

The Daily

Statistics Canada

Monday, February 23, 1998

For release at 8:30 a.m.

MAJOR RELEASES

- **Canada's international transactions in securities, December 1997**

In December, foreign investors sold Canadian bonds for a second month in a row but continued to buy heavily into Canadian stocks. Meanwhile, Canadian investors added further to their holdings of foreign stocks but sold a small amount of foreign bonds.

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- **Farm cash receipts, January to December 1997**

Continued strong growth in the livestock sector in 1997 pushed the total cash receipts of farm businesses up 4% to a record level of \$29.8 billion.

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MAJOR RELEASES

Canada's international transactions in securities

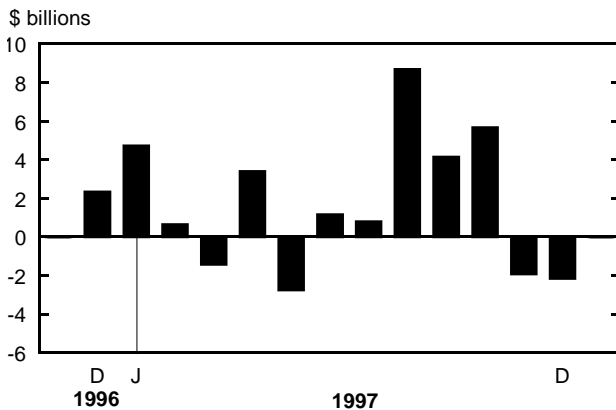
December 1997

In December, foreign investors sold Canadian bonds for a second month in a row but continued to buy heavily into Canadian stocks. Meanwhile, Canadian investors added further to their holdings of foreign stocks but sold a small amount of foreign bonds.

Foreign investors reduced holdings of Canadian bonds for a second month

After purchasing almost \$11 billion of Canadian bonds from August through October 1997, foreign investors reduced their holdings in both November and December totalling \$6.5 billion. Foreign selling in the two months was exclusively in outstanding federal bonds and was by American, European and Asian investors. Long-term interest rate differentials on federal bonds shifted slightly in favour of investing in Canada, after four months of marginally favouring investment in the United States.

Foreign investment in Canadian securities*



* Includes bonds, stocks and money market paper.

Foreigner investors sold a small amount of short-term paper in December, after significant purchases of \$4.2 billion during the previous two months. In December, foreigners sold federal paper but purchased short-term instruments issued by federal enterprises and corporations. Canadian short-term rates rose by some 50 basis points while their U.S. counterparts went

Related market information

Interest rates

Canadian short-term rates rose by some 50 basis points in December while their U.S. counterparts went unchanged. The differential, although continuing to favor investment in the United States, dropped to 130 basis points, the lowest it has been since August 1996. Canadian long-term rates rose marginally as similar U.S. rates dropped marginally. The result was a shift to a small differential favouring investment in Canada, after four months of favouring U.S. investment.

Stock prices

During December, Canadian stock prices (as measured by the TSE 300 Composite Index) rose 2.9%, closing 1997 13% ahead of 1996. This paled against the rise in U.S. stock prices (as measured by the Standard and Poor's 500 Index) which climbed 31% for the year 1997 (+1.6% in December).

Canadian dollar

In December, the Canadian dollar fell below the US70 cent barrier closing the year at US69.91. The Canadian dollar, in terms of the U.S. dollar, lost a full three cents against the U.S. dollar in 1997, most of the decline coming in the second half the year.

unchanged. The differential, which continued to favour investment in the United States, dropped to its lowest level since August 1996.

Foreigners continued to acquire Canadian stocks

Foreign investors purchased a further \$1.6 billion of Canadian stocks in December, bringing to \$8.8 billion their investment which has been accumulating since May 1997. The foreign buying in December shifted mainly to outstanding issues from entirely new issues in November; December's investment came from United States and Europe. Canadian stocks gained 2.9% in value in December (as measured by the TSE 300 Composite Index) after losing 7.5% over the previous two months.

Canadians bought foreign stocks and sold foreign bonds

In December, Canadian residents added a further \$1.1 billion to their holdings of foreign stocks (\$0.6 billion of U.S. stocks and \$0.5 billion of overseas stock). For 1997 as a whole however, the \$4.4 billion investment in foreign stocks was almost entirely

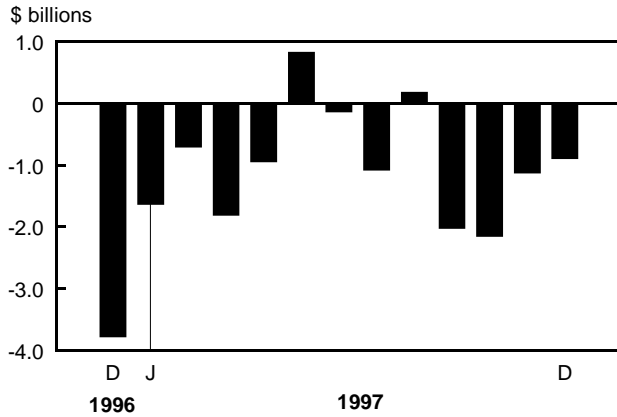
directed to overseas markets with Canadian mutual funds accounting for most of this investment. After purchasing \$4.6 billion of foreign bonds over the three previous months, Canadian investors sold a small amount in December. The record \$7.0 billion investment in foreign bonds in 1997 was split between U.S. corporate and overseas bonds.

