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MAJOR RELEASES

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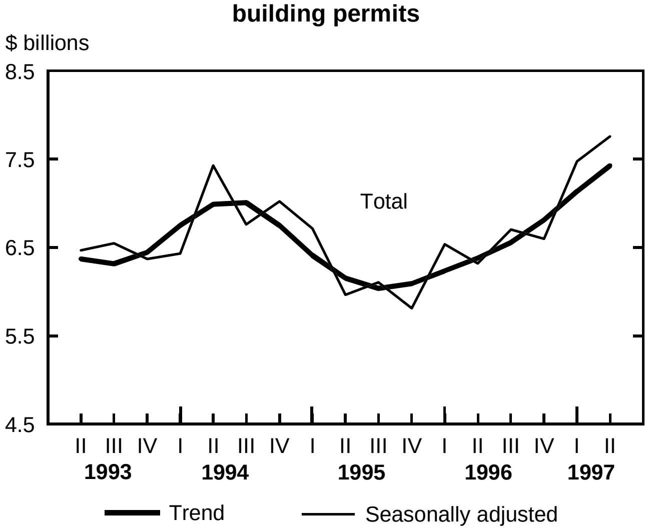
MAJOR RELEASES

Building permits

Second quarter and June 1997

After three consecutive quarterly increases, activity in the housing sector slowed in the second quarter of 1997. The decline in residential permits was more than offset by gains in the non-residential sector, which brought the total value of building permits to $7.8 billion, up 3.8% from the previous quarter. This was the second consecutive quarterly increase.

Second consecutive quarterly increase in the value of building permits



Municipalities issued $4.5 billion in building permits for new housing between April and June, down 5.1% from the first quarter of 1997. The decline was attributable to the single-family component (-8.5%), while the multi-family component recorded a 5.2% increase.

Despite this pause in housing construction intentions, the future remains bright for the housing sector as a whole. The value of residential permits from January to June was 22.0% higher than the first six months of 1996. These results suggest that the 13.3% increase in residential investment projected for 1997, as announced in the private and public investment intentions in July, is well on its way to being realized. Furthermore, indications of renewed consumer confidence are present, as reflected in the rise of retail sales in May, spurred by big-ticket items such as furniture and cars.

Note to readers

Unless otherwise stated, this release presents seasonally adjusted data which ease comparisons by removing the effects of seasonal variations.

The monthly Building and Demolitions Permits Survey covers 2,400 municipalities representing 93% of the population. It provides an early indication of building activity. The communities representing the other 7% of the population are very small, and their levels of building activity have little impact on the total.

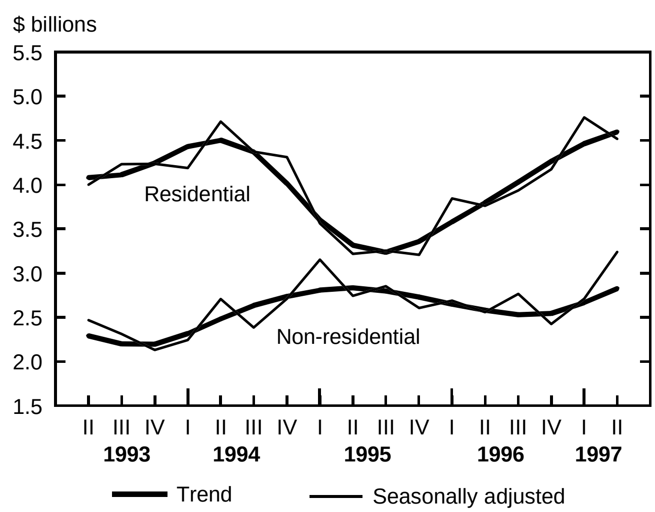
The value of planned construction activities shown in this release excludes engineering projects (waterworks, sewers, culverts) and land.

