	(10)	(12)	(59)	(19)	(100)			
Turners, formers, blockers	*Number*	—	6	23	19	28	76	1	6	2
	Per cent	—	(8)	(30)	(25)	(37)	(100)			
Knitting	*Number*	—	29	10	27	6	72	5	5	—
	Per cent	—	(40)	(14)	(38)	(8)	(100)			
Other	*Number*	—	3	5	6	6	20	9	2	2
	Per cent	—	(15)	(25)	(30)	(30)	(100)			
Total, all types	***Number***	—	**138**	**191**	**606**	**239**	**1,174**	**50**	**45**	**10**
	Per cent	—	**(12)**	**(16)**	**(52)**	**(20)**	**(100)**			

SOURCE: Textile and Clothing Board.

AGE OF EQUIPMENT IN THE HANDBAG INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	TOTAL	Number planned 1981	Number installed 1981	Number planned 1982
Clicker die-cutting presses	*Number*	—	—	22	22	22	66	1	11	5
	Per cent	—	—	(33)	(33)	(33)	(100)			
Sewing	*Number*	—	23	135	172	127	457	16	42	50
	Per cent	—	(5)	(29)	(38)	(28)	(100)			
Framing	*Number*	—	—	15	9	16	40	—	4	—
	Per cent	—	—	(38)	(22)	(40)	(100)			
Fusing, cementing	*Number*	—	5	29	17	42	93	—	12	—
	Per cent	—	(5)	(31)	(18)	(46)	(100)			
Other	*Number*	—	2	11	6	27	46	—	5	3
	Per cent	—	(4)	(24)	(13)	(59)	(100)			
Total, all types	***Number***	**—**	**30**	**212**	**226**	**234**	**702**	**17**	**74**	**58**
	Per cent	**—**	**(4)**	**(30)**	**(32)**	**(34)**	**(100)**			

SOURCE: Textile and Clothing Board.

sectors which succeeded in significantly increasing their shipments in 1981, the cordage, rope and twine sector by close to 8 per cent and the handbag sector by more than 11 per cent.

The general picture which emerges from the survey of age of equipment in the textile industry and in the "special" textile products sectors is shown in Table 11 in which is detailed, for each sub-sector, the proportion of equipment 10 or more years old, less than 10 years old, and less than 5 years old.

Table 11

AGE OF ALL MACHINES SURVEYED IN THE TEXTILE AND "SPECIAL" PRODUCTS SECTORS
per cent

Sectors	10 years and more	Less than 10 years	Less than 5 years
Acrylic yarns, worsted spun	35	65	46
Cotton and polyester-cotton yarns	76	24	15
Man-made yarns and blends (rayon, nylon, polyester, cotton-spun acrylic)	49	51	25
Man-made fabrics	70	30	15
Cotton and polyester-cotton fabrics, corduroys and denims	82	18	4
Woollen and worsted fabrics	64	36	8
Towels	70	30	20
Sheets and pillowcases	77	23	5
Coated fabrics	66	34	27
Dyeing and printing	61	39	12
Miscellaneous textile products	63	37	13
Total, all textile machinery above	**73**	**27**	**11**
Knitted fabrics	41	59	24
Cordage, rope and twine	52	48	30
Hosiery	69	31	18
Work gloves	28	72	20
Handbags (of textiles)	34	66	34

SOURCE: Textile and Clothing Board.

The results are shown separately in that Table for the textile industry proper, whose equipment is rather heavy and expensive, and the sub-sectors for "special" textile products whose equipment is lighter and less expensive. In fact this division is in line with the opinions of fiscal authorities regarding the useful life of equipment: in general, 25 years for the textile industry proper and 15 years for the other sectors. Therefore the expected renewal rate of equipment will vary appreciably depending whether a sub-sector of the textile industry is involved, or a sub-sector of "special" textile products. Nevertheless, the Table shows that two sub-sectors are exceptions to the rule: the worsted

spun acrylic yarn sub-sector, which by its nature is classed within the textile industry proper, displays in terms of investments a behaviour similar to the sub-sectors of "special" textile products, and conversely, the hosiery sub-sector which is part of the "special" products group but behaves in the same way as the textile industry proper when renewal of equipment is involved.

The age distribution of equipment in all the sub-sectors not specifically discussed in the text is shown in the Appendix Tables.

In general, the condition of production equipment, as judged by its age, has improved during 1981. Manufacturing firms have acquired new machines according to their needs and also according to what the general economic situation would allow. Other firms have disappeared or have been restructured: the modern equipment which they had was taken over by others, and their obsolete equipment has been eliminated.

In 1981, the age of the approximately 18,000 machines of the textile industry proper was as follows: 10 or more years, 73 per cent; less than 10 years, 27 per cent; less than 5 years, 11 per cent. The age distribution for 1980, as published in the 1981 Report, was as follows: 10 or more years, 76 per cent; less than 10 years, 24 per cent; less than 5 years, 7 per cent.

The current recession, which started in the fall of 1981, should result in a significant decrease in the renewal rate of equipment during 1982. If there were progress it would come more as a result of closing the less profitable plants and eliminating part of their equipment, than by making new investments.

3 — Age of Equipment in the Clothing Industry

Encouraged by some recovery in production during the first half of 1981, the clothing industry continued its modernization effort and in that year acquired about 5,000 pieces of equipment, an amount equivalent to 6 per cent of the total number of machines in place in the plants of the 301 clothing firms participating in the Board's survey and accounting for two thirds of all clothing produced in Canada. This 6 per cent renewal rate corresponds exactly to the required renewal rate in an industry whose equipment has an average economic life of fifteen years.

It is important to note the specific types of equipment for which the renewal rate is above average. This was the case in 1981 for marking and grading equipment, cutting equipment, specialized sewing machines, fusing equipment, conveyor systems and specialized pressing equipment. (Table 12). It is interesting to note that this list corresponds exactly with the enumeration in the 1981 Report of the types of equipment in which there have been significant technological advances. Of the specialized sewing machines in place in the industry, 12 per cent were acquired in 1981. Conveyor systems installed in 1981 represent 22 per cent of all the systems in place.

As to age distribution of all the equipment in place, the Table shows that in 1981, 5 per cent of the equipment was 20 or more years old, 22 per cent 10 to 19

AGE OF EQUIPMENT IN THE CLOTHING INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	Less than 10 years	TOTAL	Installed in 1981
Pattern marking and grading	*Number*	—	1	18	37	128	165	184	15
	Per cent	—	—*	(10)	(20)	(70)	(90)	(100)	(8)
Cutting room	*Number*	24	67	298	486	760	1,246	1,635	109
	Per cent	(1)	(4)	(18)	(30)	(47)	(76)	(100)	(7)
Plain sewing machines	*Number*	428	1,231	7,174	9,199	10,767	19,966	28,799	1,040
	Per cent	(1)	(4)	(25)	(32)	(38)	(69)	(100)	(4)
Specialized sewing machines	*Number*	35	164	1,763	3,294	6,057	9,351	11,313	1,376
	Per cent	—*	(1)	(16)	(29)	(54)	(83)	(100)	(12)
Total sewing machines	*Number*	463	1,395	8,937	12,493	16,824	29,317	40,112	2,416
	Per cent	(1)	(3)	(22)	(32)	(42)	(73)	(100)	(6)
Plain sewing machines as a % of total		(92)	(88)	(80)	(74)	(64)	(68)	(72)	(43)
Specialized sewing machines as a % of total		(8)	(12)	(20)	(26)	(36)	(32)	(28)	(57)
Fusing	*Number*	7	2	9	40	156	196	214	16
	Per cent	(3)	(1)	(4)	(19)	(73)	(92)	(100)	(7)
Material handling	*Number*	1	3	37	93	402	495	536	118
	Per cent	—*	(1)	(7)	(17)	(75)	(92)	(100)	(22)
Plain steam pressing equipment	*Number*	22	49	409	554	597	1,151	1,631	102
	Per cent	(1)	(3)	(25)	(34)	(37)	(71)	(100)	(6)

AGE OF EQUIPMENT IN THE CLOTHING INDUSTRY

numbers and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	Less than 10 years	TOTAL	Installed in 1981
Specialized steam pressing equipment	*Number*	—	12	187	208	704	912	1,111	87
	Per cent	—	(1)	(17)	(19)	(63)	(82)	(100)	(8)
Total pressing equipment	*Number*	22	61	596	762	1,301	2,063	2,742	189
	Per cent	(1)	(2)	(22)	(28)	(47)	(75)	(100)	(7)
Plain pressing equipment as a % of total		(100)	(80)	(69)	(73)	(46)	(56)	(59)	(54)
Specialized pressing equipment as a % of total		—	(20)	(31)	(27)	(54)	(44)	(41)	(46)
Circular knitting machines	*Number*	377	178	364	409	329	738	1,657	53
	Per cent	(23)	(11)	(22)	(24)	(20)	(44)	(100)	(3)
Flat knitting machines	*Number*	20	53	264	299	145	444	781	22
	Per cent	(3)	(7)	(34)	(37)	(19)	(57)	(100)	(3)
Total knitting machines	*Number*	397	231	628	708	474	1,182	2,438	75
	Per cent	(16)	(9)	(26)	(29)	(20)	(48)	(100)	(3)
Circular knitting machines as a % of total		(95)	(77)	(58)	(58)	(69)	(62)	(68)	(71)
Flat knitting machines as a % of total		(5)	(23)	(42)	(42)	(31)	(38)	(32)	(29)
Total, all types	***Number***	**914**	**1,760**	**10,523**	**14,619**	**20,045**	**34,664**	**47,861**	**2,938**
	Per cent	**(1)**	**(4)**	**(22)**	**(31)**	**(42)**	**(72)**	**(100)**	**(6)**

* Negligible.

SOURCE: Textile and Clothing Board.

years old, and 73 per cent less than 10 years old, the latter including 42 per cent less than 5 years old.

The age distribution of equipment by sub-sector of the clothing industry is summarized in Table 13. Specific data on the age of the various categories of equipment in each sub-sector are presented in the Appendices to this Report.

Table 13

AGE OF ALL MACHINES SURVEYED IN THE VARIOUS SECTORS OF THE CLOTHING INDUSTRY
per cent

Sectors	10 years and more	Less than 10 years	Less than 5 years
Ladies' dresses, skirts and sportwear	16	84	44
Pyjamas and sleepwear	19	81	37
Pants, shorts and overalls	22	78	47
Men's structured suits and jackets	23	77	43
Ladies' blouses, shirts, T-shirts and sweatshirts	23	77	50
Outerwear	24	76	43
Sweaters, pullovers and cardigans	26	74	41
Jackets, overcoats and topcoats	27	73	39
Swimwear	30	70	32
Leather coats and jackets	35	65	26
Underwear	40	60	37
Men's shirts	41	59	37
Raincoats	51	49	27
Foundation garments	59	41	25
Weighted percentage, 14 sectors	**28**	**72**	**42**

SOURCE: Textile and Clothing Board.

