



# The Daily

Statistics Canada

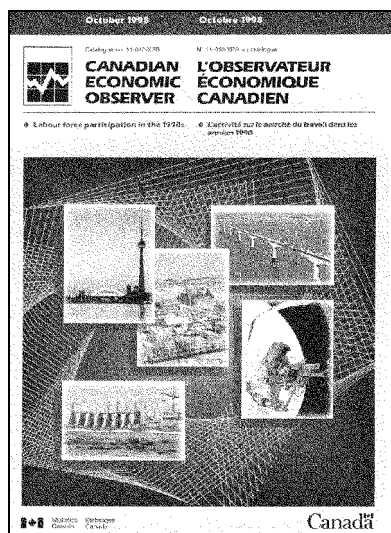
Friday, October 23, 1998

For release at 8:30 a.m.

## MAJOR RELEASES

- **Canada's international transactions in securities, August 1998** 3  
In August, Canadian investors sold a record amount of foreign securities; however, this only represented a fifth of their significant purchases over the first seven months of this year. Meanwhile foreign investors retreated from the Canadian bond and equities markets, but returned to the Canadian money market.
- **Earning characteristics of two-partner families, 1996** 5  
In 1996, the average income of two-partner families in which both had earnings returned to the record levels of 1989, while families with only one earning partner had an average income about 7% lower than in 1989.

(continued on following page)



### Canadian economic observer

October 1998

The October issue of Statistics Canada's flagship publication for economic statistics, *Canadian economic observer*, analyses the current economic conditions, summarises the major economic events that occurred in September and presents a feature article on labour force participation in the 1990s. A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The October 1998 issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) is now available. See *How to order publications*.

For further information, contact Cyndi Bloskie (613-951-3634; [ceo@statcan.ca](mailto:ceo@statcan.ca)), Current Economic Analysis Group.



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**OTHER RELEASES**

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Hog inventories, October 1, 1998	8
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<b>PUBLICATIONS RELEASED</b>	9
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<b>RELEASE DATES:</b> October 26 to 30, 1998	11
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## MAJOR RELEASES

### Canada's international transactions in securities

August 1998

In August, Canadian investors sold a record amount of foreign securities; however, this only represented a fifth of their significant purchases over the first seven months of this year. Meanwhile foreign investors retreated from the Canadian bond and equities markets, but returned to the Canadian money market.

#### Canadians sold record amounts of foreign bonds and stocks

Canadian investors sold off record amounts of both foreign bonds (\$2.0 billion) and stocks (\$0.8 billion). Sales of bonds (U.S. treasury securities) reduced the year-to-date net acquisition of foreign bonds to a negligible amount.

Canadian disinvestment in foreign equities was restricted to overseas stocks in August. This compared with purchases of almost \$11 billion in the first seven months of 1998, largely (60%) U.S. shares. U.S. stock prices (as measured by the Standard and Poor's 500 index), which fell 14.6% in August, mirrored the declines in most major foreign stock markets during the month.

#### Related market information

##### Interest rates

In August, the differential between Canadian and U.S. short-term rates, which favoured investment in the United States, was a small 10-15 basis points for a second straight month. After almost a year where long-term interest rates have been marginally higher in the United States, the differential in August shifted in favour of investment in Canada.

##### Stock prices

Canadian stock prices (as measured by the TSE 300 composite index) plummeted 20.2% in August bringing the index back to the close of October 1996. At 5,531, the index was 27.8% off its record high closing of April 1998. U.S. stock prices (as measured by the Standard and Poor's 500 index) likewise fell 14.6% in August, returning that index to the level of November 1997.

##### Canadian dollar

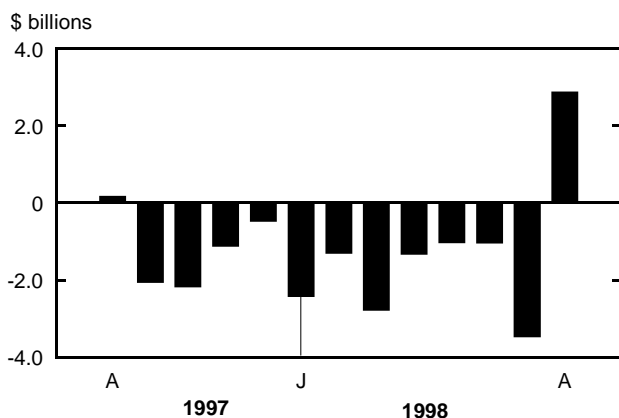
After falling a full US2 cents in July, the Canadian dollar shed a further US2.38 cents in August to close at a record low equivalent to US63.76 cents.