The annual rate is a monthly figure that has been seasonally adjusted and multiplied by 12 to reflect annual levels.

In the non-residential sector, the value of permits increased in the first two quarters of 1997. The sector has not been this buoyant since the fourth quarter of 1990. In the second quarter, intentions in the non-residential sector rose by 19.5% to $3.2 billion.

On a monthly basis, municipalities issued $2.6 billion in permits in June, up 5.2% from May. Housing construction intentions dropped 6.3% to $1.4 billion, following two consecutive increases. The value of non-residential permits jumped 25.3% to $1.1 billion, following a 28.4% drop in May.

Positive trends continue for both sectors



Housing sector remains strong despite quarterly decrease

Despite the decline, residential permits issued during the second quarter still represent the second highest level of activity since the third quarter of 1994. The gains in the first quarter were primarily due to the single-family component, while the activity shifted to the multi-family component in the second quarter. Between April and June, intentions for multi-family dwelling construction increased by 5.2% to $1.2 billion. However, a decline in the single-family sector of 8.5% to $3.3 billion was recorded in the same period.

Overall, the residential sector remains strong. Intentions in the second quarter of 1997 are 20.1% higher than they were during the same period of 1996. The single- (+20.5%) and multi-family (+19.0%) components contributed almost equally to the strengthtening of the sector.

There were other indications of the strength of the housing market. According to the Canadian Real Estate Association, the resale market is also brisk. In the first half of 1997, transactions were up 17.9% over the same period of last year, to reach the highest number of resale transactions recorded in the first six months of the year since 1988. Compared with 1995 (which was a difficult year) resales have jumped by more than 50%. In addition, according to Canada Mortgage and Housing Corporation (CMHC), housing starts were 26.9% higher in the first half of 1997 than a year ago.The 150,200 starts between January and June were the highest figure in three years.

British Columbia issued more housing building permits in the second quarter than in the first (+8.1% to $1.0 billion). Quebec (+2.4% to $710 million) and the Yukon (+35.4% to $8 million) also had significant increases. In contrast, residential construction dropped in Ontario (-6.3% to $1.9 billion), Alberta (-11.7% to $593 million) and Nova Scotia (-43.2% to $96 million).

Commercial and industrial projects power the non-residential sector

The value of non-residential building permits reached $3.2 billion in the second quarter (the highest figure since the fourth quarter of 1990) a jump of 19.5% over first quarter results. All components advanced.

Commercial projects (+19.9% to $1.6 billion) propelled the non-residential sector. Planned commercial growth occurred mainly in small commercial and trade and services projects. Industrial intentions jumped by 31.7% to $920 million. Proposed construction projects in new factories were the most prevalent industrial intentions in the second quarter. The value of institutional permits rose by 5.6% to $684 million. The educational sector benefitted the most from construction intentions.

For the first six months of 1997, the value of the non-residential permits was 13.4% higher than during the same period in 1996. This coincides with the recent release of building construction investment intentions for 1997, which showed a 9.0% increase over 1996.

Except for New Brunswick, all provinces and territories had quarterly increases in non-residential building intentions. Ontario, Alberta and British Columbia registered the largest quarterly gains. In Ontario, where permits rose by 17.4% to $1.3 billion, commercial projects accounted for most of the increase. Industrial projects led the way in Alberta, as non-residential permits increased 31.4% to $449 million. Commercial projects also accounted for most of the increase in British Columbia, where non-residential permits rose by 25.5% to $480 million. Intentions in the commercial component appear to be following the increased level of activity observed in retailing.

Available on CANSIM: matrices 80 (levels 3-7, 16-22 and 24-32), 129, 137, 443, 989-992, 994, 995 and 4073.

The June 1997 issue of *Building permits* (64-001-XPB, $25/$248) will be available shortly. See *How to order publications*.

