

The Daily

Statistics Canada

Wednesday, October 22, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **The Consumer Price Index, September 1997**
Annual inflation, as measured by the Consumer Price Index, dipped to 1.6% in September from 1.8% in the three previous months.

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- **Retail trade, August 1997**
Retail sales remained virtually unchanged in August (-0.1%) at \$19.5 billion, following a large increase in July (+1.4%). A decline in sales by the automotive sector masked an otherwise strong month for retailers.

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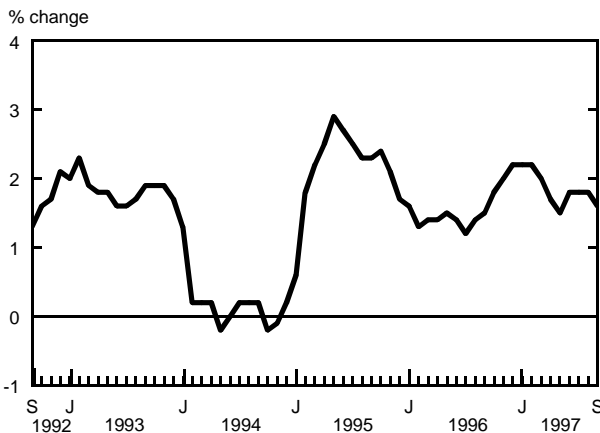
The Consumer Price Index

September 1997

Since September last year, consumers have seen an average price increase of 1.6% in the goods and services which make up the Consumer Price Index (CPI) basket. This annual rate of increase was slightly less than the 1.8% rise observed in each of the three previous months.

Some of the more noticeable price increases faced by consumers over the past year were for transportation expenses (vehicle insurance, gasoline, air transportation and new cars), university tuition, tobacco products, and restaurant meals. Over that same period, consumers benefited from lower mortgage interest charges.

**Consumer Price Index, change
from the same month of the previous year**



The CPI fell by 0.1% between August and September

In September, consumers paid on average 0.1% less than in August for the goods and services in the CPI basket. This was largely due to lower prices for fresh produce, but savings were also noted for shelter, clothing, recreation, and inter-city transportation. Partially offsetting these declines were higher charges for university tuition, household furnishings and gasoline.

Shoppers paid 1.2% less than in August for food purchased from grocery stores. The main reason was a 12.7% decline in fresh vegetable prices.

Fresh vegetable prices usually reach a low point in September of each year. Fresh fruit prices also fell largely due to lower prices for bananas and apples. Price declines were also observed for beef, pork, soft drinks and for breakfast cereals. The benefits of these lower food prices were partially eroded by higher prices for bakery products and poultry.

Shelter charges fell slightly in September due to declines in mortgage interest charges and fuel oil prices. Mortgage interest charges have been declining for almost two years. The drop in fuel oil prices was related to weaker wholesale prices.

Overall, the clothing and footwear component showed a slight decline. The prices of children's and men's clothing fell while those of women's wear and footwear advanced.

A further downward pull on the CPI came as a result of a seasonal drop in traveller accommodation charges. Additional price declines were noted for air and ferry travel, computers and cablevision service.

University tuition fees for the academic year starting in September 1997 were on average 9.0% higher than for the previous academic year. Since 1983, the annual increases in university tuition fees have outpaced increases in the overall CPI. This year, residents of most provinces saw tuition fee increases in the 7% to 12% range. Newfoundland residents saw tuition fees rise the most (+16.9%), while Quebec (+0.6%) and British Columbia (+3.7%) residents saw smaller increases. (Because some residents of a province attend universities in other provinces, the tuition series for a province reflects, to some extent, the movement of tuition fees in other provinces.)

An increase in the index for household furnishings was largely due to higher prices for furniture and household textiles. Other price increases were noted for gasoline, vehicle rentals and beer purchased from stores. Discounts offered over the summer by two Ontario brewers were discontinued and prices returned to previous levels.

Provincial highlights

Between September 1996 and September 1997, increases in provincial CPIs ranged from 0.7% to 2.2%. At the lower end of the scale were Prince Edward Island, Saskatchewan and British Columbia. At the upper end were New Brunswick, Newfoundland, Nova Scotia and Ontario. The two territorial cities showed a greater range than the provinces. Yellowknife showed

a very slight 0.2% increase in prices over the past year, while Whitehorse showed a strong 2.3% advance.

Changes in provincial CPIs between August and September varied from a decline of 0.4% in Prince Edward Island to an increase of 0.4% in New Brunswick. A major drop in fuel oil prices was the main reason for the decline in Prince Edward Island. The relatively large monthly increase in New Brunswick resulted primarily from a hefty increase in gasoline prices.