#### Foreign investors dumped Canadian stocks and bonds but bought money market paper

Foreigners sold off a record \$2.0 billion of Canadian stocks in August, following two months of relatively flat investment activity. This stood in contrast to the \$15 billion foreign investment in Canadian stocks accumulated over 13 consecutive months, running from May 1997. The latest selling came from U.S. and Asian investors. Underlying the August sell-off was a significant 20.2% decline in Canadian stock prices (as measured by the TSE 300 composite index).

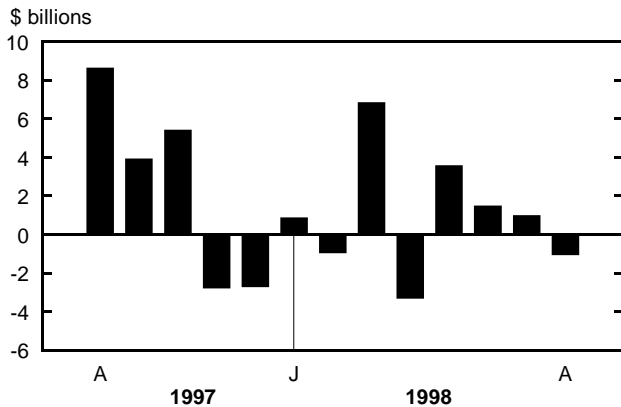
Foreign investors sold \$0.8 billion of Canadian bonds in August, the first disinvestment in four months. Again in August, foreigners were heavy sellers of outstanding issues, mainly federal bonds. In addition, new issues in foreign markets weakened in August. Total foreign issues fell to \$2.4 billion in August, having averaged \$4.5 billion in the first seven months of this year. Corporate bonds, which had accounted for half of foreign issues in 1998, stood at their lowest level (\$1.3 billion) since January 1998. Retiring Canadian issues held by foreigners remained low in August (\$1.4 billion).

Canadian investment in foreign securities\*



\* Includes bonds and stocks.

### Foreign investment in Canadian securities\*



\* Includes bonds, stocks and money market paper.

billion reduction in their holdings over the previous three months. The August activity consisted exclusively of federal treasury bills sold to U.S. residents. The differential between Canadian and U.S. short-term rates, which continued to favour investing in the United States, was a mere 10-15 basis points for a second straight month.

**Available on CANSIM: matrices 2328-2330, 2378-2380 and 4195.**

The August 1998 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176) will be available in November. See *How to order publications*.

For further information, or to enquire about the concepts, methods and data quality of this release, contact Don Granger (613-951-1864), Balance of Payments and Financial Flows Division.

In August, foreigners acquired \$1.8 billion of Canadian short-term paper, on the heels of a \$7.0

### Canada's international transactions in securities

	May 1998	June 1998	July 1998	Aug. 1998	Jan. to Aug. 1997	Jan. to Aug. 1998
\$ millions						
<b>Foreign investment in Canadian securities, total</b>	<b>3,521</b>	<b>1,435</b>	<b>941</b>	<b>-1,006</b>	<b>14,882</b>	<b>8,341</b>
Bonds (net)	4,313	3,918	2,795	-816	12,522	8,813
Outstanding	418	1,529	-2,174	-2,341	320	-7,428
New Issues	4,913	4,378	6,696	2,400	28,768	34,243
Retirements	-1,828	-1,306	-1,676	-1,385	-17,169	-18,739
Change in interest payable <sup>1</sup>	809	-682	-50	510	604	737
Money market paper (net)	-2,581	-2,419	-1,859	1,842	-1,092	-4,381
Government of Canada	-2,400	-530	-1,754	1,903	-2,426	-3,316
Other paper	-180	-1,889	-105	-61	1,333	-1,064
Stocks (net)	1,788	-65	5	-2,032	3,452	3,909
Outstanding (net)	345	-289	-888	-2,057	1,627	960
New Issues (net)	1,444	224	893	25	1,826	2,948
<b>Canadian investment in foreign securities, total</b>	<b>-1,013</b>	<b>-1,020</b>	<b>-3,448</b>	<b>2,849</b>	<b>-5,420</b>	<b>-10,409</b>
Bonds (net)	203	447	-982	2,003	-2,720	-381
Stocks (net)	-1,216	-1,467	-2,466	846	-2,699	-10,027

