Financial Activity in Canada

Demand for funds by the non-financial domestic sectors on conventional credit markets rose to $21.3 billion in the first quarter, reflecting the continuing moderate growth in the economy. These funds represented 20.3% of Gross National Expenditure, compared with 16.7% in the comparable quarter of 1984.

Most of the increase was attributable to non-financial private corporations which raised $7.5 billion, more than double the quarterly average of 1984. The strength in stock markets encouraged $2.2 billion in share issues, with preferred outpacing common issues by a 60.40 margin. Their borrowings from banks rose a relatively subdued $1 billion, while short-term paper increased sharply, up $1.6 billion, following a drop of a similar amount in the previous quarter. It would appear that at least part of the increased borrowing in short-term instruments was related to inventory accumulation.

(continued page 2, col. 1)

U.S. — Canada Trade

Reconciliation of merchandise trade data shows that Canada had a record surplus of US$15.4 billion with the United States in 1984. The previous record of US$11.7 billion was set in 1983.

The higher surplus was a result of a larger increase in exports (+US$12.3 billion) than in imports (+US$8.5 billion). Exports to the United States rose by US$7.0 billion and imports from that country expanded by $5.0 billion.

The largest reconciliation adjustments of the 1984 published values were as follows:

- An addition of US$5.2 billion to U.S. exports, representing a residual estimate for non-receipt of export documents.
- A corresponding Canadian non-response adjustment of US$2.2 billion (3.3% of the published total).
- A reduction of Canadian imports by US$1.5 billion for goods priced above transaction value.
- An addition of nearly US$1.0 billion to United States imports for trade definition, chiefly to account for United States imports of electricity from Canada.

Contact Gordon Blaney (613-990-9647) or Debi Soucy (613-990-9784), International Trade Division.

Merchandise Trade Balance Between the U.S. and Canada
Financial Activity in Canada

Government remained the most important actor in financial markets, as has been the case since the second quarter of 1982. The federal government's financing requirement exceeded $10 billion; its recourse to conventional credit markets raised $7 billion, largely through sales of Canadian dollar marketable bonds ($3.3 billion) and Treasury bills ($2.7 billion). There were $1.3 billion in redemptions of Canada Savings Bonds. Borrowings in support of Canada's international reserves raised over $1.6 billion. Provincial government borrowing on these markets was subdued, amounting to $800 million.

Household borrowing on conventional capital markets amounted to a relatively modest $3.8 billion; while mortgages rose somewhat strongly ($3.0 billion), there was only a modest increase ($520 million) in consumer credit. Given the continuing demand for autos, the relative weakness in consumer credit was surprising and may have been the result of increased income tax refunds coinciding with rising interest rates. Non-financial government enterprises raised $1.7 billion on conventional credit markets, reflecting the on-going process of low demand for funds by this sector evident for several quarters. The low level of borrowing is consistent with the weakness in capital formation of this sector, particularly for provincial utilities. Moreover, a substantial part of the total funds raised was related to seasonal factors associated with the financing of grain sales.

Contact John Joisce, Gerry Gravel or Christian Lajule (613-990-9043), International and Financial Economics Division.

New Motor Vehicle Sales

Sales of all new motor vehicles totaled 157,645 units in April 1985, the highest monthly total ever registered, surpassing the previous most active sales month of May 1976 when 151,884 units were sold. Sales in April 1985 were 29.9% higher than in April 1984. This year-over-year increase was widespread compared to April 1984. Sales of North American manufactured passenger cars increased by 25.7% to 95,193 units while those for commercial vehicles rose by 35.3% to 34,060 units.

The share of the Canadian passenger car market held by North American manufacturers in April 1985 (based on unit sales) was 79.4%, down from the 81.4% recorded in April 1984. Japanese manufacturers held a market share of 11.0% compared to 12.0% a year earlier. Manufacturers from other countries held 9.6% of the passenger car market, a substantial increase from the 6.6% held in April 1984.

Security Transactions

Trading with non-residents in outstanding Canadian securities produced a net capital inflow to Canada of $305 million in April, compared to $475 million in March. Net sales to non-residents of outstanding Canadian bonds declined by some $150 million to $265 million in April. While there was a sharp rise in investments from the United States, net bond sales to Japan and Continental Europe declined. The value of gross trading activity in Canadian bonds remained high at $2.4 billion.

There was virtually no change in Canadian holdings of outstanding foreign securities arising from trading in April. Net purchases of foreign bonds totalled $56 million. These were offset by a net disinvestment of a similar amount in holdings of foreign equities.

Order the April 1985 issue of Security Transactions with Non-residents (67-002, $15/$150), or contact John Motala (613-990-9051), International and Financial Economics Division.

Trading Partner Analysis

Exports to the United States rose fractionally in April, remaining at a record $8.1 billion. This increase sustains the strong recovery from the declines registered at the end of 1984. Exports to Japan dropped sharply by $165 million (33%), due largely to exports of coal which make up about one-third of exports to that country. Exports to the United Kingdom rose slightly. Exports to other countries declined slightly.