The July building permits estimate will be released on September 4. For further information, contact Sylvain Cloutier (613-951-2025; Internet: *clousyl@statcan.ca*), Current Investment Indicators Section, Investment and Capital Stock Division. □

Value of building permits

	May 1997	June 1997	May to June 1997	First quarter 1997	Second quarter 1997	First to second quarter 1997
	Seasonally adjusted					
	$ millions		% change	$ millions		% change
Canada	**2,430**	**2,557**	**5.2**	**7,473**	**7,758**	**3.8**
Residential	1,542	1,445	-6.3	4,761	4,518	-5.1
Non-residential	888	1,112	25.3	2,712	3,240	19.5
Newfoundland	20	21	6.1	75	56	-24.8
Residential	10	10	-3.1	56	30	-45.1
Non-residential	9	11	16.6	19	26	34.6
Prince Edward Island	14	13	-5.6	25	32	29.4
Residential	6	6	6.6	14	15	8.6
Non-residential	8	7	-13.9	11	17	57.1
Nova Scotia	50	51	2.0	203	142	-29.7
Residential	34	37	7.3	170	96	-43.2
Non-residential	16	14	-9.6	33	46	40.0
New Brunswick	30	29	-1.2	135	110	-18.7
Residential	18	19	8.5	71	59	-17.7
Non-residential	12	10	-16.1	64	51	-19.8
Quebec	436	446	2.3	1,282	1,377	7.4
Residential	231	240	4.0	693	710	2.4
Non-residential	206	207	0.4	589	667	13.2
Ontario	930	1,009	8.4	3,099	3,165	2.1
Residential	624	580	-7.1	1,993	1,866	-6.3
Non-residential	307	429	39.9	1,106	1,299	17.4
Manitoba	59	60	0.8	186	169	-9.0
Residential	26	25	-3.7	96	78	-18.8
Non-residential	33	34	4.3	90	91	1.4
Saskatchewan	45	59	33.1	132	151	14.1
Residential	19	16	-17.8	59	59	0.0
Non-residential	26	44	70.5	73	92	25.6
Alberta	316	327	3.4	1,013	1,042	2.8
Residential	214	178	-16.6	672	593	-11.7
Non-residential	102	149	45.3	342	449	31.4
British Columbia	525	518	-1.2	1,309	1,482	13.2
Residential	356	330	-7.3	927	1,002	8.1
Non-residential	168	188	11.7	382	480	25.5
Yukon	4	5	33.7	7	12	67.4
Residential	3	3	10.2	6	8	35.4
Non-residential	1	2	91.8	2	5	180.6
Northwest Territories	2	18	1,046.5	6	21	224.9
Residential	1	0	-88.2	5	2	-68.4
Non-residential	1	18	2,224.8	1	19	1,817.9

Note: *Data may not add to totals due to rounding.*

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Farm Input Price Index

Second quarter 1997 (preliminary)

Farmers paid only 1.3% more to do business in the second quarter of 1997 compared with the same period last year — the lowest annual increase in almost five years. Farmers in the West paid over 2% more for inputs, while prices remained virtually unchanged in the East. This 1.3% gain was the smallest year-over-year increase since the third quarter of 1992 when there was virtually no overall price change. Farm input prices for western farmers rose 2.1% on a year-over-year basis in the second quarter, the result of higher prices for feeder cattle.

By comparison, prices in the East increased marginally (+0.5%). Nationally, a 15.9% decline in the cost of interest helped offset significant increases for inputs such as feeder cattle and machinery and motor vehicles.

Feeder cattle prices significantly higher

Prices rose in five of the seven input categories surveyed across the country. A 5.8% increase in prices for inputs into animal production contributed most to the annual increase. Producers paid 39.2% more for feeder cattle and 3.7% more for turkey poults. On the other hand, grain feed prices tumbled 34.1%.

Farmers paid more for machinery and motor vehicles, farm wages, lumber and plywood, and for supplies and services such as heating fuel and custom work. Those increases were offset by the drop in interest costs, mainly as a result of lower costs for non-mortgage loans, and lower prices for potatoes (-12.9%) and phosphoric fertilizers (-7.8%).