Available on CANSIM: matrices 7440-7454 and 7477-7478.

**Consumer Price Index, major components
(1986=100)**

	Sept. 1997	Aug. 1997	Sept. 1996	Aug. 1997 to Sept. 1997	Sept. 1996 to Sept. 1997
	unadjusted				
	% change				
All-items	138.1	138.2	135.9	-0.1	1.6
Food	129.1	130.1	127.5	-0.8	1.3
Shelter	134.2	134.3	134.1	-0.1	0.1
Household operations and furnishings	126.0	125.4	124.8	0.5	1.0
Clothing and footwear	133.9	134.1	132.2	-0.1	1.3
Transportation	148.8	148.6	142.9	0.1	4.1
Health and personal care	139.1	139.2	136.8	-0.1	1.7
Recreation, education and reading	153.0	152.3	149.8	0.5	2.1
Alcoholic beverages and tobacco products	151.4	151.3	146.5	0.1	3.3
Goods	130.6	130.9	128.7	-0.2	1.5
Services	147.2	147.1	144.6	0.1	1.8
All-items excluding food and energy	140.6	140.5	138.5	0.1	1.5
Energy	135.9	135.5	130.8	0.3	3.9
Purchasing power of the consumer dollar expressed in cents, compared with 1986	72.4	72.4	73.6		
All-items (1981=100)	182.8				

Available at 7 a.m. on the Internet at <http://www.statcan.ca> in "Latest news from Statistics Canada".

The September 1997 issue of the *Consumer Price Index* (62-001-XPB, \$11/\$103) is now available. See *How to order publications*.

The October 1997 *Consumer Price Index* will be released on November 19th, 1997.

For further information on this release, contact Paul-Roméo Danis (613-951-9606; fax: 613-951-2848; Internet: danipau@statcan.ca), Prices Division.

Consumer Price Index by province, Whitehorse and Yellowknife
(1986=100)

	Sept. 1997	Aug. 1997	Sept. 1996	Aug. 1997 to Sept. 1997	Sept. 1996 to Sept. 1997
	unadjusted				
	% change				
Newfoundland	132.7	132.5	130.0	0.2	2.1
Prince Edward Island	134.9	135.4	133.9	-0.4	0.7
Nova Scotia	135.8	135.8	133.0	0.0	2.1
New Brunswick	134.2	133.6	131.3	0.4	2.2
Quebec	135.1	135.5	133.2	-0.3	1.4
Ontario	139.5	139.6	136.8	-0.1	2.0
Manitoba	141.4	141.5	139.0	-0.1	1.7
Saskatchewan	140.1	140.2	139.0	-0.1	0.8
Alberta	138.8	138.6	136.5	0.1	1.7
British Columbia	139.9	139.9	138.6	0.0	0.9
Whitehorse	136.2	136.3	133.1	-0.1	2.3
Yellowknife	135.7	135.8	135.4	-0.1	0.2



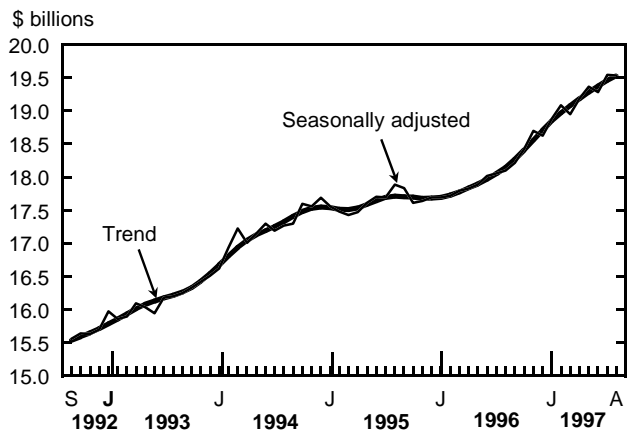
Retail trade

August 1997

Retail sales remained virtually unchanged in August (-0.1%) at \$19.5 billion, following a large increase in July (+1.4%). A decline in sales by the automotive sector masked an otherwise strong month for retailers.

Retail sales have generally been rising since the start of 1996. Strong growth in retail sales was first observed in the fall of 1996. The level of sales in August was 7.9% higher than the same month in 1996.

Retail sales unchanged in August



While consumers put the brakes on automotive sales. . .