In comparison with the age distribution of equipment in 1980, the situation in 1981 indicates a slight improvement. In 1980, the age distribution was as follows: 10 years or more, 29 per cent; less than 10 years, 71 per cent; less than 5 years, 39 per cent. In 1981 the corresponding percentages were 28 per cent, 72 per cent and 42 per cent respectively. However, this change should be considered very cautiously. Because of the disappearance of 17 firms from the original sample, their replacement by other firms of the same sector, and the net addition of 11 firms to the sample, the results from year to year are not directly comparable. In fact, changes in the sample can, at the extreme, account for the totality of the improvement shown.

Equipment costs in 1981 showed a net increase over 1980 costs. The odd apparently lower prices do not represent true decreases in prices but rather result from the purchase of either simpler equipment or second hand machinery. (Table 14).

Table 14

AVERAGE COST OF EQUIPMENT INSTALLED IN THE CLOTHING INDUSTRY IN 1981

thousand dollars

Type of equipment	Average cost per unit in 1981
Pattern marking and grading equipment	102.7
Circular knitting machines	35.0
Conveyor systems	10.7
Flat knitting machines	37.2
Specialized steam pressing equipment	22.4
Fusing equipment	49.3
Ordinary steam pressing equipment	4.4
Cutting equipment	10.0
Specialized sewing machines	6.3
Ordinary sewing machines	2.4
Weighted average, all machines	**7.1**

SOURCE: Textile and Clothing Board.

A comparison of planned equipment purchases at the beginning of 1981 with actual purchases in the same year by the 273 firms,—which participated in last year's survey as well as this year's,—shows that the implementation of investment intentions has been remarkable. (Table 15). The 273 firms have acquired 2,816 pieces of equipment, compared to 2,177 planned acquisitions at the beginning of the year, or 29 per cent more at a total cost 14 per cent higher than planned. This increase indicates that these firms have taken advantage of opportunities to buy equipment in good condition from firms which failed or were reorganized. Overall however, actual investments were 12 per cent less than investment intentions announced at the beginning of 1981, although they allowed the acquisition of a larger number of machines than intended at first. This gap is attributable to the non-realization of the investment projects for non-specified equipment.

Investment intentions for 1982 cover all of the 301 firms in the survey at the beginning of 1982. All these firms have reported the number of machines acquired in 1981, with their acquisition costs, and all have also made known their investment projects.

As shown in Table 16, the recession has resulted in a considerable reduction in investment intentions in 1982. The 301 firms in the clothing industry sample plan to acquire in 1982 only one quarter of the number of machines acquired in 1981, at a total cost not exceeding one third of the expenditures in 1981. These firms also plan equipment purchases of unspecified nature of more than two million dollars. Even taking into account these unspecified projects, capital expenditures in 1982 would still remain 58 per cent below expenditures in 1981.

CLOTHING MANUFACTURERS' CAPITAL INVESTMENT ON EQUIPMENT, 1981 PLANNED VERSUS 1981 ACTUAL (EXCLUDING 28 NEW FIRMS ADDED IN 1981 SURVEY)

Type of equipment	Planned investment 1981		Actual investment 1981		Difference	
	No. of machines	Cost $	No. of machines	Cost $	No. of machines	Cost $
Pattern marking and grading	10	1,183,000	15	1,540,726	5	357,726
Cutting room	106	1,318,820	96	1,056,570	−10	−262,250
Sewing — plain	846	3,007,985	1,019	2,495,855	173	−512,130
Sewing — specialized	850	5,811,250	1,300	8,460,194	450	2,648,944
Fusing	13	195,175	16	788,636	3	593,461
Pressing — plain	133	2,067,940	94	420,502	−39	−1,647,438
Pressing — specialized	46	870,000	85	1,933,140	39	1,063,140
Material handling	128	1,254,550	118	1,267,206	−10	12,656
Knitting — circular	27	947,400	51	1,750,995	24	803,595
Knitting — flat	18	1,428,000	22	818,500	4	−609,500
Total specified	2,177	18,084,120	2,816	20,532,324	639	2,448,204
Total non-specified	14	5,168,916	—	—	−14	−5,168,916
Grand total	**2,191**	**23,253,036**	**2,816**	**20,532,324**	**625**	**−2,720,712**

SOURCE: Textile and Clothing Board.

CLOTHING MANUFACTURERS' CAPITAL INVESTMENT ON EQUIPMENT, 1981 ACTUAL VERSUS 1982 PLANNED (ALL FIRMS SURVEYED)

Type of equipment	Actual investment 1981		Planned investment 1982		Difference	
	No. of machines	Cost $	No. of machines	Cost $	No. of machines	Cost $
Pattern marking and grading	15	1,540,726	7	575,600	−8	−965,126
Cutting room	109	1,064,570	34	561,485	−75	−503,085
Sewing — plain	1,040	2,518,855	207	623,800	−833	−1,895,055
Sewing — specialized	1,376	8,660,194	355	2,355,634	−1,021	−6,304,560
Fusing	16	788,636	7	332,900	−9	−455,736
Pressing — plain	102	450,502	25	238,600	−77	−211,902
Pressing — specialized	87	1,950,840	12	92,000	−75	−1,858,840
Material handling	118	1,267,206	18	1,133,900	−100	−133,306
Knitting — circular	53	1,852,995	34	338,000	−19	−1,514,995
Knitting — flat	22	818,500	5	355,000	−17	−463,500
Total specified	2,938	20,913,024	704	6,606,919	−2,234	−14,306,105
Total non-specified	—	—	106	2,082,500	106	2,082,500
Grand total	**2,938**	**20,913,024**	**810**	**8,689,419**	**−2,128**	**−12,223,605**

SOURCE: Textile and Clothing Board.

4 — Age of Equipment of Contracting Firms

In the 1981 Annual Report the Board devoted a section to contracting firms and the particular problems of that group. The Board concluded that the contracting sector fulfilled a useful role because it allows the clothing manufacturers to concentrate their efforts on the choice of styles, on cutting and on sales of the product while leaving the organization of the sewing plant to a specialized contractor. In addition, manufacturers owning sewing plants could also go to contractors for additional production capacity when needed in periods of heavy demand for their products. Because of this supporting role which contractors are often called upon to play in the clothing production system, the Board also emphasized that contractors were very vulnerable and could easily be the first victims of a decline in production.

In fact, the recession which started in the second half of 1981 has had particularly severe effects on the contracting sector. Of the 78 contractors in the Board's sample at the beginning of 1981, 12 contractors, or 15 per cent of the sample, had disappeared one year later. At present, the Board's sample therefore consists of 66 firms only.

Such a major change has altered the composition of the sample in terms of size of contracting firms, and more importantly, in terms of type of product. The new composition of the sample by size of firms is as follows[1]: less than 20 employees, 17 per cent (20); 20 to 49 employees, 23 per cent (26); 50 to 99 employees, 33 per cent (31); 100 to 199 employees, 20 per cent (15); and more than 200 employees, 7 per cent (6). The new composition in terms of products is as follows: pants and jeans, 27 per cent (24); ladies' blouses and shirts, 26 per cent (18); men's shirts, 19 per cent (5); ladies' dresses and skirts, 9 per cent (26); men's jackets, 5 per cent (10); pyjamas and sleepwear, 5 per cent (4); swimwear, 4 per cent (1); overcoats and topcoats, 2 per cent (5); outerwear, 1 per cent (6). In contrast, the geographic distribution of the sample has been barely affected, most of the firms and most of the plant closings being situated in Québec.

As was determined last year, the equipment in place in contractors' plants is relatively recent. For the whole sample, 2 per cent only of the 6,098 machines in place are 20 or more years old, 10 per cent 10 to 19 years old, and 88 per cent less than 10 years old, including in the latter group 58 per cent which are less than 5 years old. (Table 17). Seven per cent of all machines were installed in 1981.

During 1981 contracting firms have acquired more equipment than originally planned, but at less than expected costs. In the same manner as other clothing firms, contractors took advantage of opportunities to acquire equipment in good condition from firms which were closing their plants or reorganizing their operations. (Table 18).

Planned acquisitions for 1982 are considerably less than for 1981.

[1] Data from the 1981 Report is shown in parentheses.

AGE OF EQUIPMENT IN CONTRACTING FIRMS

number and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	Less than 10 years	TOTAL	Installed in 1981
Pattern marking and grading	*Number*	—	—	—	3	3	6	6	—
	Per cent	—	—	—	(50)	(50)	(100)	(100)	—
Cutting room	*Number*	—	3	5	16	47	63	71	2
	Per cent	—	(4)	(7)	(23)	(66)	(89)	(100)	(3)
Plain sewing machines	*Number*	28	80	440	1,277	2,226	3,503	4,051	166
	Per cent	(1)	(2)	(11)	(32)	(54)	(86)	(100)	(4)
Specialized sewing machines	*Number*	2	11	103	360	1,026	1,386	1,502	211
	Per cent	—*	(1)	(7)	(24)	(68)	(92)	(100)	(14)
Total sewing machines	*Number*	30	91	543	1,637	3,252	4,889	5,553	377
	Per cent	(1)	(2)	(10)	(29)	(58)	(88)	(100)	(7)
Plain sewing machines as a % of total		(93)	(88)	(81)	(78)	(68)	(72)	(73)	(44)
Specialized sewing machines as a % of total		(7)	(12)	(19)	(22)	(32)	(28)	(27)	(56)
Fusing	*Number*	—	—	3	8	12	20	23	2
	Per cent	—	—	(13)	(35)	(52)	(87)	(100)	(9)

AGE OF EQUIPMENT IN CONTRACTING FIRMS
number and per cent

Type of equipment		More than 30 years	20-30 years	10-19 years	5-9 years	Less than 5 years	Less than 10 years	TOTAL	Installed in 1981
Material handling	*Number*	—	—	2	—	3	3	5	3
	Per cent	—	—	(40)	—	(60)	(60)	(100)	(60)
Plain steam pressing equipment	*Number*	1	2	30	83	103	186	219	10
	Per cent	—*	(1)	(14)	(38)	(47)	(85)	(100)	(5)
Specialized steam pressing equipment	*Number*	8	1	13	86	113	199	221	11
	Per cent	(4)	—*	(6)	(39)	(51)	(90)	(100)	(5)
Total pressing equipment	*Number*	9	3	43	169	216	385	440	21
	Per cent	(2)	(1)	(10)	(38)	(49)	(88)	(100)	(5)
Plain pressing equipment as a % of total		(11)	(67)	(70)	(49)	(48)	(48)	(50)	(48)
Specialized pressing equipment as a % of total		(89)	(33)	(30)	(51)	(52)	(52)	(50)	(52)
Total, all types	***Number***	**39**	**97**	**596**	**1,833**	**3,533**	**5,366**	**6,098**	**405**
	Per cent	**—***	**(2)**	**(10)**	**(30)**	**(58)**	**(88)**	**(100)**	**(7)**

* Negligible.
SOURCE: Textile and Clothing Board.