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

The December 1997 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176) will be available in March. See *How to order publications*.

For further information on this release, contact Don Granger (613-951-1864), Balance of Payments Division. □

Canadian investment in foreign securities*



* Includes bonds and stocks.

Canada's international transactions in securities

	Sept. 1997	Oct. 1997	Nov. 1997	Dec. 1997	1996	1997
	\$ millions					
Foreign investment in Canadian securities, total	4,156	5,678	-1,932	-2,161	20,033	21,027
Bonds (net)	4,291	365	-3,035	-3,428	19,075	10,367
Outstanding	4,432	-534	-4,558	-2,460	5,529	-3,238
New issues	2,875	5,256	1,980	3,239	41,399	41,041
Retirements	-2,644	-4,727	-1,234	-3,403	-28,119	-28,008
Change in interest payable ¹	-372	370	778	-804	267	573
Money market paper (net)	-487	3,428	767	-351	-7,320	3,018
Government of Canada	-1,196	2,299	752	-1,737	-7,691	-1,554
Other paper	709	1,129	14	1,386	371	4,572
Stocks (net)	351	1,885	335	1,617	8,278	7,642
Outstanding (net)	-79	1,614	-758	1,120	3,169	3,524
New issues (net)	430	271	1,094	497	5,109	4,118
Canadian investment in foreign securities, total	-2,012	-2,140	-1,112	-883	-18,451	-11,400
Bonds (net)	-2,116	-2,231	-217	244	-1,878	-6,961
Stocks (net)	104	91	-895	-1,127	-16,573	-4,440

¹ Interest accrued less interest paid.

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



Farm cash receipts

January to December 1997

Continued strong growth in the livestock sector pushed the total cash receipts of farm businesses up 4% to a record \$29.8 billion.

Farm cash receipts

	Jan. to Dec. 1996	Jan. to Dec. 1997	Jan. to Dec. 1997/96
	\$ millions		% change
Wheat	3,482	3,710	7
Canadian Wheat Board payments	1,124	697	-38
Barley	977	724	-26
Liquidation of deferred grain receipts	844	1,080	28
Canola	1,984	1,962	-1
Corn	804	731	-9
Soybeans	631	817	29
Fruits and vegetables	1,360	1,703	25
Floriculture and nursery	1,032	1,122	9
Other crops	1,610	1,702	6
Total crops	13,848	14,247	3
Cattle and calves	4,624	5,103	10
Hogs	2,889	2,974	3
Dairy products	3,516	3,715	6
Other livestock	2,653	2,672	7
Total livestock	13,682	14,464	6
Net Income Stabilisation Acct.	115	153	34
Gross Revenue Insurance Plan	32	24	-23
Crop insurance	367	382	4
Provincial stabilisation	296	153	-48
Dairy subsidy	171	147	-14
Farm Income Disaster Program	46	56	24
Freight Cost Pooling Asst. Program ¹	0	103	
Other payments	44	29	-34
Total payments	1,070	1,047	-2
Canada	28,601	29,758	4

¹ This was a one time payout and therefore a percentage change cannot be calculated.

Note: Totals may not add due to rounding.

Livestock revenues in 1997 were up 6% compared with the previous year. The cattle sector, particularly in Western Canada, rebounded from the low prices resulting from the peak of the cattle cycle in 1996. Western cattle and calves receipts were up 12%,

Notes to readers

Farm cash receipts measure the gross revenue of farm businesses in current dollars. They are not a measure of profit since expenses have not been deducted. They include sales of crops and livestock products (except sales between farms in the same province) and program payments. They also include Canadian Wheat Board and Ontario Wheat Producers' Marketing Board payments and deferred grain receipts. Program payments measure the value of cheques issued to farmers to support their production, to compensate for low market returns, to compensate for crop or livestock losses caused by extreme climatic conditions, disease or other reasons, or to stabilise income, usually under ongoing programs jointly funded by farmers and federal and provincial governments.