Sales in the automotive sector declined 1.8% in August. This drop followed a 2.8% increase in July. The automotive sector accounts for more than one-third of retail sales, so movements in this sector have a major impact on monthly movements in aggregate retail sales. Despite August's setback, sales in the automotive sector remained 9.3% higher in August than during the same period in 1996. Except for a pause in the winter of 1994-95, sales in the automotive sector have been growing steadily since February 1992.

Two out of three trade groups in the automotive sector declined in August. The largest percentage decline was in automotive parts, accessories and service stores: the 3.8% drop followed a strong advance in July (+5.6%). Despite August's retreat, sales levels remained 15.4% higher than the same month in 1996.

While sales by vehicle dealers declined in August (-2.2%), sales were 10.8% higher than during the same period in 1996. Sales by motor and recreational vehicle

dealers have been strong since September 1996 and have been a major factor in the recovery of retail sales.

While sales by motor vehicle and recreational vehicle dealers declined in August, the number of new motor vehicles sold by dealers, as reported by manufacturers, rose 2.8%. Retailers in this grouping include both new and used motor vehicle dealers as well as vendors of items such as recreational vehicles, travel trailers, motorcycles and motorboats. In addition, revenue from parts and service departments make an important contribution to dealer sales.

Within the automotive sector, only gasoline service stations saw an increase in sales (+1.6%). This advance was due to increasing prices. Removing the effect of higher prices, sales in gasoline service stations declined 2.1%.

. . . sales speed ahead in other sectors

Excluding the automotive sector, sales advanced 1.0% in August. Sales in August were 7.1% higher than during the same period in 1996. Furniture stores led the advance (+2.8%) in August, followed by clothing stores (+1.9%) and drug stores (+1.4%). Sales also advanced in general merchandise (+0.8%) and food stores (+0.5%).

Sales in household furnishings stores remained virtually unchanged in August (+0.1%), while surging sales in household furniture and appliance stores (+3.6%) led to improved furniture store sales. Furniture store sales were 12.4% higher in August compared with the same period in 1996. Sales by furniture stores have generally been rising since the spring of 1996, following a decline from January 1995.

Within the clothing sector, advances in shoe (+2.9%), women's clothing (+1.0%) and other clothing stores (+3.0%) more than offset declining sales in men's clothing (-0.7%). Clothing store sales have generally been improving since June after a pause from the start of 1997. Sales had generally been strong from the spring of 1996 to the end of 1996.

Advances in drug store sales in July and August (+2.8% and +1.4% respectively) have eliminated the decline observed from the early part of 1997. In August, drugstores surpassed their January 1997 peak in sales.

Improvements in sales by general merchandise stores were led by department stores (+1.5%). This was the eighth straight month of rising department store sales and brought the level of sales 13.1% higher in August than in the same period in 1996. Sales in other general merchandise stores declined in August (-0.2%). General merchandise stores have been enjoying a steady period of growth since the middle of 1993.

Although food store sales increased in August, sales have generally remained flat since the spring of 1997, after a one-year period of strong growth.

Provincial sales varied

British Columbia, Ontario, New Brunswick and the Northwest Territories saw increases in retail sales in August. The widespread decline in sales by motor and recreational vehicle dealers dampened the increases that had been observed in recent months in most of Atlantic and Western Canada.

Related indicators of September sales

Initial estimates indicate a drop in the number of new motor vehicles sold in September. The number of

employees in retail trade was unchanged in September from the previous month. The number of housing starts in September fell by 2.6% from the same period in 1996.

Available on CANSIM: matrices 2299, 2398-2417 and 2420.

The August 1997 issue of *Retail trade* (63-005-XPB, \$21/\$206) will be available shortly. See *How to order publications*.

For further information on this release, contact Louise Généreux (613-951-3549; Internet: logener2@statcan.ca). For analytical information, contact Greg Peterson (613-951-3592; Internet: petegre@statcan.ca), Retail Trade Section, Distributive Trades Division. □