CLOTHING CONTRACTORS' CAPITAL INVESTMENT ON EQUIPMENT, 1981 PLANNED VERSUS 1981 ACTUAL

Type of equipment	Planned investment 1981		Actual investment 1981		Difference	
	No. of machines	Cost $	No. of machines	Cost $	No. of machines	Cost $
Cutting room	—	—	2	8,000	2	8,000
Sewing — plain	112	159,000	166	254,050	54	95,050
Sewing — specialized	165	864,205	211	750,880	46	−113,325
Fusing	4	30,500	2	27,050	−2	−3,450
Pressing — plain	7	7,800	10	24,718	3	16,918
Pressing — specialized	18	142,600	11	91,000	−7	−51,600
Material handling	1	25,000	3	1,050	2	−23,950
Total specified	307	1,229,105	405	1,156,748	98	−72,357
Total non-specified	—	457,500	—	—	—	−457,500
Grand total	**307**	**1,686,605**	**405**	**1,156,748**	**98**	**−529,857**

SOURCE: Textile and Clothing Board.

Clothing contractors are planning to acquire only one quarter of the equipment purchased in 1981, at a total cost of less than half the actual expenditures in 1981. (Table 19). Of greater importance is the fact that the purchase plans involve only sewing machines and pressing equipment, that is, basic equipment exclusively. With the current uncertainty in outlook, it is not surprising that contractors have been so modest in their plans. In all situations where the survival of the firm is in question, the defensive strategy of the firm is to minimize its financial obligations and maximize its liquidity reserves.

CLOTHING CONTRACTORS' CAPITAL INVESTMENT ON EQUIPMENT, 1981 ACTUAL VERSUS 1982 PLANNED

Type of equipment	Actual investment 1981		Planned investment 1982		Difference	
	No. of machines	Cost $	No. of machines	Cost $	No. of machines	Cost $
Cutting room	2	8,000	—	—	−2	−8,000
Sewing — plain	166	254,050	62	249,600	−104	−4,450
Sewing — specialized	211	750,880	35	219,000	−176	−531,880
Fusing	2	27,050	—	—	−2	−27,050
Pressing — plain	10	24,718	3	16,500	−7	−8,218
Pressing — specialized	11	91,000	2	35,000	−9	−56,000
Material handling	3	1,050	—	—	−3	−1,050
Total	**405**	**1,156,748**	**102**	**520,100**	**−303**	**−636,648**

SOURCE: Textile and Clothing Board.

Conclusion

The textile and clothing industries have been more seriously affected by the industrial cycle than manufacturing in general. A comparison of the indices of real domestic product for the first five months of 1981 and 1982 shows that output in manufacturing has declined by 11 per cent, against decreases of 22 per cent in textiles, 15 per cent in clothing and 12 per cent in knitting.

In the last thirty months they have experienced only one period of expansion of some ten months from the beginning of summer 1980 to spring 1981. The clothing and knitting sectors experienced only a modest expansion during that brief period. The recovery in the textile industry was slightly more pronounced.

This expansion period was preceded and followed by periods of decline, also of ten months' duration. The first one lasted from the end of summer 1979 to the beginning of summer 1980, and the second has been in progress since May-June 1981. Since production data is not available beyond April 1982 the duration of this second decline is still unknown.

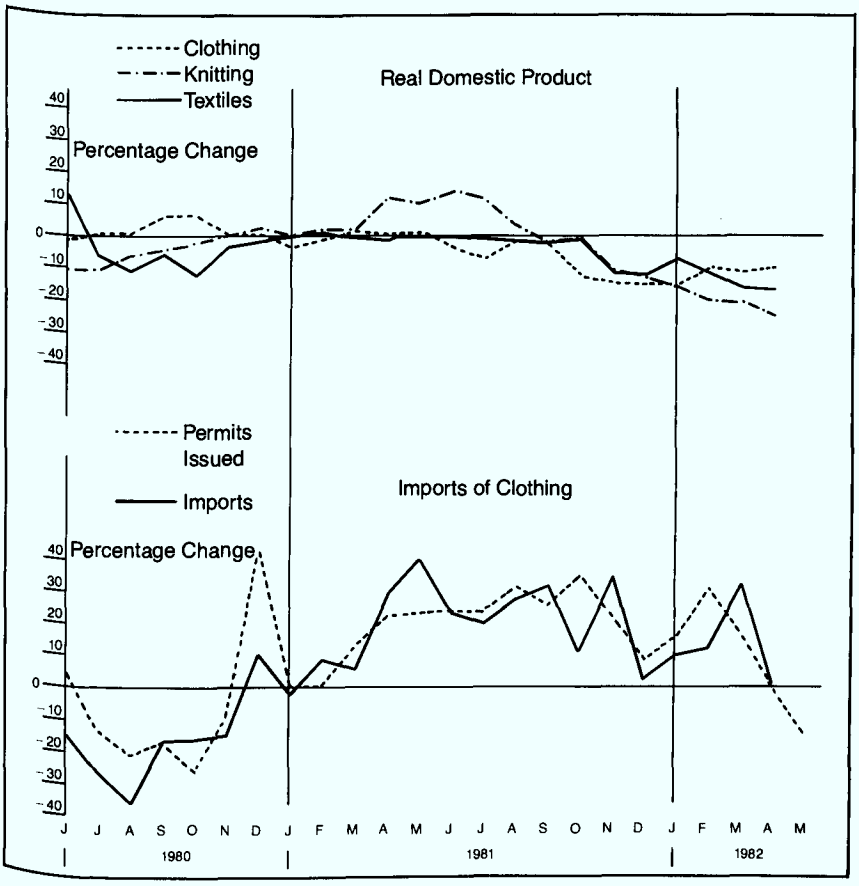
Graph 2 clearly illustrates the recent periods of expansion and decline in the textile cycle in terms of the rate of growth of the real domestic product of the three textile sectors. This Graph also demonstrates that the use of statistics on an annual basis instead of statistics on a monthly basis tends to obliterate the economic forces in action because, since 1979, parts of a period of expansion and a period of decline were present in each year. Finally, it also shows that fluctuations in imports and in import permits in units of clothing lag behind the production cycle by several months, and that the magnitude of the changes in imports is much more pronounced than for domestic production. The substantial growth in imports since October 1980 has prevented domestic producers from benefitting appreciably from the period of expansion of demand. The fact that imports were still growing at increasing rates until September-October 1981 while domestic production was already in full decline could only aggravate the situation of domestic producers. The three textile sectors were experiencing negative rates of growth since September 1981. Negative growth rates for imports and import permits appeared for the first time in April 1982. Such a considerable time lag between turning points in the production cycle and the import cycle can only have a depressing influence on Canadian producers. This time lag is mainly due to technical factors, primarily to the delay of several months which exists between overseas orders and their shipments.

A recession as pronounced as the one experienced by the textile and clothing industries in 1981-1982 must necessarily lead to a temporary halt in investments. Unused production capacities are too great, income flows of firms too low and interest rates too high to allow firms to pursue their efforts to renew equipment.

Graph 2

REAL DOMESTIC PRODUCT OF THE TEXTILE INDUSTRIES AND IMPORTS OF CLOTHING

changes over the same month of the previous year



Therefore, even with public programs, both federal and provincial, aimed at fostering investment in textile and clothing industries, 1982 will be a disappointing year in terms of new investment plans. These industries do not have at their disposal the means to finance capital expenditures of any importance. Only a significant recovery in demand for Canadian products would change the prospects of these industries, improve their income flows and their profitability, all of which are essential factors for recovery in investments.

Appendices
Part 1
Imports by Category of Importers

IMPORTS BY CATEGORY OF IMPORTERS BY CONTROL NUMBER IN UNITS OF CLOTHING

(firms importing 1000 units or more)

Year	No. of Firms	CONTROL CATEGORY 32 Winter Outerwear	37 Pants, Slacks	38 Unstructured Suits	39 Blouses	40 Pyjamas and Sleepwear	41 Raincoats	42 Dresses, Skirts, Coordinates, Ladies Suits	43 Foundation Garments	44 Swimsuits	45 Underwear	46 Outer Jackets	47 Structured Suits, Sportcoats Blazers	48 Leather Jackets	48 Shirts	50 Sweaters	Total for Category of Importer	Per cent Total Imports
									MANUFACTURERS									
1978	178	225,419	4,100,818	62,155	7,071,196	931,346	70,813	1,472,890	1,235,148	881,700	3,289,898	881,481	32,917	1,452	2,492,721	1,972,161	24,522,115	16.4
1979	200	453,240	4,353,330	85,236	6,801,687	1,092,645	195,113	1,547,109	1,446,180	721,868	4,125,717	1,011,197	197,638	7,501	2,870,640	1,964,264	26,873,365	17.3
1980	210	207,098	4,586,197	71,399	6,889,038	673,458	305,776	1,786,950	899,232	646,136	2,487,452	1,091,400	66,634	10,741	3,108,508	3,084,713	25,914,732	20.0
1981	214	331,831	4,410,131	67,856	6,230,312	949,852	194,458	2,291,245	1,466,964	480,695	3,078,677	1,871,354	80,009	13,971	4,408,896	3,962,059	29,838,310	19.5
									RETAILERS									
1978	274	174,408	3,135,783	38,659	4,998,587	686,550	95,085	1,641,247	189,360	288,834	1,428,402	581,632	88,184	16,873	1,650,456	3,139,107	18,153,167	12.1
1979	296	370,666	2,863,155	36,573	5,800,185	988,422	57,538	2,231,659	261,336	272,952	1,317,188	589,851	42,634	17,290	2,155,980	3,832,977	20,838,386	13.4
1980	320	336,288	2,306,617	32,278	4,749,308	724,611	64,814	1,555,551	173,268	338,954	1,246,342	732,474	44,461	12,306	2,320,230	3,447,156	18,084,658	13.9
1981	305	192,994	3,246,254	44,299	6,803,509	1,000,977	150,376	2,232,430	196,164	307,880	1,993,761	1,054,360	61,049	10,930	2,509,051	4,496,226	24,300,262	15.8
									IMPORTERS/WHOLESALERS									
1978	310	900,758	13,207,904	202,032	34,089,447	2,581,143	994,204	5,448,176	110,148	1,098,184	5,674,968	1,989,519	413,664	6,419	8,788,053	13,583,352	89,087,971	59.7
1979	341	1,340,136	12,960,494	220,921	30,947,616	3,691,169	1,213,311	6,933,660	456,688	1,614,785	6,883,288	2,683,583	484,821	7,609	8,853,212	10,466,524	88,759,817	57.1
1980	335	790,243	10,395,383	82,436	21,325,377	2,241,189	1,075,569	5,590,259	605,268	1,603,089	7,472,045	2,740,188	432,213	1,736	7,138,958	9,137,821	70,631,724	54.5
1981	333	742,895	12,235,328	77,690	26,469,627	2,444,325	825,332	6,625,263	181,680	1,977,898	7,746,824	3,444,568	193,195	2,514	6,382,388	10,187,743	79,537,270	51.8
									OTHER									
1978	566	141,768	1,397,117	49,910	6,237,393	119,213	309,276	2,067,053	138,732	113,232	1,869,199	586,553	74,572	6,887	858,788	3,879,295	17,648,988	11.8
1979	650	111,504	2,065,934	106,887	7,076,674	143,004	151,496	2,609,040	143,652	105,739	1,208,215	620,540	51,780	9,428	1,640,903	3,003,997	19,048,773	12.2
1980	651	66,126	2,644,028	24,304	4,096,077	142,637	193,556	1,732,741	145,212	94,899	1,202,211	724,338	36,527	8,416	1,374,772	2,639,656	15,125,500	11.6
1981	653	108,850	3,198,991	64,682	6,214,718	476,552	184,239	2,584,312	116,100	78,834	927,700	872,213	35,901	35,538	1,621,327	3,229,481	19,749,236	12.9