Prices higher for western farmers

For the second consecutive quarter, feeder cattle prices were the biggest contributors to the year-over-year increase for western farmers. While cattle prices jumped 41.7%, western farmers also paid more for other inputs into animal production such as weanling pigs (+14.3%) and poultry (+2.4%).

Western farmers also paid more for hired farm labour and for building and fencing, due to higher prices for building materials. However, western farmers benefited from lower prices for crop production, as prices for potatoes and phosphoric fertilizers declined. Interest costs fell 15.9% as a result of lower rates for non-mortgage loans.

In the East, farmers paid more for cattle (+36.2%) compared with the second quarter of 1996. However, that was offset by a 6.4% decline in prices for weanling pigs, a 2.3% drop for poultry and a significant 35.1% decline in grain feed prices.

Eastern farmers also paid more for building materials and machinery and motor vehicles and faced marginal increases for hired farm labour and supplies and services. They benefited from lower prices for potatoes and fertilizers, and paid less for interest, as a result of lower costs for non-mortgage loans.

Higher cattle prices drove quarterly increase

Nationally, farm input prices rose 1.8% between the first and second quarters of 1997. Input prices rose 2.2% in the West between the quarters, compared with 1.4% in the East.

Higher prices for feeder cattle (+14.2%) and prepared feed (+5.0%) contributed most to the increase in animal production (+5.9%). Farmers also faced higher prices for potatoes and herbicides, which helped push the crop production index up 3.1%.

Marginal price increases for farm wages and building and fencing were offset by lower prices for machinery and motor vehicles and supplies and services. Farmers continued to benefit from lower interest costs, which fell 3.0% from the first to second quarter.

Available on CANSIM: matrices 550-582 (level 7) and 2050-2063.

The second quarter 1997 issue of *Farm input price indexes* (62-004-XPB, $25/$83) will be available shortly. See *How to order publications*.

For further information on this release, contact the Client Services Unit, Prices Division (613-951-9606). □

Farm input price indexes
(1986=100)

	Second quarter 1996	First quarter 1997	Second quarter 1997	Second quarter 1996 to second quarter 1997	First quarter 1997 to second quarter 1997
				% Change	
Canada, total farm input	**129.0**	**128.4**	**130.7**	**1.3**	**1.8**
Building and fencing	129.5	135.7	136.0	5.0	0.2
Machinery and motor vehicles	135.0	139.1	138.3	2.4	-0.6
Crop production	133.9	128.8	132.8	-0.8	3.1
Animal production	122.8	122.7	129.9	5.8	5.9
Supplies and services	130.1	132.9	131.3	0.9	-1.2
Hired farm labour	142.8	145.7	146.2	2.4	0.3
Property taxes	143.7	148.9	148.9	3.6	0.0
Interest	103.1	89.4	86.7	-15.9	-3.0
Farm rent	145.4	142.8	142.8	-1.8	0.0
Eastern Canada, total farm input	**132.7**	**131.5**	**133.3**	**0.5**	**1.4**
Building and fencing	136.6	141.5	142.3	4.2	0.6
Machinery and motor vehicles	140.8	144.3	144.3	2.5	0.0
Crop production	132.6	130.4	132.5	-0.1	1.6
Animal production	128.8	124.3	130.8	1.6	5.2
Supplies and services	136.1	139.1	137.3	0.9	-1.3
Hired farm labour	144.7	151.5	145.8	0.8	-3.8
Property taxes	158.7	165.3	165.3	4.2	0.0
Interest	103.8	90.0	86.9	-16.3	-3.4
Farm rent	162.0	166.3	166.3	2.7	0.0
Western Canada, total farm input	**126.1**	**125.9**	**128.7**	**2.1**	**2.2**
Building and fencing	121.6	129.1	128.9	6.0	-0.2
Machinery and motor vehicles	132.0	136.3	135.1	2.3	-0.9
Crop production	134.6	127.8	132.9	-1.3	4.0
Animal production	114.8	120.6	128.7	12.1	6.7
Supplies and services	124.1	126.7	125.4	1.0	-1.0
Hired farm labour	142.3	137.9	148.4	4.3	7.6
Property taxes	139.7	144.6	144.6	3.5	0.0
Interest	102.8	89.0	86.5	-15.9	-2.8
Farm rent	139.7	134.9	134.9	-3.4	0.0

