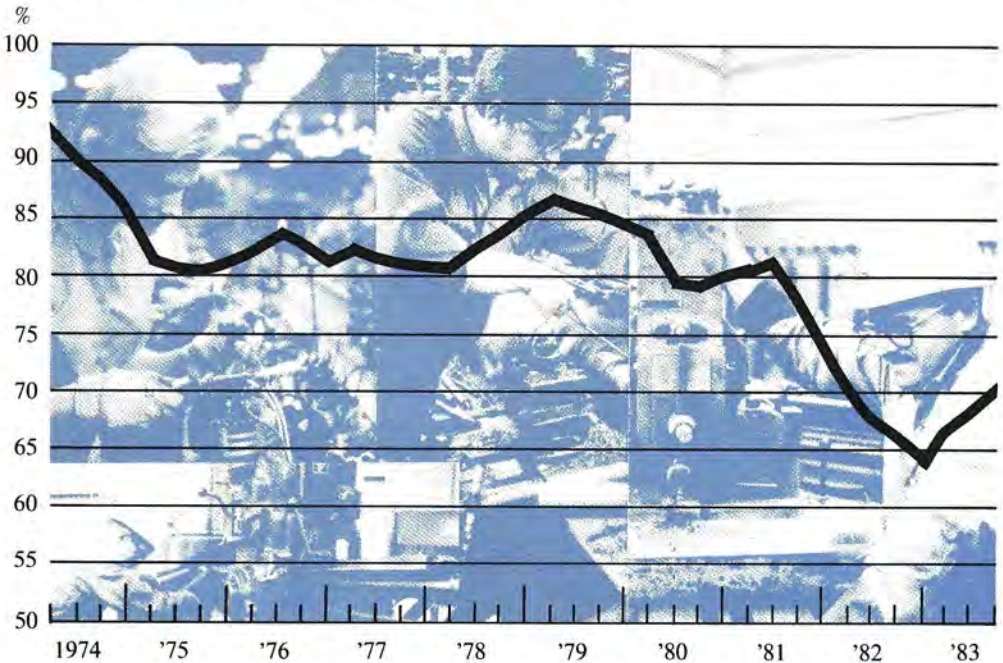


Chart 16.1

Capacity utilization rates, manufacturing industries

greater capacity utilization rates historically, partly because of the perishable nature of the goods produced which discourages inventory buildup and a constant demand for such products as food and clothing. Demand for durable goods shows a more cyclical behaviour with plants often having excess capacity to meet peak demands. Table 16.16 traces the changes in capacity utilization from the first quarter of 1961 to the second quarter of 1984.

As Canadian exports have become more attractive abroad with the devaluation of the dollar, and domestic manufacturers have been substituting cheaper Canadian products for imports, the economy has experienced a surge in demand for certain manufactured goods. For example, four major groups out of 20 were operating at near capacity in the first quarter of 1980: printing and publishing at 98.9%, machinery industries at 97.3%, paper and allied products at 96.9% and knitting mills at 90.6%. Major groups operating in the 85% to 89.9% range were tobacco at 89.9%, food and beverages at 89.4%, miscellaneous manufacturing industries at 88.9%, textiles at 88.1%, metal fabricating at 87.8%, rubber and plastics at 87.4% and electrical products at 87.2%.

16.4 Federal assistance to manufacturing

The regional industrial expansion department (DRIE) is responsible for encouraging investment in viable industrial undertakings in manufacturing and resource processing as well as related service industries, tourism and small business.

The merger of elements of the departments of industry, trade and commerce (ITC) and of regional economic expansion (DREE) announced in January 1982 combines in DRIE the industry sector of ITC and DREE's experience of regional delivery of federal economic assistance programs. The department has regional offices and sub-offices in every province and territory.

16.4.1 Industrial and regional development

The industrial and regional development program (IRDP) combines the elements of seven former programs of the departments of industry, trade and commerce and regional economic expansion.

IRDP is delivered and administered regionally with particular attention to the needs of small and medium-sized businesses. The program provides four levels of assistance. Each Canada census division is assessed independently to ensure that the highest