IMPORTS BY CATEGORY OF IMPORTERS
BY CONTROL NUMBER
BY VALUE (FIRMS IMPORTING 1000 UNITS OR MORE)

values in thousands of dollars

Year	No. of Firms	CONTROL CATEGORY 32 Winter Outerwear	37 Pants, Slacks	38 Unstructured Suits	39 Blouses	40 Pyjamas and Sleepwear	41 Raincoats	42 Dresses, Skirts, Coordinates, Ladies Suits	43 Foundation Garments	44 Swimsuits	45 Underwear	46 Outer Jackets	47 Structured Suits, Sportcoats Blazers	48 Leather Jackets	49 Shirts	50 Sweaters	Total for Category of Importer[1]	Per cent Total Imports
									MANUFACTURERS									
1978	178	2,740	24,869	612	18,424	2,828	649	9,667	2,121	1,988	1,461	6,467	522	60	7,146	8,925	88,207	18.2
1979	200	6,799	26,020	1,453	23,459	3,598	1,413	11,527	2,910	2,204	1,985	12,717	3,898	283	11,489	10,578	120,337	19.7
1980	210	3,566	29,761	1,160	22,221	2,901	3,487	15,866	1,898	2,708	1,416	13,866	1,538	406	13,383	18,510	132,699	22.5
1981	214	4,917	26,505	824	26,469	3,904	1,888	20,738	2,791	1,766	2,166	22,840	2,041	557	20,236	25,541	163,190	22.3
									RETAILERS									
1978	274	1,861	11,091	483	12,412	2,576	568	15,054	495	686	1,474	6,858	2,592	1,852	4,892	16,519	79,410	16.4
1979	296	5,141	11,391	549	18,303	4,140	665	19,025	710	846	1,462	9,332	1,198	1,879	7,906	21,241	103,795	17.1
1980	320	4,822	12,016	472	17,610	3,334	900	17,544	632	934	1,410	9,929	1,529	1,365	9,819	22,462	104,786	17.9
1981	305	3,345	17,158	554	25,509	4,785	1,019	23,730	720	995	2,367	13,032	1,679	1,052	11,588	30,894	138,440	18.9
									IMPORTERS/WHOLESALERS									
1978	310	9,937	39,003	2,447	64,050	6,141	3,410	32,858	252	2,226	3,926	13,700	10,945	468	20,364	44,799	254,534	52.6
1979	341	18,897	47,869	2,959	70,389	9,415	4,350	39,654	1,036	3,325	4,648	23,216	14,912	459	24,678	38,338	304,157	50.0
1980	335	10,555	41,350	1,445	55,955	6,568	4,014	36,430	1,435	3,406	5,059	23,602	15,003	110	25,052	42,968	272,966	46.3
1981	333	9,551	56,406	947	73,012	7,628	2,465	43,456	734	2,926	4,903	30,819	7,583	223	23,338	55,119	320,124	43.7
									OTHER									
1978	566	2,176	6,018	498	13,081	595	660	15,303	470	418	1,353	4,413	2,123	671	2,878	11,227	61,891	12.8
1979	650	2,208	8,938	1,297	18,359	796	548	20,695	511	345	1,246	6,206	1,517	631	6,179	10,773	80,256	13.2
1980	651	1,334	13,426	319	14,375	808	901	17,465	380	287	987	6,705	1,195	737	6,097	13,626	78,539	13.3
1981	653	1,773	18,225	523	23,927	748	908	24,688	404	341	1,120	8,162	1,463	1,447	7,761	19,069	110,566	15.1

[1] Totals may not add due to rounding.

IMPORTS BY CATEGORY OF IMPORTERS BY CONTROL MEMBER
AVERAGE VALUES IN DOLLARS (FIRMS IMPORTING 1000 UNITS OR MORE)

Year	No. of Firms	CONTROL CATEGORY 32 Winter Outerwear	37 Pants, Slacks	38 Unstructured Suits	39 Blouses	40 Pyjamas and Sleepwear	41 Raincoats	42 Dresses, Skirts, Coordinates, Ladies Suits	43 Foundation Garments	44 Swimsuits	45 Underwear	46 Outer Jackets	47 Structured Suits, Sportcoats Blazers	48 Leather Jackets	49 Shirts	50 Sweaters	Total Average for Category of importer
									MANUFACTURERS								
1978	178	12.16	6.06	9.85	2.61	3.04	9.16	6.56	1.72	2.25	0.44	9.49	15.86	41.32	2.87	4.53	3.60
1979	200	15.00	5.98	17.05	3.45	3.29	7.24	7.45	2.01	3.05	0.48	12.58	19.72	37.73	4.00	5.39	4.48
1980	210	17.22	6.49	16.25	3.23	4.31	11.40	8.88	2.11	4.19	0.57	12.70	23.08	37.80	4.31	6.00	5.12
1981	214	14.82	6.01	12.14	4.25	4.11	9.71	9.05	1.90	3.67	0.70	12.21	25.51	39.87	4.59	6.45	5.47
									RETAILERS								
1978	274	10.67	3.54	12.49	2.48	3.75	5.97	9.17	2.61	2.38	1.03	11.79	29.39	109.76	2.96	5.26	4.37
1979	296	13.87	3.99	15.01	3.16	4.19	11.56	8.53	2.72	3.10	1.11	15.82	28.10	108.68	3.67	5.54	4.98
1980	320	14.34	5.21	14.62	3.71	4.60	13.89	11.28	3.65	2.76	1.13	13.56	34.39	110.92	4.23	6.52	5.79
1981	305	17.32	5.29	12.51	3.75	4.78	6.78	10.61	3.67	3.23	1.19	12.36	37.50	96.25	4.62	6.87	5.70
									IMPORTERS/WHOLESALERS								
1978	310	11.03	2.95	12.11	1.88	2.38	3.43	6.03	2.29	2.03	0.69	6.89	26.46	72.91	2.32	3.30	2.86
1979	341	14.10	3.69	13.39	2.27	2.55	3.59	5.71	2.26	2.06	0.68	8.65	30.76	60.32	2.79	3.66	3.43
1980	335	13.36	3.98	17.55	2.62	2.93	3.73	6.52	2.37	2.12	0.68	8.61	34.71	63.36	3.51	4.70	3.86
1981	333	12.86	4.61	12.19	2.76	3.12	2.99	6.56	4.04	1.98	0.63	6.95	39.25	88.70	3.66	5.41	4.02
									OTHERS								
1978	566	15.35	4.31	9.98	2.10	4.99	2.13	7.40	3.39	3.69	0.81	7.52	28.47	97.43	3.35	2.89	3.51
1979	650	19.80	4.33	12.13	2.59	5.57	3.62	7.93	3.56	3.26	1.03	10.00	29.31	66.93	3.77	3.59	4.21
1980	651	20.17	5.08	13.13	3.51	5.66	4.65	10.08	2.62	3.02	0.82	9.26	32.72	67.57	4.43	5.16	5.20
1981	653	16.29	5.70	8.09	3.85	1.57	4.93	9.55	3.48	4.34	1.21	9.36	40.75	40.72	4.79	5.90	5.60

SUMMARY
IMPORTS BY CONTROL NUMBER BY IMPORTERS IMPORTING 1000 UNITS OR MORE

Year	No. of Firms	CONTROL CATEGORY 32 Winter Outerwear	37 Pants, Slacks	38 Unstructured Suits	39 Blouses	40 Pyjamas and Sleepwear	41 Raincoats	42 Dresses, Skirts, Coordinates, Ladies Suits	43 Foundation Garments	44 Swimsuits	45 Underwear	46 Outer Jackets	47 Structured Suits, Sportcoats Blazers	48 Leather Jackets	49 Shirts	50 Sweaters	Total for Year[1]	Per cent Change Year to Year
									TOTAL UNITS									
1978	1,328	1,442,353	21,841,622	352,756	52,396,623	4,318,252	1,469,378	10,629,366	1,673,388	2,381,950	12,062,467	3,839,185	609,337	31,631	13,790,018	22,573,915	149,412,241	n/a
1979	1,487	2,275,546	22,242,913	449,617	50,626,162	5,915,240	1,617,458	13,321,468	2,309,856	2,715,344	13,534,388	4,905,171	776,853	41,828	15,520,735	19,267,762	155,520,341	+4.0
1980	1,516	1,399,755	19,932,225	210,417	37,059,800	3,781,895	1,639,715	10,665,501	1,822,980	2,683,028	12,408,050	5,288,400	579,835	33,199	13,942,468	18,309,346	129,756,614	−16.5
1981	1,505	1,376,570	23,090,705	254,527	45,718,166	4,871,706	1,354,407	13,733,250	1,960,908	2,845,107	13,746,962	7,242,495	370,154	62,951	14,921,662	21,875,509	153,425,078	+18.0
									TOTAL VALUE ($ '000)									
1978	1,328	16,714	80,981	4,040	107,967	12,140	5,286	72,872	3,328	5,318	8,214	31,438	16,182	3,051	35,280	81,470	484,304	n/a
1979	1,487	33,046	94,219	6,258	130,510	17,949	6,976	90,901	5,167	6,720	9,341	51,471	21,525	3,252	50,248	80,930	608,527	+25.6
1980	1,516	20,277	96,553	3,396	110,161	13,611	9,302	87,305	4,345	7,335	8,872	54,102	19,265	2,618	54,351	97,566	589,081	−3.2
1981	1,505	19,586	118,294	2,848	148,917	17,065	6,280	112,612	4,649	7,028	10,556	74,853	12,766	3,279	62,923	130,623	732,305	+24.3

[1] Totals may not add due to rounding.