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OTHER RELEASES

Estimates of labour income

May 1997 (preliminary)

Labour income and employees' wages and salaries rose for the fourth consecutive month, registering a strong 0.6% gain in May. Overall wages and salaries for the first five months of 1997 were 3.9% above those of the same period in 1996.

Wages and salaries in manufacturing and construction advanced by more than 1% in May — the second consecutive month of strong growth in both industries. Substantial gains in average earnings, due to increased hours, contributed to the growth. Wages and salaries in finance, insurance and real estate and commercial and personal services also rose again in May — the eighth monthly rise since October 1996.

Newfoundland, New Brunswick, Quebec and Ontario all recorded growth in May, pushed by strength in average earnings.

Note: Labour income consists of wages and salaries (87%), plus supplementary labour income (13%). Wages and salaries include items such as bonuses, gratuities, taxable allowances and retroactive wage payments. Supplementary labour income is employers' contributions to employee welfare, pension, workers' compensation and employment insurance plans. Labour income accounts for about 54% of gross domestic product. Users of labour income data should note that the seasonally adjusted data have been revised back to January 1997.

Available on CANSIM: matrices 1791 and 1792.

For further information on this release, contact Jean Lambert (613-951-4051; fax: 613-951-3618), National Accounts and Environment Division.

Wages and salaries and supplementary labour income

	April 1997[r]	May 1997[p]	April to May 1997
	Seasonally adjusted		
	$ millions		% change
Agriculture, fishing and trapping	258.5	255.0	-1.4
Logging and forestry	273.2	268.8	-1.6
Mining, quarring and oil wells	685.4	691.3	0.9
Manufacturing	6,099.0	6,170.8	1.2
Construction	1,760.0	1,782.0	1.3
Transportation, storage, communications and other utilities	2,956.9	2,981.4	-1.3
Trade	4,595.0	4,622.4	0.6
Finance, insurance and real estate	2,915.9	2,938.6	0.8
Commercial and personal services	4,947.5	4,976.4	0.6
Education and related services	2,720.2	2,719.7	-0.0
Health and social services	2,868.3	2,865.5	-0.1
Federal administration and other government services	874.8	877.4	0.3
Provincial administration	694.4	692.1	-0.3
Local administration	679.7	678.8	-0.1
Total wages and salaries	**32,286.4**	**32,477.8**	**0.6**
Supplementary labour income	4,821.9	4,861.4	0.8
Labour income	**37,108.3**	**37,339.2**	**0.6**

r *Preliminary figures.*
p *Revised figures.*

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Financial statistics of universities
1995/96

University revenue did not keep pace with inflation in 1995/96. Adjusted for inflation, revenue fell by 1.7% from 1994/95. The overall decline was due primarily to a 4.6% drop in government grants and contracts (the third consecutive decrease) and a 3.6% dip in bequests, donations and non-government grants.

On the other hand, revenue from fees increased by 3.1%. This continues a 15-year upward trend. Since 1981/82, revenues from government grants and contracts increased by 42%, while revenue from fees increased 258%. The increase in fee revenue comes partly from increases in tuition and other fees, and partly from increased enrolment.