<sup>1</sup> Interest accrued less interest paid

**Note:** A minus sign (-) indicates an outflow of money from Canada; for example, a withdrawal of foreign investment from Canada or an increase in Canadian investment abroad.

## Earning characteristics of two-partner families

1996

In 1996, the average income of two-partner families in which both had earnings returned to the record levels of 1989, while families with only one earning partner had an average income about 7% lower than in 1989.

Overall, the average income of all two-partner families was \$60,600 in 1996, up marginally from 1995 but still 3% lower than the peak year for income in 1989 (after adjusting for inflation). Their average had declined by 5% following 1989 before partially recovering to the 1996 level.

### Dual-earner families relatively unaffected by early 1990s recession

The recession of the early 1990s had only a temporary impact on the income of two-partner families where both partners had earnings. On average, the income of two-partner families where both partners had earnings slipped by 2% after 1989 and rose to a new high of \$71,100 in 1996. Single-earner families, on the other hand, saw real declines of more than 11% after 1989, with recovery of their income still incomplete by 1996. The average income of a single-earner family was \$52,500 in 1996, 7% lower than in 1989. As a result, the income gap between dual-earner and single-earner families had increased between 1989 and 1996. For families where neither partner worked, the 1996 average was \$34,700, down 2% from 1989.

Among dual-earner families, income trends also differed according to the amount of work performed. Compared with the start of the decade, the income gap for dual-earner families had widened between those with both partners working full time and those with only one partner employed full-time all year in 1996. Where both partners worked full time, the 1996 average of \$81,500 was 2% higher than in 1989. Where only one was employed full time year round, the 1996 average of \$66,000 was unchanged from 1989 levels.

In the early 1990s, a weak labour market reduced employment among men and helped to push up male retirement rates. For an increasing number of families, female partners became the sole earner. Historically, women have tended to earn less than men (65 cents for each dollar in 1996, on average), contributing to the increasing income gap between dual-earner and single-earner families.

#### Note to readers

*For the purpose of this release, the term two-partner family consists of husband-wife families and common-law relationships. It excludes lone-parent families and family units consisting of other related individuals (such as brothers and sisters). Two-partner families comprise 83% of all families of two or more persons. The classification of two-partner families as "dual-earner," "single-earner" and "no earner" is based strictly on the earning status of the partners. Although the earning status of other family members is ignored (other members receive earnings in one out of five two-partner families), reported earnings of these members are included in the family income. An earner is a person who received wages or a salary and/or net income from self-employment during 1996. All historical earnings and income comparisons are adjusted for inflation and are based on constant (1996) dollars.*

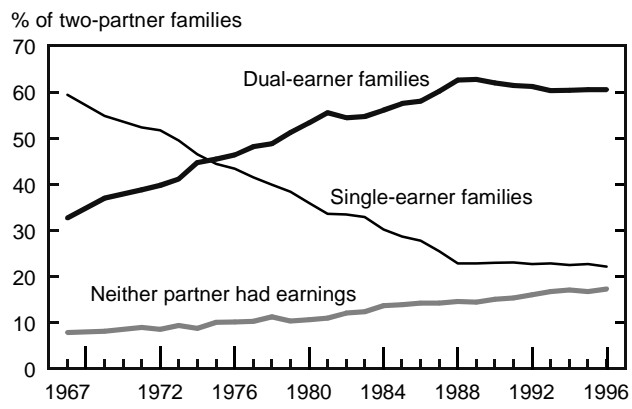
*These estimates were prepared from data collected by the Survey of Consumer Finances, an annual supplement to the Labour Force Survey. The sample of approximately 35,000 households excludes the institutional population and households in the Yukon, the Northwest Territories, and on Indian reserves.*