Appendices
Part 2
Age of Equipment by Sector

Appendix II-1

AGE OF EQUIPMENT
WORSTED SPUN ACRYLIC YARN
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	—	—	6	3	2	11
	Per cent	—	—	(55)	(27)	(18)	(100)
Ring spinning	*Number*	—	—	29	40	20	89
	Per cent	—	—	(33)	(45)	(22)	(100)
Repco spinning	*Number*	—	—	—	—	67	67
	Per cent	—	—	—	—	(100)	(100)
Winders	*Number*	—	—	16	8	14	38
	Per cent	—	—	(42)	(21)	(37)	(100)
Twisters	*Number*	—	—	24	4	7	35
	Per cent	—	—	(69)	(11)	(20)	(100)
Dyeing and printing	*Number*	3	3	24	7	13	50
	Per cent	(6)	(6)	(48)	(14)	(26)	(100)
Other	*Number*	—	—	14	3	36	53
	Per cent	—	—	(26)	(6)	(68)	(100)
Total, all types	***Number***	**3**	**3**	**113**	**65**	**159**	**343**
	Per cent	**(1)**	**(1)**	**(33)**	**(19)**	**(46)**	**(100)**

Appendix II-2

AGE OF EQUIPMENT
COTTON AND POLYESTER-COTTON SPUN YARN
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	—	12	150	28	31	221
	Per cent	—	(5)	(68)	(13)	(14)	(100)
Ring spinning	*Number*	24	109	275	40	60	508
	Per cent	(5)	(21)	(54)	(8)	(12)	(100)
Open-end spinning	*Number*	—	—	—	1	1	2
	Per cent	—	—	—	(50)	(50)	(100)
Winders	*Number*	—	1	2	3	9	15
	Per cent	—	(7)	(13)	(20)	(60)	(100)
Twisters	*Number*	12	9	15	—	—	36
	Per cent	(33)	(25)	(42)	—	—	(100)
Other	*Number*	—	4	24	—	21	49
	Per cent	—	(8)	(49)	—	(43)	(100)
Total, all types	***Number***	**36**	**135**	**466**	**72**	**122**	**831**
	Per cent	**(4)**	**(16)**	**(56)**	**(9)**	**(15)**	**(100)**

Appendix II-3

AGE OF EQUIPMENT
COTTON SPUN ACRYLIC, RAYON, NYLON, POLYESTER AND MIXED FIBRE YARNS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	—	12	32	58	41	143
	Per cent	—	(8)	(22)	(41)	(29)	(100)
Ring spinning	*Number*	38	18	111	73	24	264
	Per cent	(14)	(7)	(42)	(28)	(9)	(100)
Open-end spinning	*Number*	—	—	—	4	15	19
	Per cent	—	—	—	(21)	(79)	(100)
Winders	*Number*	—	—	51	8	7	66
	Per cent	—	—	(77)	(12)	(11)	(100)
Twisters	*Number*	14	24	41	20	30	129
	Per cent	(11)	(19)	(32)	(15)	(23)	(100)
Texturing	*Number*	—	—	33	34	38	105
	Per cent	—	—	(32)	(32)	(36)	(100)
Other	*Number*	4	—	22	14	53	93
	Per cent	(4)	—	(24)	(15)	(57)	(100)
Total, all types	***Number***	**56**	**54**	**290**	**211**	**208**	**819**
	Per cent	**(7)**	**(7)**	**(35)**	**(26)**	**(25)**	**(100)**

Appendix II-4

AGE OF EQUIPMENT
MAN-MADE FABRICS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	—	—	—	6	—	6
	Per cent	—	—	—	(100)	—	(100)
Open-end spinning	*Number*	—	—	—	4	—	4
	Per cent	—	—	—	(100)	—	(100)
Winders	*Number*	1	—	—	3	—	4
	Per cent	(25)	—	—	(75)	—	(100)
Twisters	*Number*	—	12	—	4	10	26
	Per cent	—	(46)	—	(15)	(39)	(100)
Shuttle looms	*Number*	1,507	392	1,276	9	260	3,444
	Per cent	(44)	(11)	(37)	—	(8)	(100)
Shuttleless looms	*Number*	—	—	145	634	404	1,183
	Per cent	—	—	(12)	(54)	(34)	(100)
Dyeing and printing	*Number*	23	56	80	50	21	230
	Per cent	(10)	(24)	(35)	(22)	(9)	(100)
Other	*Number*	1	4	4	17	29	55
	Per cent	(2)	(7)	(7)	(31)	(53)	(100)
Total, all types	***Number***	**1,532**	**464**	**1,505**	**727**	**724**	**4,952**
	Per cent	**(31)**	**(9)**	**(30)**	**(15)**	**(15)**	**(100)**

Appendix II-5

AGE OF EQUIPMENT
COTTON AND POLYESTER-COTTON FABRICS, CORDUROYS AND DENIMS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	—	163	249	25	56	493
	Per cent	—	(33)	(51)	(5)	(11)	(100)
Ring spinning	*Number*	19	235	511	11	—	776
	Per cent	(3)	(30)	(66)	(1)	—	(100)
Open-end spinning	*Number*	—	—	—	4	19	23
	Per cent	—	—	—	(17)	(83)	(100)
Twisters	*Number*	3	4	12	—	—	19
	Per cent	(16)	(21)	(63)	—	—	(100)
Shuttle looms	*Number*	—	329	3,244	770	50	4,393
	Per cent	—	(7)	(74)	(18)	(1)	(100)
Shuttleless looms	*Number*	—	—	—	—	123	123
	Per cent	—	—	—	—	(100)	(100)
Dyeing and printing	*Number*	—	1	—	1	1	3
	Per cent	—	(33)	—	(33)	(33)	(100)
Other	*Number*	—	—	3	—	13	16
	Per cent	—	—	(19)	—	(81)	(100)
Total, all types	***Number***	**22**	**732**	**4,019**	**811**	**262**	**5,846**
	Per cent	**—**	**(13)**	**(69)**	**(14)**	**(4)**	**(100)**

Appendix II-6

AGE OF EQUIPMENT
WOOLLEN AND WORSTED FABRICS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	9	26	—	—	—	35
	Per cent	(26)	(74)	—	—	—	(100)
Ring spinning	*Number*	—	2	93	24	1	120
	Per cent	—	(2)	(77)	(20)	(1)	(100)
Open-end spinning	*Number*	—	—	—	16	—	16
	Per cent	—	—	—	(100)	—	(100)
Winders	*Number*	—	1	12	18	5	36
	Per cent	—	(3)	(33)	(50)	(14)	(100)
Twisters	*Number*	—	—	41	3	5	49
	Per cent	—	—	(84)	(6)	(10)	(100)
Shuttle looms	*Number*	150	12	—	4	12	178
	Per cent	(84)	(7)	—	(2)	(7)	(100)
Shuttleless looms	*Number*	—	—	70	152	24	246
	Per cent	—	—	(28)	(62)	(10)	(100)
Dyeing and printing	*Number*	1	31	21	9	12	74
	Per cent	(2)	(42)	(28)	(12)	(16)	(100)
Other	*Number*	3	8	89	25	9	134
	Per cent	(2)	(6)	(66)	(19)	(7)	(100)
Total, all types	***Number***	**163**	**80**	**326**	**251**	**68**	**888**
	Per cent	**(18)**	**(9)**	**(37)**	**(28)**	**(8)**	**(100)**

Appendix II-7

AGE OF EQUIPMENT
COATED FABRICS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Calenders	*Number*	3	5	1	1	—	10
	Per cent	(30)	(50)	(10)	(10)	—	(100)
Embossing	*Number*	6	3	1	—	2	12
	Per cent	(50)	(25)	(8)	—	(17)	(100)
Coating	*Number*	11	4	5	4	4	28
	Per cent	(40)	(14)	(18)	(14)	(14)	(100)
Curing	*Number*	2	1	—	—	—	3
	Per cent	(67)	(33)	—	—	—	(100)
Dyeing	*Number*	2	3	—	—	—	5
	Per cent	(40)	(60)	—	—	—	(100)
Other	*Number*	7	3	12	2	21	45
	Per cent	(15)	(7)	(27)	(4)	(47)	(100)
Total, all types	***Number***	**31**	**19**	**19**	**7**	**27**	**103**
	Per cent	**(30)**	**(18)**	**(18)**	**(7)**	**(27)**	**(100)**

Appendix II-8

AGE OF EQUIPMENT
DYEING AND PRINTING
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Winders	*Number*	3	10	49	17	—	79
	Per cent	(4)	(13)	(62)	(21)	—	(100)
Dyeing and printing	*Number*	7	21	82	70	18	198
	Per cent	(4)	(11)	(41)	(35)	(9)	(100)
Other	*Number*	4	61	80	53	43	241
	Per cent	(2)	(25)	(33)	(22)	(18)	(100)
Total, all types	***Number***	**14**	**92**	**211**	**140**	**61**	**518**
	Per cent	**(2)**	**(18)**	**(41)**	**(27)**	**(12)**	**(100)**

Appendix II-9

AGE OF EQUIPMENT
SHEETS AND PILLOWCASES
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	6	—	—	—	89	95
	Per cent	(6)	—	—	—	(94)	(100)
Ring spinning	*Number*	144	103	89	23	3	362
	Per cent	(40)	(28)	(25)	(6)	(1)	(100)
Open-end spinning	*Number*	—	—	—	16	—	16
	Per cent	—	—	—	(100)	—	(100)
Winders	*Number*	8	—	7	4	2	21
	Per cent	(38)	—	(33)	(19)	(10)	(100)
Shuttle looms	*Number*	102	473	910	172	—	1,657
	Per cent	(6)	(29)	(55)	(10)	—	(100)
Shuttleless looms	*Number*	—	—	—	218	40	258
	Per cent	—	—	—	(84)	(16)	(100)
Dyeing and printing	*Number*	—	5	4	1	—	10
	Per cent	—	(50)	(40)	(10)	—	(100)
Total, all types	***Number***	**260**	**581**	**1,010**	**434**	**134**	**2,419**
	Per cent	**(11)**	**(24)**	**(42)**	**(18)**	**(5)**	**(100)**