After recovering from declines posted in the second half of 1984, imports from the United States stabilized in January at $6.0 billion, and have remained at $5.9 billion for the past three months. Imports from the United States in April were only $36 million below the March value. Imports from Japan decreased by 7% to $415 million, continuing a steady downward trend from the record high ($520 million) set in September, 1984. Imports from the United Kingdom rose $37 million to $185 million after a sharp drop in March.

Order the April 1985 issue of Summary of Canadian International Trade (55-001, $15/$150), or contact Gordon Blaney (613-990-9647), or John Butterill (613-990-9784), International Trade Division.
Population Projections

The two over-riding demographic phenomena that have emerged from these projections are the continued slowdown in population growth and the accelerated ageing of the population. These and other related developments are portrayed in the following highlights of the results based on low and high growth scenarios:

- Under the low fertility assumption, 1.4 children per woman and low net immigration of 50,000 per year, Canada's population size could reach a peak of some 28 million by the first decade of the next century and then decline thereafter. If, however, the trends were to shift so that fertility increased to 2.2 children per woman and net immigration doubled to 100,000 per year, the population would increase to 30 million by the turn of the century and to 38 million by 2031.

- If the current declining fertility, mortality and low net international migration were to continue, the annual growth rate of Canada's population would slowly decrease from its current 1% to a near zero-growth by 2006.

- The number and proportion of people 65 years and over will grow at an extremely rapid pace over the next few decades. By the beginning of the next century, their population will number around 4 million and by the year 2031, they will number around 7 million, almost three times their present size.

- The pre-school and school-age population (ages 0-17) would shrink substantially under the low fertility and net immigration assumptions, from 6.7 million in 1983 to 6.4 million by 1991 and 5 million by 2006. However, if fertility and net immigration increase to 2.2 children and 100,000 per year respectively, the number of children and youth would reach some 6.8 million in 1991 and 8.0 million in 2006.

Canadian Youth

The publication Canadian Youth: Perspectives on Their Health indicates that in the past, smoking was more popular with young men than young women. However, today, young men and women are equally likely to smoke.

The report also shows that young people are drinking at younger ages now than in the past. According to the Canada Health Survey, 46% of young men and 39% of young women (15 to 19 age group) reported that they drink on a weekly basis.

Motor vehicle accidents are the leading cause of death of young Canadians. The 15 to 19 age group registered the largest increase in the rate of deaths from this cause between 1961 and 1981 (62%). During this same time period, suicide has become the second ranking cause of death for men in both the 15 to 19 and the 20 to 24 age groups. Suicide is also the second ranking cause of death for women in the 20 to 24 age group.

The fertility rate for young women dropped approximately 44% between 1966 and 1981. Between 1974 and 1981, the therapeutic abortion rate increased by 45% for the 15 to 19 age group and 50% for the 20 to 24 age group.

Correctional Services

This publication displays data covering five fiscal years, 1978-80 to 1983-84.

Report Highlights:
- Expenditures on corrections totalled approximately $1.2 billion in 1983-84, over the five-year period, from 1979-80 to 1983-84, there is a 16% increase in government spending on corrections when expressed in constant dollars. For 1983-84, the per capita rate for total correctional expenditure was $49.13.
- The average provincial inmate population increased by less than 1% over the 1982-83 figure but 28% over the five-year period, reaching 17,157 in 1983-84. The average federal inmate population in 1983-84 was 10,438 which represented an increase of 23% over the five-year period and 7% over the 1982-83 figure.
- While 75% of the total correctional caseload were under some form of community supervision, only 8% of total correctional expenditures were for the provision of these services in 1983-84.
- The median sentence length on admission to provincial facilities in 1983-84 was 28 days; the median sentence length for inmates admitted to federal penitentiaries was 45.2 months.
- Adults admitted to provincial custody are typically 25 years old, and over one-third of all admissions are for fine default; the average age for federal inmates is 29 years of age, and the majority are incarcerated for property offences such as robbery or break and enter.
- The average adult provincial probationer is 21 years of age and is serving a probation order of 12 months in length.
- Female offenders comprised 7% of all provincial sentenced admissions to custody, but only 2% of all federal admissions to custody. Seventeen per cent of all admissions to provincial probation were females.
- There were 85 inmate deaths in 1983-84 (31 in correctional facilities, 46 within the provincial inmate population, and 49 within the federal inmate population). Suicides accounted for 36% of all deaths, murders 18%, natural causes 30% and other causes 14%.

Labour Force Survey

The seasonally adjusted level of employment for the week ending May 18, 1985 was an estimated 11,324,000, an increase of 700,000 over the previous month. Employment gains were noted for both males and females and for youths and adults. Employment rose by 34,000 to 2,418,000 for persons aged 15 to 24 and by 36,000 to 6,906,000 for those aged 25 and over.

Full-time employment increased by an estimated 48,000, to 9,539,000 in May. It rose by 34,000 for females and increased marginally among males. Part-time employment rose by 13,000 to 1,777,000 with the increase attributed entirely to gains for males.

