



The Daily

Statistics Canada

Friday, September 26, 2003
Released at 8:30 a.m. Eastern time

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National net worth reached \$121,900 per capita by the end of the second quarter. Net worth advanced at a faster pace than in the first quarter, in line with a slowing in the growth of net foreign debt.	
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Releases

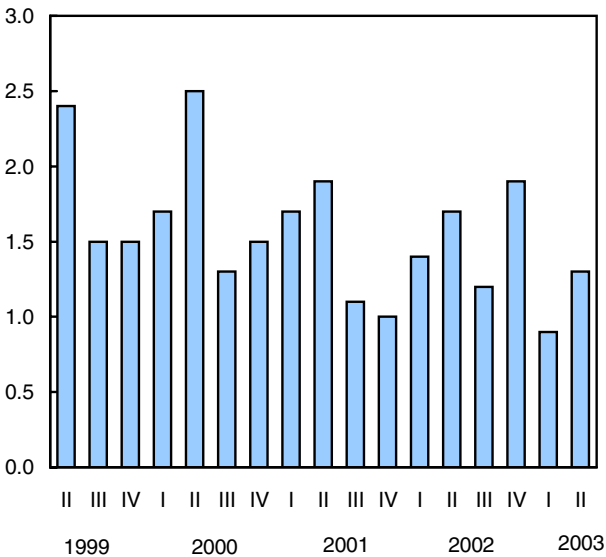
National balance sheet accounts

Second quarter 2003

National net worth stood at \$3.9 trillion or \$121,900 per capita by the end of the second quarter.

National net worth

% change



Gain in national net worth tied to slower growth in net foreign debt

National net worth advanced at a faster pace (+1.3%) in the second quarter, the result of a smaller increase in Canada's net foreign liability (what Canadians owe to non-residents less what they owe to us). The rise in net foreign debt was again related to the appreciation of the Canadian dollar, which had a larger impact on Canada's foreign currency-denominated assets than on foreign currency-denominated liabilities.

Wealth advances at a slower pace, in line with a weaker economy

National wealth — the economy's non-financial assets, such as houses, automobiles, land, as well as business inventories and fixed capital — reached \$4.1trillion. On a seasonally adjusted basis, growth slowed from 1.7% in the first quarter to 1.5% in

Note to readers

The **national balance sheet accounts** are statements of the balance sheets of all of the various sectors of the economy. They consist of the non-financial assets owned in the various sectors of the economy and of financial claims outstanding. **National wealth** is the sum of non-financial assets — produced assets, land surrounding structures and agricultural land — in all sectors of the economy. **National net worth** is wealth less net foreign liabilities (that is, what is owed to non-residents less what they owe to us — Canada's net international investment position); alternatively, it is the sum of the net worth of persons, corporations and governments.

Quarterly series run from the first quarter of 1990. At this point, only selected series are available on a seasonally-adjusted basis. However, additional seasonally adjusted data will be provided over the course of the year. The text refers to data unadjusted for seasonal variation unless otherwise specified.

Users are advised that data for Canadian foreign investment in marketable securities (foreign investment) for certain institutional investors' sectors, in particular in recent years, may differ from those reported in other Statistics Canada surveys. This difference is related to the increased gap between the book value of Canadian asset-holders marketable foreign equity securities on the one hand, and the underlying book values of the foreign firms whose shares are being held and traded on the other. This situation will persist for the next few quarters, as the National Balance Sheet Accounts will continue to follow the International Investment Position concept for valuation of Canadian foreign investment in equity securities. However, this issue will be resolved as both accounts move to a common market valuation for tradable securities.

An annual measure of national wealth that includes selected natural resources is also available.

the second quarter, in line with a weakened economy. Changes in non-financial assets reflected domestic spending and revaluations due to fluctuations in prices. The extended housing boom continued to support the growth in wealth. Gains in the value of residential real estate reflected the impact of sustained demand in the resale market and continued high levels of construction activity. Business capital and consumer durable goods grew at a slower pace in the second quarter. Inventory stocks declined.

Debt growth dampened by stronger Canadian currency

Total credit market debt (short-term paper, loans, mortgages and bonds) edged up in the second quarter, driven by higher seasonal demand for funds in the household sector, but significantly curtailed by the impact of an appreciating Canadian dollar for the

second consecutive quarter. Liabilities denominated in foreign currencies declined in the corporate and government sectors.

Corporate financial positions strengthened further

Lower capital spending coupled with strong undistributed earnings allowed the corporate sector to further expand a significant corporate surplus in the second quarter. This, along with reduction of foreign currency-denominated debt, allowed firms to continue to restructure their balance sheets.