In line with reduced revenue, university expenditures decreased by 1.5% from 1994/95. Salaries, wages and benefits, the most significant expenditure item, fell by 2.2%. Over the past 15 years, salaries, wages and benefits have increased 64%, while most other expenditure categories have doubled or tripled. The largest increase has occurred in expenditures for scholarships and bursaries, providing some consolation to students facing higher fees.

Available on CANSIM: table number 00590206.

For further information on this release, contact Brigitte Bouchard at (613-951-9167). To obtain tables or make general inquiries, contact Daniel Perrier at (613-951-7474), Centre for Education Statistics.

University revenue by source

	Revenue			Share of revenue		
	1995-96	1994-95 to 1995-96	1981-82 to 1995-96	1995-96	1994-95	1981-82
	$ thousands	% change[1]	% change[1]	% share of total		
Government grants and contracts	7,081,642	-4.6	42.7	61.1	62.9	72.6
Fees	1,945,456	3.1	258.3	16.8	16.0	9.6
Bequests, donations and non-government grants	911,043	-3.6	245.7	7.9	8.0	4.6
Sales of services and products	1,009,211	-0.1	132.2	8.7	8.6	7.1
Investment income	392,070	20.5	84.0	3.4	2.6	3.3
Other	256,706	10.1	259.5	2.2	1.9	1.3
Total revenue	**11,596,128**	**-1.7**	**80.2**	**100.0**	**100.0**	**100.0**

[1] *In constant dollars.*

University expenditures by type

	Expenditures			Share of expenditures		
	1995-96	1994-95 to 1995-96	1981-82 to 1995-96	1995-96	1994-95	1981-82
	$ thousands	% change[1]	% change[1]	% share of total		
Salaries, wages and benefits	7,483,097	-2.2	70.3	64.4	64.9	68.3
Operational supplies and expenses	1,003,561	0.3	99.9	8.6	8.5	8.1
Furniture and equipment	591,466	-11.0	81.9	5.1	5.6	5.1
Scholarship, bursaries and prizes	241,117	4.3	226.0	2.1	2.0	1.3
Externally contracted services	273,835	1.8	127.3	2.4	2.3	2.0
Cost of goods sold	326,942	1.0	149.8	2.8	2.7	2.2
Other	1,694,591	2.8	115.4	14.6	14.0	12.9
Total expenditures	**11,614,609**	**-1.5**	**84.1**	**100.0**	**100.0**	**100.0**

[1] *in constant dollars.*

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PUBLICATIONS RELEASED

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Catalogue number 35-003-XPB
(Canada: $12/$114; outside Canada: US$12/US$114).

Coal and coke statistics, May 1997
Catalogue number 45-002-XPB
(Canada: $12/$114; outside Canada: US$12/US$114).

Electric power statistics, May 1997
Catalogue number 57-001-XPB
(Canada: $12/$114; outside Canada: US$12/US$114).

Retail trade, May 1997
Catalogue number 63-005-XPB
(Canada: $21/$206; outside Canada: US$21/US$206).

Canada's international transactions in securities, May 1997
Catalogue number 67-002-XPB
(Canada: $18/$176; outside Canada: US$18/US$176).

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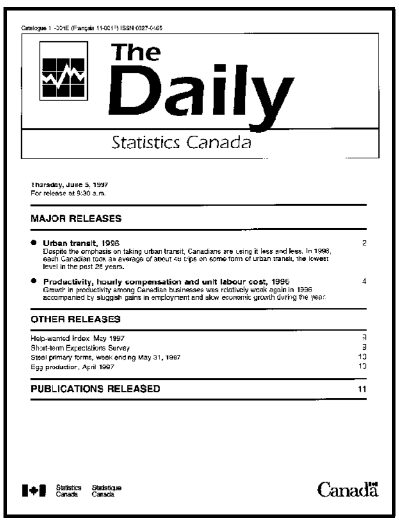
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Statistics Canada

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- Urban transit, 1996
- Productivity, hourly compensation and unit labour cost, 1996

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