Appendix II-10

AGE OF EQUIPMENT
TOWELS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Winders	*Number*	—	—	—	—	1	1
	Per cent	—	—	—	—	(100)	(100)
Shuttle looms	*Number*	211	64	50	47	83	455
	Per cent	(47)	(14)	(11)	(10)	(18)	(100)
Shuttleless looms	*Number*	—	—	—	—	10	10
	Per cent	—	—	—	—	(100)	(100)
Dyeing and printing	*Number*	—	7	5	4	1	17
	Per cent	—	(41)	(29)	(24)	(6)	(100)
Other	*Number*	1	2	2	—	2	7
	Per cent	(13)	(29)	(29)	—	(29)	(100)
Total, all types	***Number***	**212**	**73**	**57**	**51**	**97**	**490**
	Per cent	**(43)**	**(15)**	**(12)**	**(10)**	**(20)**	**(100)**

Appendix II-11

AGE OF EQUIPMENT
MISCELLANEOUS PRODUCTS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Cards	*Number*	23	7	15	12	46	103
	Per cent	(22)	(7)	(15)	(12)	(44)	(100)
Ring spinning	*Number*	—	102	14	—	—	116
	Per cent	—	(88)	(12)	—	—	(100)
Open-end spinning	*Number*	—	—	—	—	2	2
	Per cent	—	—	—	—	(100)	(100)
Winders	*Number*	—	—	115	66	36	217
	Per cent	—	—	(53)	(30)	(17)	(100)
Twisters	*Number*	—	—	50	17	6	73
	Per cent	—	—	(69)	(23)	(8)	(100)
Shuttle looms	*Number*	—	145	—	—	—	145
	Per cent	—	(100)	—	—	—	(100)
Shuttleless looms	*Number*	—	—	1	89	1	91
	Per cent	—	—	(1)	(98)	(1)	(100)
Dyeing and printing	*Number*	3	—	20	—	3	26
	Per cent	(12)	—	(76)	—	(12)	(100)
Other	*Number*	4	10	25	21	21	81
	Per cent	(5)	(12)	(31)	(26)	(26)	(100)
Total, all types	***Number***	**30**	**264**	**240**	**205**	**115**	**854**
	Per cent	**(4)**	**(31)**	**(28)**	**(24)**	**(13)**	**(100)**

Appendix II-12

AGE OF EQUIPMENT
CORDAGE, ROPE AND TWINE
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Extrusion units	*Number*	—	—	3	11	4	18
	Per cent	—	—	(17)	(61)	(22)	(100)
Twisters	*Number*	7	32	34	20	72	165
	Per cent	(4)	(19)	(21)	(12)	(44)	(100)
Braiders	*Number*	193	—	—	62	127	382
	Per cent	(51)	—	—	(16)	(33)	(100)
Winders	*Number*	34	13	13	42	5	107
	Per cent	(32)	(12)	(12)	(39)	(5)	(100)
Rope systems	*Number*	—	15	17	5	22	39
	Per cent	—	(25)	(29)	(9)	(37)	(100)
Other	*Number*	30	32	8	9	17	96
	Per cent	(31)	(33)	(8)	(10)	(18)	(100)
Total, all types	***Number***	**264**	**92**	**75**	**149**	**247**	**827**
	Per cent	**(32)**	**(11)**	**(9)**	**(18)**	**(30)**	**(100)**

Appendix II-13

AGE OF EQUIPMENT
HOSIERY
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Knitting	*Number*	414	1131	943	438	599	3,525
	Per cent	(12)	(32)	(27)	(12)	(17)	(100)
Seaming	*Number*	—	6	91	29	27	153
	Per cent	—	(4)	(59)	(19)	(18)	(100)
Turning	*Number*	—	1	—	9	20	30
	Per cent	—	(3)	—	(30)	(67)	(100)
Boarding	*Number*	—	6	23	19	24	72
	Per cent	—	(8)	(32)	(27)	(33)	(100)
Other	*Number*	22	33	217	43	57	372
	Per cent	(6)	(9)	(58)	(12)	(15)	(100)
Total, all types	***Number***	**436**	**1,177**	**1,274**	**538**	**727**	**4,152**
	Per cent	**(11)**	**(28)**	**(31)**	**(13)**	**(17)**	**(100)**

Appendix II-14

AGE OF EQUIPMENT
WORK GLOVES
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Clickers, beam presses	*Number*	—	13	41	18	21	93
	Per cent	—	(14)	(44)	(19)	(23)	(100)
Sewing	*Number*	—	87	112	536	178	913
	Per cent	—	(10)	(12)	(59)	(19)	(100)
Turners, formers, blockers	*Number*	—	6	23	19	28	76
	Per cent	—	(8)	(30)	(25)	(37)	(100)
Knitting	*Number*	—	29	10	27	6	72
	Per cent	—	(40)	(14)	(38)	(8)	(100)
Other	*Number*	—	3	5	6	6	20
	Per cent	—	(15)	(25)	(30)	(30)	(100)
Total, all types	***Number***	**—**	**138**	**191**	**606**	**239**	**1,174**
	Per cent	**—**	**(12)**	**(16)**	**(52)**	**(20)**	**(100)**

Appendix II-15

AGE OF EQUIPMENT
HANDBAGS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Clickers	*Number*	—	—	22	22	22	66
	Per cent	—	—	(33)	(33)	(33)	(100)
Sewing	*Number*	—	23	135	172	127	457
	Per cent	—	(5)	(29)	(38)	(28)	(100)
Framing	*Number*	—	—	15	9	16	40
	Per cent	—	—	(38)	(22)	(40)	(100)
Fusing, cementing	*Number*	—	5	29	17	42	93
	Per cent	—	(5)	(31)	(18)	(46)	(10)
Other	*Number*	—	2	11	6	27	46
	Per cent	—	(4)	(24)	(13)	(59)	(100)
Total, all types	***Number***	**—**	**30**	**212**	**226**	**234**	**702**
	Per cent	**—**	**(4)**	**(30)**	**(32)**	**(34)**	**(100)**

Appendix II-16

AGE OF EQUIPMENT
KNITTED FABRICS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Winders	*Number*	1	3	8	—	4	16
	Per cent	(6)	(19)	(50)	—	(25)	(100)
Warpers	*Number*	1	6	3	24	4	38
	Per cent	(3)	(16)	(8)	(63)	(10)	(100)
Single knit	*Number*	116	56	131	134	99	536
	Per cent	(22)	(10)	(24)	(25)	(19)	(100)
Double knit	*Number*	—	8	76	353	68	505
	Per cent	—	(2)	(15)	(70)	(13)	(100)
Interlock	*Number*	—	—	10	—	34	44
	Per cent	—	—	(23)	—	(77)	(100)
Sliver knit	*Number*	—	—	53	27	26	106
	Per cent	—	—	(50)	(25)	(25)	(100)
Total, circular knitting	*Number*	116	64	270	514	227	1,191
	Per cent	(10)	(5)	(23)	(43)	(19)	(100)
Tricot	*Number*	—	8	130	68	106	312
	Per cent	—	(2)	(42)	(22)	(34)	(100)
Raschel	*Number*	—	19	40	35	35	129
	Per cent	—	(15)	(31)	(27)	(27)	(100)
Simplex	*Number*	—	5	2	4	—	11
	Per cent	—	(46)	(18)	(36)	—	(100)

(continued)

Appendix II-16, cont'd.

AGE OF EQUIPMENT
KNITTED FABRICS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Other warp	*Number*	2	—	—	—	—	2
	Per cent	(100)	—	—	—	—	(100)
Total, warp knitting	*Number*	2	32	172	107	141	454
	Per cent	(neg)	(7)	(38)	(24)	(31)	(100)
Total, all knitting	*Number*	118	96	442	621	368	1,645
	Per cent	(7)	(6)	(27)	(38)	(22)	(100)
Dyeing and printing	*Number*	6	17	79	30	17	149
	Per cent	(4)	(11)	(53)	(20)	(12)	(100)
Drying and curing; tenter frames	*Number*	1	2	27	31	21	82
	Per cent	(1)	(2)	(33)	(38)	(26)	(100)
Other finishing	*Number*	—	2	39	41	24	106
	Per cent	—	(2)	(37)	(39)	(22)	(100)
Other	*Number*	21	1	90	66	108	286
	Per cent	(7)	—	(32)	(23)	(38)	(100)
Total, all types	***Number***	**148**	**127**	**688**	**813**	**546**	**2,322**
	Per cent	**(6)**	**(5)**	**(30)**	**(35)**	**(24)**	**(100)**

Appendix II-17

AGE OF EQUIPMENT
OUTERWEAR
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	1	16	17
	Per cent	—	—	—	(6)	(94)	(100)
Cutting room	*Number*	—	4	38	31	96	169
	Per cent	—	(2)	(23)	(18)	(57)	(100)
Sewing	*Number*	7	115	424	785	906	2,237
	Per cent	(neg)	(5)	(19)	(35)	(41)	(100)
—plain	*Number*	6	108	288	509	636	1,547
	Per cent	(neg)	(7)	(19)	(33)	(41)	(100)
—specialized	*Number*	1	7	136	276	270	690
	Per cent	(neg)	(1)	(20)	(40)	(39)	(100)
Fusing	*Number*	—	—	—	1	10	11
	Per cent	—	—	—	(9)	(91)	(100)
Material handling	*Number*	—	—	—	3	17	20
	Per cent	—	—	—	(15)	(85)	(100)
Steam pressing	*Number*	—	—	26	19	20	65
	Per cent	—	—	(40)	(29)	(31)	(100)
—plain	*Number*	—	—	20	15	19	54
	Per cent	—	—	(37)	(28)	(35)	(100)
—specialized	*Number*	—	—	6	4	1	11
	Per cent	—	—	(55)	(36)	(9)	(100)
Total, all types	***Number***	**7**	**119**	**488**	**840**	**1,065**	**2,519**
	Per cent	**(neg)**	**(5)**	**(19)**	**(33)**	**(43)**	**(100)**