Retail sales

	Aug. 1996	May 1997 ^r	June 1997 ^r	July 1997 ^r	Aug. 1997 ^p	July 1997 to Aug. 1997	Aug. 1996 to Aug. 1997
seasonally adjusted							
	\$ millions					% change	
Food	4,490	4,662	4,700	4,699	4,723	0.5	5.2
Supermarkets and grocery stores	4,154	4,321	4,359	4,350	4,383	0.8	5.5
All other food stores	336	342	341	349	339	-2.8	1.0
Drug and patent medicine stores	1,016	1,052	1,038	1,066	1,081	1.4	6.4
Clothing	1,058	1,075	1,091	1,087	1,108	1.9	4.7
Shoe stores	145	137	144	139	143	2.9	-1.7
Men's clothing stores	128	133	136	137	136	-0.7	5.9
Women's clothing stores	334	340	345	339	342	1.0	2.4
Other clothing stores	451	465	466	473	487	3.0	8.0
Furniture	904	979	981	987	1,015	2.8	12.4
Household furniture and appliance stores	705	753	770	767	795	3.6	12.7
Household furnishings stores	198	226	210	220	221	0.1	11.2
Automotive	6,681	7,426	7,233	7,435	7,301	-1.8	9.3
Motor vehicle and recreational vehicle dealers	4,313	4,935	4,746	4,886	4,778	-2.2	10.8
Gasoline service stations	1,347	1,350	1,326	1,324	1,345	1.6	-0.1
Automotive parts, accessories and services	1,021	1,141	1,161	1,226	1,178	-3.8	15.4
General merchandise stores	2,000	2,148	2,163	2,177	2,194	0.8	9.7
Retail stores not elsewhere classified	1,950	2,018	2,072	2,088	2,107	0.9	8.0
Other semi-durable goods stores	607	650	672	678	669	-1.3	10.2
Other durable goods stores	484	492	493	506	526	3.9	8.5
All other retail stores not elsewhere classified	858	876	907	905	912	0.8	6.2
Total retail sales	18,098	19,361	19,277	19,539	19,528	-0.1	7.9
Total excluding motor vehicle and recreational vehicle dealers	13,785	14,425	14,531	14,653	14,751	0.7	7.0
Department store type merchandise	6069	6397	6436	6501	6592	1.4	8.6
Provinces and territories							
Newfoundland	286	310	311	314	310	-1.1	8.4
Prince Edward Island	78	86	85	90	88	-2.3	12.8
Nova Scotia	577	582	594	622	599	-3.8	3.8
New Brunswick	452	458	459	450	454	1.0	0.5
Quebec	4,333	4,630	4,657	4,699	4,648	-1.1	7.3
Ontario	6,522	6,923	6,960	7,059	7,106	0.7	9.0
Manitoba	658	687	714	690	690	0.0	4.8
Saskatchewan	601	651	649	656	649	-1.1	8.0
Alberta	1,924	2,165	2,149	2,165	2,160	-0.2	12.2
British Columbia	2,602	2,800	2,631	2,728	2,756	1.0	5.9
Yukon	24	27	25	25	25	-0.2	5.0
Northwest Territories	40	43	43	43	43	1.2	7.0

^r Revised figures.

^p Preliminary figures.

Retail sales

	Aug. 1996	July 1997 ^f	Aug. 1997 ^p	Aug. 1996 to Aug. 1997
	unadjusted			
	\$ millions			%
				change
Food	4,855	4,925	4,963	2.2
Supermarkets and grocery stores	4,504	4,556	4,613	2.4
All other food stores	351	370	350	-0.1
Drug and patent medicine stores	1,007	1,031	1,052	4.4
Clothing	1,088	984	1,128	3.7
Shoe stores	159	126	153	-3.8
Men's clothing stores	111	118	114	3.1
Women's clothing stores	331	325	331	-0.2
Other clothing stores	487	415	530	8.9
Furniture	939	979	1,041	10.9
Household furniture and appliance stores	730	750	811	11.0
Household furnishings stores	209	229	231	10.6
Automotive	6,782	8,087	7,121	5.0
Motor vehicle and recreational vehicle dealers	4,279	5,333	4,525	5.7
Gasoline service stations	1,472	1,441	1,444	-1.9
Automotive parts, accessories and services	1,031	1,313	1,152	11.8
General merchandise stores	2,005	2,000	2,173	8.4
Retail stores not elsewhere classified	2,136	2,242	2,269	6.2
Other semi-durable goods stores	647	703	685	5.9
Other durable goods stores	517	515	566	9.4
All other retail stores not elsewhere classified	971	1,024	1,017	4.7
Total retail sales	18,812	20,247	19,748	5.0
Total excluding motor vehicle and recreational vehicle dealers	14,533	14,915	15,224	4.8
Department store type merchandise	6,204	6,211	6,646	7.1
Provinces and territories				
Newfoundland	311	336	328	5.3
Prince Edward Island	90	105	99	9.7
Nova Scotia	614	652	618	0.7
New Brunswick	482	480	476	-1.2
Quebec	4,552	4,909	4,685	2.9
Ontario	6,640	7,243	7,052	6.2
Manitoba	684	703	699	2.1
Saskatchewan	623	676	658	5.6
Alberta	2,012	2,216	2,201	9.4
British Columbia	2,733	2,852	2,859	4.6
Yukon	27	30	28	2.0
Northwest Territories	43	46	45	5.0

^f Revised figures.