Farm cash receipts included in this release are not directly comparable with the similarly-named series derived from the 1996 Census of Agriculture. The data presented here exclude the value of agricultural products (livestock and poultry, seed and seedlings, and feed) sold from one farm to another farm within the same province, while the Census of Agriculture data include these inter-farm transactions. Furthermore, the data will be revised in 1998 as a result of revisions to individual commodities, which are based on the results of the 1996 Census of Agriculture. Finally, receipts from agricultural custom work are not included in this series, while they are included in the Census of Agriculture data.

compared with a gain of 10% for Canada as a whole. Marketings grew by 1% as herd liquidation continued, and stronger prices reflected the U.S. market situation. The hog sector also continued to grow in spite of flat prices. Most of the hog sector growth occurred in Quebec and Manitoba, while Saskatchewan and Alberta experienced declines.

Cattle prices rebounded from cyclical depression

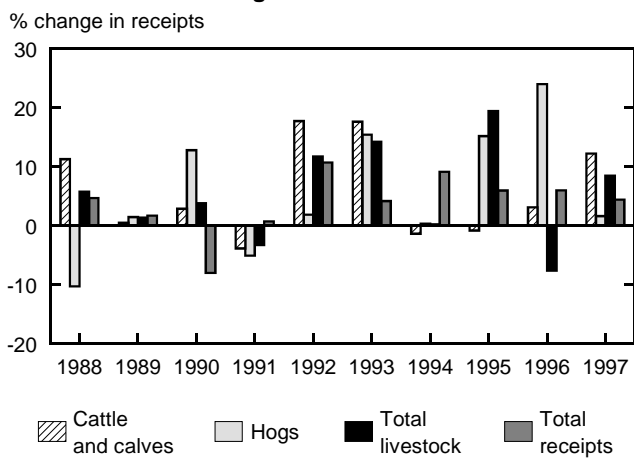
Livestock receipts rose 6% in 1997, a continuation of the trend experienced since 1991. Cattle and calves revenues rose 10% compared with last year. Cattle prices rose 9%. Marketings were up slightly, reflecting the herd liquidation phase of the current cattle cycle. Feeder calf prices jumped strongly in spite of higher marketings, resulting in an increase of 31% in receipts. Hog revenues continued to rise due to higher marketings.

Structural change in the Prairie provinces

Provincial data for 1997 confirm the growth of livestock production in the Prairies resulting from the deregulation of grain transportation costs. All three provinces showed increases in livestock receipts, which were well above the national average. In 1997, the Prairie provinces accounted for 41% of Canadian

livestock receipts, compared with 34% in 1987. Livestock inventories have increased substantially since 1987. At that time, the Prairie provinces accounted for 60% of the Canadian cattle herd, and 34% of the hog herd. By 1997, this had risen to 67% and 40% respectively.

Livestock sector in the Prairie provinces continued to grow in 1997



Modest upward movement in crops receipts

Crops receipts rose a more modest 3% in 1997, following an increase of 6% in 1996. This was a continuation of the upward movement since the recent low in 1992. Wheat receipts were up 7% due to higher marketings, which were partially offset by lower prices. Farmers in Western Canada deferred \$1,080 million of grain receipts into 1997 compared with \$844 million a year earlier. When delivering grain, farmers may defer payment to the next calendar year, reducing current year taxable income. The 7% increase in 1996 farm net cash income in Western Canada prompted farmers to increase grain revenue deferred to 1997. Soybean revenues were up 29% as production rose 26% in 1997. The floriculture and nursery industry also experienced strong growth (+9%) reflecting the growing interest in landscaping and gardening across Canada.

Farm cash receipts

	Jan. to Dec. 1996	Jan. to Dec. 1997	Jan. to Dec. 1997/1996
	\$ millions		% change
Canada	28,601	29,758	4
Newfoundland	74	74	-
Prince Edward Island	291	273	-6
Nova Scotia	382	381	-
New Brunswick	318	311	-2
Quebec	4,694	4,808	2
Ontario	6,608	6,803	3
Manitoba	2,755	3,029	10
Saskatchewan	5,444	5,908	9
Alberta	6,392	6,290	-2
British Columbia	1,643	1,881	14

- Percentage change too small to be expressed.
 Note: Totals may not add due to rounding.

Program payouts continue to decline

Program payments to farmers fell 2% in 1997, compared with decreases in the range of 20% to 35% in recent years. Program payments were at their lowest level in 14 years. Increases in Net Income Stabilisation Account withdrawals, crop insurance and other payments were offset by a drop in Quebec's provincial stabilisation payouts, which reflected favourable prices in both the crops and livestock sectors in that province. Manitoba and Saskatchewan benefitted from substantial payments under the Freight Cost Pooling and Assistance Program.

Farm Input Price Index up again

In 1997, the Farm Input Price Index was up 2% over 1996. Animal production input prices increased 5%, due to higher feeder cattle and turkey poults prices. Crop input prices fell less than 1%, based on lower fertilizer prices. Machinery and motor vehicle operating costs grew by 3%. Interest rates continued to fall, down 13%.