Appendix II-18

AGE OF EQUIPMENT
PANTS, SLACKS, SHORTS, OVERALLS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	1	5	6	29	41
	Per cent	—	(neg)	(14)	(15)	(71)	(100)
Cutting room	*Number*	4	7	76	131	214	432
	Per cent	(neg)	(2)	(18)	(30)	(50)	(100)
Sewing	*Number*	18	313	2,238	3,364	5,098	11,031
	Per cent	(neg)	(3)	(20)	(31)	(46)	(100)
—plain	*Number*	18	249	1,718	3,010	3,560	8,555
	Per cent	(neg)	(3)	(20)	(35)	(42)	(100)
—specialized	*Number*	—	64	520	354	1,538	2,476
	Per cent	—	(3)	(21)	(14)	(62)	(100)
Fusing	*Number*	—	—	—	9	19	28
	Per cent	—	—	—	(32)	(68)	(100)
Material handling	*Number*	—	—	—	8	157	165
	Per cent	—	—	—	(5)	(95)	(100)
Steam pressing	*Number*	—	9	118	242	353	724
	Per cent	—	(1)	(16)	(34)	(49)	(100)
—plain	*Number*	—	—	111	202	198	511
	Per cent	—	—	(22)	(40)	(38)	(100)
—specialized	*Number*	—	9	7	42	155	213
	Per cent	—	(4)	(3)	(20)	(73)	(100)
Total, all types	***Number***	**22**	**330**	**2,437**	**3,762**	**5,870**	**12,421**
	Per cent	**(neg)**	**(3)**	**(20)**	**(30)**	**(47)**	**(100)**

Appendix II-19

AGE OF EQUIPMENT
BLOUSES, T-SHIRTS, SWEATSHIRTS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	4	2	12	18
	Per cent	—	—	(23)	(11)	(67)	(100)
Cutting room	*Number*	6	13	28	61	67	175
	Per cent	(4)	(7)	(16)	(35)	(38)	(100)
Sewing	*Number*	13	36	730	1,155	1,948	3,882
	Per cent	(neg)	(1)	(19)	(30)	(50)	(100)
—plain	*Number*	13	36	535	565	835	1,984
	Per cent	(1)	(2)	(27)	(28)	(42)	(100)
—specialized	*Number*	—	—	195	590	1,113	1,898
	Per cent	—	—	(10)	(31)	(59)	(100)
Fusing	*Number*	—	—	—	3	16	19
	Per cent	—	—	—	(16)	(84)	(100)
Material handling	*Number*	—	—	4	5	101	110
	Per cent	—	—	(4)	(4)	(92)	(100)
Steam pressing	*Number*	—	—	9	52	397	458
	Per cent	—	—	(2)	(11)	(87)	(100
—plain	*Number*	—	—	4	29	52	85
	Per cent	—	—	(5)	(34)	(61)	(100)
—specialized	*Number*	—	—	5	23	345	373
	Per cent	—	—	(1)	(6)	(93)	(100)
Knitting	*Number*	301	28	43	112	67	551
	Per cent	(55)	(5)	(8)	(20)	(12)	(100)
—circular	*Number*	301	28	20	77	52	478
	Per cent	(63)	(6)	(4)	(16)	(11)	(100)
—flat	*Number*	—	—	23	35	15	73
	Per cent	—	—	(32)	(48)	(20)	(100)
Total, all types	***Number***	**320**	**77**	**818**	**1,390**	**2,608**	**5,213**
	Per cent	**(6)**	**(1)**	**(16)**	**(27)**	**(50)**	**(100)**

Appendix II-20

AGE OF EQUIPMENT
PYJAMAS AND SLEEPWEAR
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	4	5	9
	Per cent	—	—	—	(44)	(56)	(100)
Cutting room	*Number*	—	2	25	32	90	149
	Per cent	—	(2)	(17)	(21)	(60)	(100)
Sewing	*Number*	—	59	361	1,114	823	2,357
	Per cent	—	(3)	(15)	(47)	(35)	(100)
—plain	*Number*	—	59	275	574	521	1,429
	Per cent	—	(4)	(19)	(40)	(37)	(100)
—specialized	*Number*	—	—	86	540	302	928
	Per cent	—	—	(9)	(58)	(33)	(100)
Fusing	*Number*	—	—	—	1	4	5
	Per cent	—	—	—	(20)	(80)	(100)
Material handling	*Number*	—	—	—	1	53	54
	Per cent	—	—	—	(2)	(98)	(100)
Steam pressing	*Number*	—	—	6	13	15	34
	Per cent	—	—	(18)	(38)	(44)	(100)
—plain	*Number*	—	—	6	4	7	17
	Per cent	—	—	(35)	(24)	(41)	(100)
—specialized	*Number*	—	—	—	9	8	17
	Per cent	—	—	—	(53)	(47)	(100)
Knitting	*Number*	—	—	55	—	—	55
	Per cent	—	—	(100)	—	—	(100)
—circular	*Number*	—	—	49	—	—	49
	Per cent	—	—	(100)	—	—	(100)
—flat	*Number*	—	—	6	—	—	6
	Per cent	—	—	(100)	—	—	(100)
Total, all types	***Number***	**—**	**61**	**447**	**1,165**	**990**	**2,663**
	Per cent	**—**	**(2)**	**(17)**	**(44)**	**(37)**	**(100)**

Appendix II-21

AGE OF EQUIPMENT
RAINCOATS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	—	2	2
	Per cent	—	—	—	—	(100)	(100)
Cutting room	*Number*	—	—	3	7	4	14
	Per cent	—	—	(21)	(50)	(29)	(100)
Sewing	*Number*	—	17	90	43	44	194
	Per cent	—	(9)	(46)	(22)	(23)	(100)
—plain	*Number*	—	9	75	33	28	145
	Per cent	—	(6)	(52)	(23)	(19)	(100)
—specialized	*Number*	—	8	15	10	16	49
	Per cent	—	(16)	(31)	(20)	(33)	(100)
Fusing	*Number*	—	—	—	—	1	1
	Per cent	—	—	—	—	(100)	(100)
Material handling	*Number*	—	—	—	1	7	8
	Per cent	—	—	—	(13)	(87)	(100)
Steam pressing	*Number*	—	—	19	5	10	34
	Per cent	—	—	(56)	(15)	(29)	(100)
—plain	*Number*	—	—	—	—	3	3
	Per cent	—	—	—	—	(100)	(100)
—specialized	*Number*	—	—	19	5	7	31
	Per cent	—	—	(61)	(16)	(23)	(100)
Total, all types	***Number***	**—**	**17**	**112**	**56**	**68**	**253**
	Per cent	**—**	**(7)**	**(44)**	**(22)**	**(27)**	**(100)**

Appendix II-22

AGE OF EQUIPMENT
WOMEN'S SPORTSWEAR, DRESSES, SKIRTS AND SUITS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	1	15	22	38
	Per cent	—	—	(3)	(39)	(58)	(100)
Cutting room	*Number*	—	—	33	77	81	191
	Per cent	—	—	(17)	(40)	(43)	(100)
Sewing	*Number*	90	100	399	1,451	1,580	3,620
	Per cent	(2)	(3)	(11)	(40)	(44)	(100)
—plain	*Number*	90	100	283	1,006	965	2,444
	Per cent	(4)	(4)	(11)	(41)	(40)	(100)
—specialized	*Number*	—	—	116	445	615	1,176
	Per cent	—	—	(10)	(38)	(52)	(100)
Fusing	*Number*	—	—	—	3	16	19
	Per cent	—	—	—	(16)	(84)	(100)
Material handling	*Number*	—	2	3	5	7	17
	Per cent	—	(12)	(18)	(29)	(41)	(100)
Steam pressing	*Number*	—	1	24	74	160	259
	Per cent	—	(neg)	(9)	(29)	(62)	(100)
—plain	*Number*	—	1	21	34	86	142
	Per cent	—	(neg)	(15)	(24)	(61)	(100)
—specialized	*Number*	—	—	3	40	74	117
	Per cent	—	—	(3)	(34)	(63)	(100)
Knitting	*Number*	—	—	41	76	35	152
	Per cent	—	—	(27)	(50)	(23)	(100)
—circular	*Number*	—	—	19	31	33	83
	Per cent	—	—	(23)	(37)	(40)	(100)
—flat	*Number*	—	—	22	45	2	69
	Per cent	—	—	(32)	(65)	(3)	(100)
Total, all types	***Number***	**90**	**103**	**501**	**1,701**	**1,901**	**4,296**
	Per cent	**(2)**	**(2)**	**(12)**	**(40)**	**(44)**	**(100)**

Appendix II-23

AGE OF EQUIPMENT
FOUNDATION GARMENTS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	—	1	1
	Per cent	—	—	—	—	(100)	(100)
Cutting room	*Number*	—	4	3	5	12	24
	Per cent	—	(17)	(12)	(21)	(50)	(100)
Sewing	*Number*	155	195	1,130	380	601	2,461
	Per cent	(6)	(8)	(46)	(15)	(25)	(100)
—plain	*Number*	149	172	1,030	251	271	1,873
	Per cent	(8)	(9)	(55)	(13)	(15)	(100)
—specialized	*Number*	6	23	100	129	330	588
	Per cent	(1)	(4)	(17)	(22)	(56)	(100)
Fusing	*Number*	—	—	—	2	20	22
	Per cent	—	—	—	(9)	(91)	(100)
Material handling	*Number*	—	—	12	5	4	21
	Per cent	—	—	(57)	(24)	(19)	(100)
Steam pressing	*Number*	—	—	1	—	3	4
	Per cent	—	—	(25)	—	(75)	(100)
—plain	*Number*	—	—	—	—	3	3
	Per cent	—	—	—	—	(100)	(100)
—specialized	*Number*	—	—	1	—	—	1
	Per cent	—	—	(100)	—	—	(100)
Total, all types	***Number***	**155**	**199**	**1,146**	**392**	**641**	**2,533**
	Per cent	**(6)**	**(8)**	**(46)**	**(15)**	**(25)**	**(100)**

Appendix II-24

AGE OF EQUIPMENT
SWIMWEAR
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	1	—	1
	Per cent	—	—	—	(100)	—	(100)
Cutting room	*Number*	—	7	1	6	12	26
	Per cent	—	(27)	(4)	(23)	(46)	(100)
Sewing	*Number*	30	63	219	490	390	1,192
	Per cent	(3)	(5)	(18)	(41)	(33)	(100)
—plain	*Number*	15	20	86	378	262	761
	Per cent	(2)	(3)	(11)	(50)	(34)	(100)
—specialized	*Number*	15	43	133	112	128	431
	Per cent	(3)	(10)	(31)	(26)	(30)	(100)
Fusing	*Number*	—	—	—	1	6	7
	Per cent	—	—	—	(14)	(86)	(100)
Material handling	*Number*	—	—	1	3	2	6
	Per cent	—	—	(17)	(50)	(33)	(100)
Steam pressing	*Number*	1	—	18	3	6	28
	Per cent	(4)	—	(64)	(11)	(21)	(100)
—plain	*Number*	1	—	2	3	6	12
	Per cent	(8)	—	(17)	(25)	(50)	(100)
—specialized	*Number*	—	—	16	—	—	16
	Per cent	—	—	(100)	—	—	(100)
Knitting	*Number*	—	21	28	4	1	54
	Per cent	—	(39)	(52)	(7)	(2)	(100)
—circular	*Number*	—	21	28	4	1	54
	Per cent	—	(39)	(52)	(7)	(2)	(100)
—flat	*Number*	—	—	—	—	—	—
	Per cent	—	—	—	—	—	—
Total, all types	***Number***	**31**	**91**	**267**	**508**	**417**	**1,314**
	Per cent	**(2)**	**(7)**	**(20)**	**(39)**	**(32)**	**(100)**