Among non-financial private corporations, the debt-to-equity ratio continued to plummet in the second quarter. This ratio has reached levels not seen since the 1970s. The reduction in leverage in the second quarter was largely the result of earnings combined with a modest demand for funds and the effect of an appreciating dollar. In addition, businesses replaced loans and short-term paper liabilities with bond issues in the second quarter, further extending the downward trend in the ratio of short-term debt to long-term debt. As a result, the growth of current assets continued to outpace that of current liabilities, with liquidity for these corporations increasing steadily since the second quarter of 2000.

Government net debt declined

Government net debt declined in the second quarter. At the federal level, this largely reflected a reduced demand for funds, arising from the surplus recorded in the second quarter. The decline at the provincial government level was partly related a reduction in gross debt — specifically, to the drop in foreign currency denominated liabilities. The increase in the net asset position of social security funds further supported the decline in government sector net debt.

Household net worth advance driven by real estate

Household net worth advanced at a faster pace than in the previous two quarters, led by strong gains in the

value of residential real estate, but was partly offset by a sharp rise in debt. This was a continuation of the trend set in 2002, and reflected the boom in the housing market.

The ratio of consumer credit and mortgage debt to personal disposable income rose to a new high of 100.1% (seasonally adjusted), as income growth slowed and borrowing advanced in the second quarter.

Financial asset growth in the personal sector continued to be constrained by declines in pension and mutual fund assets, reflecting, in part, the fall in value of foreign currency-denominated assets of these institutional investors over the last two quarters.

Available on CANSIM: tables 378-0003 to 378-0007.

Definitions, data sources and methods: survey number 1806.

The second quarter 2003 issue of *National balance sheet accounts, quarterly estimates* (13-214-XIE, \$21/\$45) is now available. See *How to order products*.

At 8:30 a.m. on release day, the complete national balance sheet accounts can be obtained on computer diskette. The diskettes (13-214-DDB, \$300/\$1200) can also be purchased at a lower cost seven business days after the official release date (13-214-XDB, \$60/\$240). To purchase any of these products, contact the client services officer (613-951-3810; iead-info-dcrd@statcan.ca), Income and Expenditure Accounts Division.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the information officer (613-951-3640), Income and Expenditure Accounts Division.

□

National balance sheet accounts¹

	First quarter 2002	Second quarter 2002	Third quarter 2002	Fourth quarter 2002	First quarter 2003	Second quarter 2003	2001	2002
National net worth								
	unadjusted							
National wealth	3,814	3,880	3,921	3,968	4,026	4,087	3,747	3,968
	...	...	...	...	...	...	5.3	5.9
Net foreign debt	-212	-215	-204	-184	-215	-227	-189	-184

National net worth	3,602	3,665	3,717	3,784	3,810	3,860	3,558	3,784
	...	...	...	...	...	...	5.9	6.4
National net worth per capita (dollars)	115,000	116,700	118,100	120,100	120,700	121,900	113,900	120,100
	...	...	...	...	...	...	4.8	5.4
Net worth								
	seasonally adjusted							
Personal sector	3,408	3,492	3,496	3,560	3,599	3,652	3,379	3,560
	0.9	2.5	0.1	1.8	1.1	1.5	...	...
+ Corporate sector	430	400	429	431	419	407	408	431
	5.4	-7.0	7.3	0.5	-2.8	-2.9	...	...
+ Government sector	-229	-222	-211	-207	-201	-193	-229	-207

= National net worth	3,609	3,670	3,713	3,784	3,817	3,866	3,558	3,784
	1.4	1.7	1.2	1.9	0.9	1.3	...	...

¹ The first line is the series itself expressed in billions of dollars. The second line is the period-to-period percentage change.

... Not applicable.



Custodial remand

1986/87 to 2000/01

Remands increased during the late 1980s and have remained relatively stable in spite of generally declining crime rates and rates of admission to sentenced custody, according to a new report.

As a result, remands have progressively made up a larger share of the incarcerated population.

Adult remand admissions almost doubled, from about 68,000 in 1986/87 to over 110,000 in 1991/92, and remained relatively constant thereafter. Since 1986/87, the proportion of admissions to provincial/territorial custody that were remands has been steadily increasing, from 38% to almost 60% in 2000/01.

In contrast, sentenced custody admissions reached a peak of more than 120,000 in 1992/93. They have steadily decreased since then to just under 81,000 in 2000/01, partly the result of the introduction of conditional sentences in 1996.

On an average day in 2000/01, about 7,400 adults were being held in custody on remand, an 11% increase from 1999/2000. This level was more than double that in 1986/87.

The 7,400 remanded adults represented 40% of all provincial/territorial incarcerated inmates in 2000/01, compared with only 30% in 1996/97.