Employment increased in the manufacturing (+30,000), agriculture (+9,000), trade (+15,000) while there was little change in the remaining sectors.

The seasonally adjusted estimate of unemployment fell by 50,000, to 1,322,000 in May, 1985. Unemployment fell by 20,000 among persons aged 15 to 24, to 469,000, declining by an estimated 9,000 for males and by 11,000 for females. Unemployment levels dropped by 30,000 for persons aged 25 and over, to 853,000. This decline was limited mainly to males in this age category.

The seasonally adjusted unemployment rate declined by 0.4 to 10.5 in May, 1985. The rate dropped by 0.8 to 16.2 for persons aged 15 to 24, with declines of 0.7 and 0.9 for males and females, respectively. The unemployment rate declined by 0.4 to 8.7 for persons aged 25 and over. The rate eased by 0.4 for males in this age group, and by 0.2 for females.

The seasonally adjusted participation rate rose by 0.1 to 65.4 in May, 1985. The seasonally adjusted employment/population ratio increased by 0.3 to 58.5 in May, 1985.
### AGRICULTURE/NATURAL RESOURCES

- **Stocks of frozen meat products, May 1985**
  - Catalogue No.: 32-012
  - Price: $10/$100
- **The changing profile of the Canadian pig sector**
  - Catalogue No.: 21-521E
  - Price: $10

### CENSUS

- **Canada, provinces and economic regions: Population, occupied dwellings, private households and census and economic families in private households — Labour force survey economic regions. 1981 Census of Canada**
  - Catalogue No.: 93-975
  - Price: $25

### EDUCATION, CULTURE AND TOURISM

- **Service Bulletin: Culture communiqué, Vol. 8, No. 3, University and college libraries, 1982-83**
  - Catalogue No.: 87-001
  - Price: $2/$20

### HOUSEHOLD SURVEYS

- **Labour force information, week ended May 18, 1985**
  - Catalogue No.: 71-001P
  - Price: $5/$50

### HOUSING, FAMILY AND SOCIAL

- **Relationship to person 1 and family characteristics: 1981 Census head office processing results**
  - Catalogue No.: 99-944
  - Price: $10

### INDUSTRY

- **Department store sales by region. April 1985**
  - Catalogue No.: 63-004
  - Price: $4/$40
- **Electric lamps (Light bulbs and tubes). April 1985**
  - Catalogue No.: 43-009
  - Price: $4/$40
- **Gas utilities. February 1985**
  - Catalogue No.: 55-002
  - Price: $10/$100
- **Inventories, shipments and orders in manufacturing industries. January 1985**
  - Catalogue No.: 31-001
  - Price: $15/$150
- **Production, shipments and stocks on hand of sawmills in British Columbia, March 1985**
  - Catalogue No.: 35-003
  - Price: $6/$60
- **Products shipped by Canadian manufacturers. 1981 and 1982**
  - Catalogue No.: 31-211
  - Price: $4/$40
- **Quarterly shipments of office furniture products. Quarter ended March 31, 1985**
  - Catalogue No.: 35-006
  - Price: $5/$20
- **The sugar situation. April 1985**
  - Catalogue No.: 32-013
  - Price: $4/$40

### INTERNATIONAL AND FINANCIAL ECONOMICS

- **Financial activity in Canada. First Quarter 1985**
  - Catalogue No.: 13-002P
  - Price: $10/$40

### INTERNATIONAL TRADE

- **Imports by commodities. March 1985**
  - Catalogue No.: 65-007
  - Price: $50/$500
- **Preliminary statement of Canadian international trade. April 1985**
  - Catalogue No.: 65-001P
  - Price: $5/$50

### JUSTICE STATISTICS

- **Adult correctional services in Canada. 1983-84**
  - Catalogue No.: 85-211
  - Price: $12

### PUBLIC INSTITUTIONS

- **Federal government employment, October-December 1984**
  - Catalogue No.: 72-004
  - Price: $20/$80

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

- **Directory of industrial research and development facilities in Canada. 1985**
  - Catalogue No.: 88-205E
  - Price: $30
- **Housing starts and completions. March 1985**
  - Catalogue No.: 64-002
  - Price: $15/$150
- **Industrial research and development statistics. 1983**
  - Catalogue No.: 88-202
  - Price: $40
- **Investment statistics: Exploration, development, capital and repair expenditures by mining and exploration companies. Intentions 1985**
  - Catalogue No.: 61-216
  - Price: $10
- **Service Bulletins: Construction statistics, Vol. 8, No. 5, Housing stock in Canada, the provinces and territories**
  - Catalogue No.: 64-003
  - Price: $5/$30

### SPECIAL SURVEYS

- **Passenger car fuel consumption survey. July, August and September 1984**
  - Catalogue No.: 53-007
  - Price: Free

### TRANSPORTATION

- **Railway carloadings. March 1985**
  - Catalogue No.: 52-001
  - Price: $7.50/$75

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Publications can also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Sturgeon Falls, Toronto, Winnipeg, Regina, Edmonton and Vancouver, or from bookstore agents or other booksellers.