Appendix II-25

AGE OF EQUIPMENT
UNDERWEAR
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	3	—	2	5
	Per cent	—	—	(60)	—	(40)	(100)
Cutting room	*Number*	—	2	18	26	9	55
	Per cent	—	(4)	(33)	(47)	(16)	(100)
Sewing	*Number*	63	118	1,069	758	1,284	3,292
	Per cent	(2)	(4)	(32)	(23)	(39)	(100)
—plain	*Number*	63	114	968	613	919	2,677
	Per cent	(3)	(4)	(36)	(23)	(34)	(100)
—specialized	*Number*	—	4	101	145	365	615
	Per cent	—	(1)	(16)	(24)	(59)	(100)
Fusing	*Number*	—	—	1	1	5	7
	Per cent	—	—	(14)	(14)	(72)	(100)
Material handling	*Number*	—	—	7	21	16	44
	Per cent	—	—	(16)	(48)	(36)	(100)
Steam pressing	*Number*	—	—	6	1	18	25
	Per cent	—	—	(24)	(4)	(72)	(100)
—plain	*Number*	—	—	6	—	13	19
	Per cent	—	—	(32)	—	(68)	(100)
—specialized	*Number*	—	—	—	1	5	6
	Per cent	—	—	—	(17)	(83)	(100)
Knitting	*Number*	69	76	115	62	101	423
	Per cent	(16)	(18)	(27)	(15)	(24)	(100)
—circular	*Number*	69	76	115	62	99	421
	Per cent	(16)	(18)	(27)	(15)	(24)	(100)
—flat	*Number*	—	—	—	—	2	2
	Per cent	—	—	—	—	(100)	(100)
Total, all types	***Number***	**132**	**196**	**1,219**	**869**	**1,435**	**3,851**
	Per cent	**(3)**	**(5)**	**(32)**	**(23)**	**(37)**	**(100)**

Appendix II-26

AGE OF EQUIPMENT
JACKETS, OVERCOATS AND TOPCOATS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	1	3	20	24
	Per cent	—	—	(4)	(13)	(83)	(100)
Cutting room	*Number*	—	—	8	32	36	76
	Per cent	—	—	(11)	(42)	(47)	(100)
Sewing	*Number*	—	21	591	734	825	2,171
	Per cent	—	(1)	(27)	(34)	(38)	(100)
—plain	*Number*	—	21	436	550	591	1,598
	Per cent	—	(1)	(27)	(35)	(37)	(100)
—specialized	*Number*	—	—	155	184	234	573
	Per cent	—	—	(27)	(32)	(41)	(100)
Fusing	*Number*	—	—	—	3	19	22
	Per cent	—	—	—	(14)	(86)	(100)
Material handling	*Number*	—	—	1	—	3	4
	Per cent	—	—	(25)	—	(75)	(100)
Steam pressing	*Number*	—	—	37	79	52	168
	Per cent	—	—	(22)	(47)	(31)	(100)
—plain	*Number*	—	—	12	36	21	69
	Per cent	—	—	(17)	(52)	(31)	(100)
—specialized	*Number*	—	—	25	43	31	99
	Per cent	—	—	(25)	(44)	(31)	(100)
Total, all types	***Number***	—	**21**	**638**	**851**	**955**	**2,465**
	Per cent	—	**(neg)**	**(26)**	**(35)**	**(39)**	**(100)**

Appendix II-27

AGE OF EQUIPMENT
STRUCTURED SUITS AND JACKETS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	4	9	13
	Per cent	—	—	—	(31)	(69)	(100)
Cutting room	*Number*	—	—	6	4	47	57
	Per cent	—	—	(11)	(7)	(82)	(100)
Sewing	*Number*	—	86	423	849	1,136	2,494
	Per cent	—	(3)	(17)	(34)	(46)	(100)
—plain	*Number*	—	86	371	713	820	1,990
	Per cent	—	(4)	(19)	(36)	(41)	(100)
—specialized	*Number*	—	—	52	136	316	504
	Per cent	—	—	(10)	(27)	(63)	(100)
Fusing	*Number*	—	—	2	6	18	26
	Per cent	—	—	(8)	(23)	(69)	(100)
Material handling	*Number*	—	—	1	4	7	12
	Per cent	—	—	(8)	(33)	(59)	(100)
Steam pressing	*Number*	—	—	196	197	167	560
	Per cent	—	—	(35)	(35)	(30)	(100)
—plain	*Number*	—	—	133	167	109	409
	Per cent	—	—	(32)	(41)	(27)	(100)
—specialized	*Number*	—	—	63	30	58	151
	Per cent	—	—	(42)	(20)	(38)	(100)
Total, all types	***Number***	—	**86**	**628**	**1,064**	**1,384**	**3,162**
	Per cent	—	**(3)**	**(20)**	**(34)**	**(43)**	**(100)**

Appendix II-28

AGE OF EQUIPMENT
LEATHER COATS AND JACKETS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	—	2	2
	Per cent	—	—	—	—	(100)	(100)
Cutting room	*Number*	—	—	—	—	4	4
	Per cent	—	—	—	—	(100)	(100)
Sewing	*Number*	—	—	145	168	104	417
	Per cent	—	—	(35)	(40)	(25)	(100)
—plain	*Number*	—	—	115	148	77	340
	Per cent	—	—	(34)	(43)	(23)	(100)
—specialized	*Number*	—	—	30	20	27	77
	Per cent	—	—	(39)	(26)	(35)	(100)
Fusing	*Number*	—	—	—	2	1	3
	Per cent	—	—	—	(67)	(33)	(100)
Material handling	*Number*	—	—	—	1	—	1
	Per cent	—	—	—	(100)	—	(100)
Steam pressing	*Number*	—	—	8	2	6	16
	Per cent	—	—	(50)	(13)	(37)	(100)
—plain	*Number*	—	—	7	2	5	14
	Per cent	—	—	(50)	(14)	(36)	(100)
—specialized	*Number*	—	—	1	—	1	2
	Per cent	—	—	(50)	—	(50)	(100)
Total, all types	***Number***	**—**	**—**	**154**	**172**	**117**	**443**
	Per cent	**—**	**—**	**(35)**	**(39)**	**(26)**	**(100)**

Appendix II-29

AGE OF EQUIPMENT
MEN'S SHIRTS
number of machines

Type of equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	4	—	7	11
	Per cent	—	—	(36)	—	(64)	(100)
Cutting room	*Number*	13	24	46	60	68	211
	Per cent	(6)	(11)	(22)	(28)	(33)	(100)
Sewing	*Number*	79	248	878	600	1,197	3,002
	Per cent	(3)	(8)	(29)	(20)	(40)	(100)
—plain	*Number*	70	244	834	403	642	2,193
	Per cent	(3)	(11)	(39)	(18)	(29)	(100)
—specialized	*Number*	9	4	44	197	555	809
	Per cent	(1)	(neg)	(5)	(24)	(70)	(100)
Fusing	*Number*	7	2	6	8	17	40
	Per cent	(18)	(5)	(15)	(20)	(42)	(100)
Material handling	*Number*	1	1	7	32	21	62
	Per cent	(2)	(2)	(11)	(52)	(33)	(100)
Steam pressing	*Number*	21	45	106	19	23	214
	Per cent	(10)	(21)	(49)	(9)	(11)	(100)
—plain	*Number*	21	42	72	17	20	172
	Per cent	(12)	(24)	(42)	(10)	(12)	(100)
—specialized	*Number*	—	3	34	2	3	42
	Per cent	—	(7)	(81)	(5)	(7)	(100)
Knitting	*Number*	—	—	—	60	3	63
	Per cent	—	—	—	(95)	(5)	(100)
—circular	*Number*	—	—	—	25	—	25
	Per cent	—	—	—	(100)	—	(100)
—flat	*Number*	—	—	—	35	3	38
	Per cent	—	—	—	(92)	(8)	(100)
Total, all types	***Number***	**121**	**320**	**1,047**	**779**	**1,336**	**3,603**
	Per cent	**(3)**	**(9)**	**(29)**	**(22)**	**(37)**	**(100)**

Appendix II-30

AGE OF EQUIPMENT
SWEATERS, PULLOVERS AND CARDIGANS
number of machines

Type of Equipment		Over 30 yrs.	20-30 yrs.	10-19 yrs.	5-9 yrs.	Under 5 yrs.	TOTAL
Pattern marking and grading	*Number*	—	—	—	1	1	2
	Per cent	—	—	—	(50)	(50)	(100)
Cutting room	*Number*	1	4	13	14	20	52
	Per cent	(2)	(8)	(25)	(27)	(38)	(100)
Sewing	*Number*	8	24	240	602	888	1,762
	Per cent	(neg)	(1)	(14)	(34)	(51)	(100)
—plain	*Number*	4	13	160	446	640	1,263
	Per cent	(neg)	(1)	(13)	(35)	(51)	(100)
—specialized	*Number*	4	11	80	156	248	499
	Per cent	(1)	(2)	(16)	(31)	(50)	(100)
Fusing	*Number*	—	—	—	—	4	4
	Per cent	—	—	—	—	(100)	(100)
Material handling	*Number*	—	—	—	5	7	12
	Per cent	—	—	—	(42)	(58)	(100)
Steam pressing	*Number*	—	6	22	54	71	153
	Per cent	—	(4)	(14)	(35)	(47)	(100)
—plain	*Number*	—	6	15	45	55	121
	Per cent	—	(5)	(12)	(37)	(46)	(100)
—specialized	*Number*	—	—	7	9	16	32
	Per cent	—	—	(22)	(28)	(50)	(100)
Knitting	*Number*	27	106	346	394	267	1,140
	Per cent	(2)	(9)	(30)	(35)	(24)	(100)
—circular	*Number*	7	53	133	210	144	547
	Per cent	(1)	(10)	(24)	(39)	(26)	(100)
—flat	*Number*	20	53	213	184	123	593
	Per cent	(3)	(9)	(36)	(31)	(21)	(100)
Total, all types	***Number***	**36**	**140**	**621**	**1,070**	**1,258**	**3,125**
	Per cent	**(1)**	**(4)**	**(20)**	**(34)**	**(41)**	**(100)**