*Although Statistics Canada's low income cut-offs (LICOs) are often referred to as poverty lines, they do not have an officially recognized status, nor does Statistics Canada promote their use as poverty lines. However, LICOs serve a useful purpose in the study of income distributions for identifying the demographic profile and significant historical trends of the low-income population.*

### Proportion of two-earner families stable in 1990s following decades of change

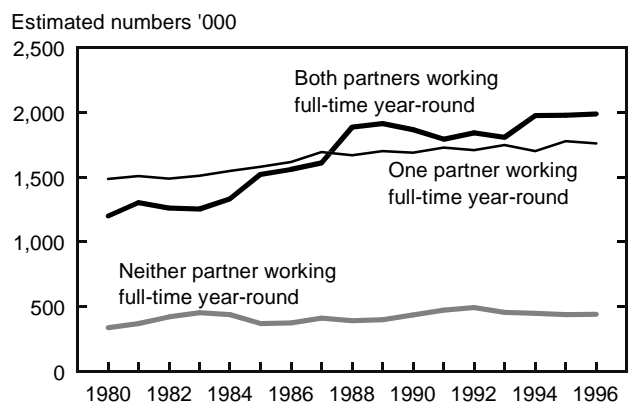
The percentage of two-partner families with both partners working has been relatively stable during the 1990s. This follows more than two decades of increased labour force participation among women. However, the proportion of families where neither partner had earnings has shown a gradual and sustained increase since at least the late 1960s, reflecting the demographic trends of the population aging, especially the recent trend to earlier retirement.

**The proportion of two-partner families with earnings has remained stable during the 1990s**



In almost half of dual-earner families (48%), both partners worked full time all year in 1996. While this proportion has trended upwards, it generally has tracked the ebb and flow of the labour market, with decreases and increases reflecting labour market conditions during periods of recession or expansion.

**Increasing trend to both partners working full-time year-round among dual-earner families**



**Number of earners dramatically affects low income rates**

When both partners work, the likelihood that families find themselves in a low income situation

decreases significantly. Without the female partners' earnings, for example, the 1996 low income rate among dual-earner families would have more than tripled (738,000 low income families instead of 193,000).

The increased power of female partners' incomes in 1996 reflects the contrasting experience of male and female earners during the recession and recovery of the 1990s. While the average earnings of women increased by 7% between 1989 and 1996, those of male earners declined 2%. (The gains in female earnings were partly due to a combination of demographic factors and shifts among occupations and full-time/part-time work. The decline in male earnings was largely influenced by decreases in full-year full-time work for young men, particularly those less than 25 years of age.)

Children of the 1990s typically live in families where both parents are present and employed. In 1996, four out of five children lived in two-partner families, and for 71% of them, both parents had earnings. Only 3% of them had mothers who were sole earners, while 22% were in families where the male partner was the sole earner and 4% were in families where neither parent had earnings.

The proportion of children in low income in two-partner families ranged from 6% for all dual-earner families to 23% for sole-earner families and 75% for families where neither partner had earnings.

*Characteristics of dual-earner families, 1996* (13-215-XIB, \$21) is now available. See *How to order publications*.

Microdata files containing data on the 1996 incomes and earnings of economic families and individuals aged 15 years and over, along with socio-demographic characteristics, are now available. (13M0001XDB, 13M0002XDB, 13M0003XDB, 13M0004XDB, 13M0005XDB, \$2,000/each.) These files have been carefully reviewed to ensure they do not contain information that would allow identification of specific households, families or individuals.

For further information or to order custom tabulations, or to enquire about the concepts, methods and data quality of this release, contact the Client Services Unit (1 888 297-7355 or 613-951-7355; [income@statcan.ca](mailto:income@statcan.ca)), Income Statistics Division. □

# Average incomes of two-partner families in (1996) constant dollars

	1996	1995	1989	Change 1995-96	Change 1989-96
	\$			%	
<b>All two-partner families</b>	<b>60,600</b>	<b>59,800</b>	<b>62,300</b>	<b>1.4</b>	<b>-2.7</b>
Dual-earner families	71,100	70,000	70,600	1.5	1.0
Both partners work full-time all year	81,500	81,500	79,600	-0.1	2.3
One partner full-time all year	66,000	63,800	65,800	3.4	0.3
Neither partner full-time all year	44,000	42,700	47,000	2.9	-6.6
Single-earner families	52,500	50,700	56,700	3.5	-7.5
Neither partner had earnings	34,700	35,200	35,300	-1.5	-1.6