^p Preliminary figures.



OTHER RELEASES

Railway carloadings

Seven-day period ending October 7, 1997

Carloadings of freight (excluding intermodal traffic) during the seven-day period ending October 7, 1997, were up 2.6% to 4.9 million tonnes from the same period of last year. The number of cars loaded advanced 3.8%.

Intermodal traffic (piggyback) tonnage totalled 360 000 tonnes, down 1.4% from the same period of last year. The year-to-date figures show an increase of 10.4%.

Total traffic (carloadings of freight and intermodal traffic) increased 2.3% during the period. This brought the year-to-date total to 200 million tonnes, up 6.8% from the previous year.

All year-to-date figures have been revised.

For further information on this release, contact Angus MacLean (613-951-2528; fax: 613-951-0579), Railway Transport Unit, Transportation Division. ■

Mineral wool including fibrous glass insulation

September 1997

Manufacturers shipped 3 395 279 square metres of R12 factor (RSI 2.1) mineral wool batts in September, up 9.4% from 3 103 043 square metres a year earlier and up 26.1% from the 2 459 987 square metres a month earlier.

Year-to-date shipments to the end of September totalled 19 610 346 square metres, a 1.3% increase from the same period in 1996.

Available on CANSIM: matrices 40 and 122 (series 32-33).

The September 1997 issue of *Mineral wool including fibrous glass insulation* (44-004-XPB, \$7/\$62) will be available shortly. See *How to order publications*.

For further information on this release, contact Roland Joubert (613-951-3527; Internet: rjoubert@statcan.ca), Manufacturing, Construction and Energy Division. ■

Pulpwood and wood residue statistics

August 1997

Pulpwood receipts in August totalled 2 923 030 cubic metres, down 14.8% from 3 428 585 cubic metres in

August 1996. Wood residue receipts totalled 5 899 203 cubic metres, down 3.3% from 6 098 676 cubic metres in August 1996. Consumption of pulpwood and wood residue totalled 9 078 634 cubic metres, down 3.2% from 9 377 957 cubic metres in August 1996. The closing inventory of pulpwood and wood residue decreased 19.7% to 10 810 936 cubic metres, down from 13 453 831 cubic metres in August 1996. Year-to-date consumption of pulpwood and wood residue (74 087 456 cubic metres) increased 3.7% from 71 424 977 cubic metres a year earlier. Figures for 1996 have been revised.

Available on CANSIM: matrices 54.

The August 1997 issue of *Pulpwood and wood residue statistics* (25-001-XPB, \$8/\$73) will be available shortly. See *How to order publications*.

For further information on this release, contact Liisa Pent (613-951-3531; Internet: pentlii@statcan.ca), Manufacturing, Construction and Energy Division. ■

Sawmills and planing mills

August 1997

Sawmills in Canada produced 4 864.0 thousand cubic metres of lumber and ties in August, down 6.1% from 5 182.3 thousand cubic metres (after revisions) produced in August 1996.

January-to-August production was 43 470.6 thousand cubic metres, up 2.3% from 42 507.3 thousand cubic metres (after revisions) produced over the same period in 1996.

Available on CANSIM: matrices 53, 122 (series 2).

The August 1997 issue of *Sawmills and planing mills* (35-003-XPB, \$12/\$114) will be available shortly.

For further information on this release, contact Gilles Simard (613-951-3516; Internet: simales@statcan.ca), Manufacturing, Construction, and Energy Division. ■

PUBLICATIONS RELEASED

National economic and financial accounts, Second quarter 1997
Catalogue number 13-001-XDB
(Canada: \$100; outside Canada: US\$100).

National economic and financial accounts, Second quarter 1997
Catalogue number 13-001-XPB
(Canada: \$44/\$145; outside Canada: US\$44/US\$145).

Monthly Survey of Manufacturing, August 1997
Catalogue number 31-001-XPB
(Canada: \$20/\$196; outside Canada: US\$20/US\$196).

Food consumption in Canada, Part II, 1996
Catalogue number 32-230-XPB
(Canada: \$33; outside Canada: US\$33).

Construction type plywood, August 1997
Catalogue number 35-001-XPB
(Canada: \$7/\$62; outside Canada: US\$7/US\$62).

Consumer Price Index, September 1997
Catalogue number 62-001-XPB
(Canada: \$11/\$103; outside Canada: US\$11/US\$103).

All prices exclude sales tax.

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