Available on CANSIM: matrices 3582-3592.

The January-December 1997 issue of *Farm cash receipts* (21-001-XPB, \$20/\$64) will be available in early March. See *How to order publications*.

For further information on farm cash receipts, contact Liz Leckie (613-951-2448), Agriculture Division. ■

OTHER RELEASES

Railway carloadings

Seven-day period ending February 7, 1998

Carloadings of freight (excluding intermodal traffic) during the seven-day period ending February 7, 1998, increased 10.3% to 4.8 million tonnes from the same period of last year. The number of cars loaded increased 8.6%.

Intermodal traffic (piggyback) tonnage totalled 323 000 tonnes, down 5.7% from the same period of last year. The year-to-date figures were also down 5.7% from a year earlier.

Total traffic (carloadings of freight and intermodal traffic) increased 9.1% during the period. This brought the year-to-date total to 25.4 million tonnes, an increase of 11.9% from the previous year.

All year-to-date figures have been revised.

For further information on this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009; Internet: larocque@statcan.ca), Transportation Division. ■

Mineral wool including fibrous glass insulation

January 1998

Manufacturers shipped 2 307 628 square metres of R12 factor (RSI 2.1) mineral wool batts in January, up 52.0% from 1 518 348 square metres a year earlier and up 1.4% from the 2 276 368 square metres a month earlier.

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

The January 1998 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. ■

Electric lamps

January 1998

Light bulb and tube manufacturers sold 24.9 million light bulbs and tubes in January 1998, down 10.4% from the 27.8 million a year earlier.

The January 1998 issue of *Electric lamps* (43-009-XPB, \$7/\$62) will be available shortly. See *How to order publications*.

For further information on this release, contact Laurie Vincent (613-951-3523; Internet: vincwil@statcan.ca), Manufacturing, Construction and Energy Division. ■

Annual Survey of Manufactures

1996

The Annual Survey of Manufactures provides information on over 200 different industries. Principal statistics for each industry are released on CANSIM as they become available. Data for the industries listed in the following table are now available. Data for 35 industries have now been released.

Available on CANSIM: matrices 5426, 5452, 5453, 5463, 5528, 5556, 5563, 5566 and 6894.

Data for the industries listed in the table will appear in *Primary textile industries* (34-250-XPB, \$40), *Clothing industries* (34-252-XPB, \$40), *Wood industries* (35-250-XPB, \$55), *Fabricated metal products industries* (41-251-XPB, \$40), *Transportation equipment industries* (42-251-XPB, \$40) and *Other manufacturing industries*, (47-250-XPB, \$40). The 1995 issue of *Products shipped by Canadian manufactures* (31-211-XPB, \$67) is now available. The 1995 issues of the remaining publications will be released shortly. See *How to order publications*.

For further information, look under *Contact* in the following table (fax: 613-951-9499; Internet: Pentlii@statcan.ca). □

Value of shipments

	1995	1996	1995 to 1996	Publication catalogue number	Contact		
	\$ millions		% change				
Industry (Standard Industrial Classification)							
Wool yarn and woven cloth (1821)	323.6	335.7	3.7	34-250-XPB	R. Kowaluk	613	951-0600
Occupational clothing (2492)	203.1	231.1	13.8	34-252-XPB	R. Kowaluk	613	951-0600
Glove (2493)	40.0	40.6	1.5	34-252-XPB	R. Kowaluk	613	951-0600
Prefabricated wooden buildings (2541)	367.2	399.0	8.7	35-250-XPB	G. Simard	613	951-3516
Wire and wire rope (3052)	743.0	666.9	-10.2	41-251-XPB	E. St-Pierre	613	951-9837
Motor vehicle wiring assemblies (3252)	1 203.0	1 127.5	-6.3	42-251-XPB	A. Shinnan	613	951-3515
Railroad rolling stock (3261)	2 414.5	2 678.6	10.9	42-251-XPB	A. Shinnan	613	951-3515
Other transportation equipment (3299)	1 234.4	1 499.9	21.5	42-251-XPB	A. Shinnan	613	951-3515
Button, buckle and clothes fastener (3992)	89.9	101.6	13.0	47-250-XPB	L. Shinder	613	951-7293



PUBLICATIONS RELEASED

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

All prices exclude sales tax.

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 Statistics Canada	
Thursday, June 5, 1997 For release at 9:30 a.m.	
MAJOR RELEASES	
• Urban transit, 1995	2
<small>Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, 65% of Canadian households had access to public transit, the lowest level in the past 25 years.</small>	
• Productivity, hourly compensation and unit labour cost, 1995	4
<small>Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.</small>	
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