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## OTHER RELEASES

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### Hog inventories

October 1, 1998

Hog inventories hit a new high of 12.4 million head as of October 1, 1998, up 0.9% from July 1, 1998. For the seventh consecutive quarter, hog producers continued to expand their herds despite the crash of market prices. Hog prices were 47% below the peak of July 1997. Partially offsetting the fall in hog prices has been a steady decline in the price of feed grains, resulting in lower feed costs for producers.

Although market prices have dropped, the breeding herd continues to grow. Sow numbers have increased modestly (+0.8%) during the fall of 1998, from 1,228 thousand head in the second quarter to 1,238 thousand head in the third quarter.

Hog production in Canada has continued to expand as producers have responded to several factors, becoming more efficient and competitive in the process. These factors include demand from U.S.

markets coupled with a strong U.S. dollar, abundant feed supplies, the adoption of new technologies, and, for the West, the demise of the Crow Rate.

These data come from the October Hog Survey, a telephone survey of 3,000 hog farm operators conducted during the third week of September. Farmers were asked to report the number of hogs they had on their farm as of October 1, 1998.

**Available on CANSIM: matrices 9500-9510.**

Data are available in *Livestock statistics*, update (23-603-UPE, \$45/\$149). See *How to order publications*.

For further information, or to enquire about the concepts, methods and data quality of this release, contact Pat MacGregor (613-951-6480; [macgpat@statcan.ca](mailto:macgpat@statcan.ca)), Agriculture Division. ■



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## PUBLICATIONS RELEASED

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**Infomat - A weekly review**

**Catalogue number 11-002-XIE**

(Canada: \$3/\$109; outside Canada: US\$3/US\$109).

**Infomat - A weekly review**

**Catalogue number 11-002-XPE**

(Canada: \$4/\$145; outside Canada: US\$4/US\$145).

**Canadian economic observer**, October 1998

**Catalogue number 11-010-XPB**

(Canada: \$23/\$227; outside Canada: US\$23/US\$227).

**Characteristics of dual-earner families**, 1996

**Catalogue number 13-215-XIB**

(Canada: \$21; outside Canada: US\$21).

**Retail trade**, April 1998

**Catalogue number 63-005-XPB**

(Canada: \$21/\$206; outside Canada: US\$21/US\$206).

**Canadian international merchandise trade**,

August 1998

**Catalogue number 65-001-XIB**

(Canada: \$14/\$141; outside Canada: US\$14/US\$141).

**Canadian international merchandise trade**,

August 1998

**Catalogue number 65-001-XPB**

(Canada: \$19/\$188; outside Canada: US\$19/US\$188).

**All prices exclude sales tax.**

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Statistics Canada	
Thursday, June 3, 1997	
For release at 9:30 a.m.	
<b>MAJOR RELEASES</b>	
• <b>Urban transit, 1995</b> Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 40 trips on some form of urban transit, the lowest level in the past 25 years.	2
• <b>Productivity, hourly compensation and unit labour cost, 1995</b> Growth in productivity among Canadian businesses was notably weak again in 1995 accompanied by sluggish gains in employment and slow nominal growth during the year.	4
<b>OTHER RELEASES</b>	
Help-wanted index, May 1997	3
Short-term Expectations Survey	2
Steel primary forms, week ending May 31, 1997	12
Egg production, April 1997	12
<b>PUBLICATIONS RELEASED</b>	11
 	

### Statistics Canada's official release bulletin

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## RELEASE DATES

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**October 26 to 30, 1998**

(Release dates are subject to change.)

Release date	Title	Reference period
27	Homicide statistics	1997
27	Financial performance indicators for Canadian business	1997
28	Industrial Product Price Index	September 1998
28	Raw Materials Price Index	September 1998
28	National Longitudinal Survey on Children and Youth	1998
28	Employment, earnings and hours	August 1998
29	Health reports	Autumn 1998
30	Real gross domestic product at factor cost by industry	August 1998