In addition, on any given day in 2000/01, an average of about 440 young people aged 12 to 17 were being held in custody on remand, up 25% from 1991/92. However, this was down 8% from the peak of 480 in 1997/98.

Custodial remand, also referred to as pre-trial detention, occurs when a person is ordered by the court to be held in custody while awaiting further court appearances.

The new issue of *Juristat* profiles custodial remand in Canada and examines some of the factors that may be influencing trends in its use.

Definitions, data sources and methods: survey numbers, including related surveys, 3306, 3312, 3313, 3302 and 3323.

The publication *Juristat: Custodial remand in Canada, 1986/87 to 2000/01*, Vol. 23, no. 7 (85-002-XIE20030078420, \$8/\$70; 85-002-XPE20030078420, \$10/\$93) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics. ■

British Columbia university graduates: Earnings over time

A new study of university graduates in British Columbia shows little support for arguments that the value of a sciences, humanities or social sciences education has declined relative to an education in applied fields. While earnings were higher in applied fields, the gap did not increase for more recent graduates. This suggests that graduates from sciences, humanities and social sciences did not get left behind by the new technology-driven economy.

The study examined the annual earnings of university graduates who obtained a bachelor's degree from universities in British Columbia from 1974 to 1996. Earnings up to 1997 were analysed.

Earnings were examined to see if they had changed for more recent graduates. Men who obtained a degree in sciences, humanities or social sciences from 1990 to 1992 earned 6.1% more, five years after graduation, than those who graduated from 1979 to 1981. For men with an applied degree in commerce or engineering, those who graduated from 1990 to 1992 earned 4.8% more than their counterparts in the earlier cohort. These differences in earnings growth were not statistically significant.

Comparing women from the same graduation cohorts, graduates with a sciences, humanities or social sciences degree earned 11.8% more five years after graduation than their counterparts in the earlier cohort; those with a degree in commerce or engineering earned 10.5% more than their counterparts in the earlier cohort.

Examining earnings ten or fifteen years after graduation also shows that earnings grew equally for university graduates from applied and academic programs. If earnings had been higher for more recent graduates with a degree in an applied field compared to the earnings of graduates from other fields, it might have signaled a shortage of applied graduates.

Like previous research, this study confirmed that graduates from applied fields do earn more than graduates from other programs. For example, ten years after graduation, men who graduated from 1984 to 1986 with commerce or engineering degrees earned \$69,286 annually, compared with \$55,028 for their counterparts in sciences, humanities or social sciences. However, this premium did not increase over the period.

While the number of bachelors graduates from British Columbia institutions increased steadily over the period, from 4,884 in 1974 to 10,330 in 1996, there was no shift in relative supply favouring applied or academic degree holders. In the early 1990s, 10.2% of graduates

came from a commerce program, 6.0% came from engineering, 15.4% came from the humanities, 27.1% came from the social sciences, 14.1% came from sciences, and 14.4% came from teacher training. This composition was virtually unchanged since the late 1970s.

If relative earnings had increased for applied degree holders, one could have argued that the new technology driven economy favoured applied graduates. Demand for applied graduates would have pushed up the relative wage (because there was no change in relative supply). However, the stability in relative earnings among these groups suggests that demand increased equally for graduates from all fields of study.

Note: Data on university graduates came from administrative records. Data are currently available only for British Columbia graduates. Earnings include income from earnings, plus net self-employment income. Individuals graduating with bachelor's degrees were included in this study. Some of these graduates may have gone on to take masters, doctorates or other degrees. Graduates in medicine, law and other professional programs were excluded from the analysis.

The study *Cohort effects in annual earnings by field of study among British Columbia university graduates* (11F0019MIE2003200, free) is now available on Statistics Canada's website. From the home page, select *Studies* from the left side-bar, then select *Browse periodicals and series* (Free and for sale). Select *Analytical Studies Branch*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Andrew Heisz (613-951-3748), Business and Labour Market Analysis Division. ■

Farm Product Price Index

July 2003

Prices received by farmers for their agricultural commodities decreased 8.7% in July from July 2002, according to data from the Farm Product Price Index (FPPI).

The livestock index fell 12.8% from July 2002, the fifteenth monthly year-to-year decrease in the last 17 months. The crop index fell 3.9%, only the second month the crop index has fallen on a year-over-year basis, since September 2000.

The FPPI (1997=100) stood at 95.4 in July, down 6.0% from June.

The livestock and animal products index fell 9.7% from June to 89.1 in July, with a 29.6% decline in the cattle and calf index. The cattle sector came to a virtual halt on May 20 when a cow in Alberta tested positive for bovine spongiform encephalopathy (BSE or mad cow disease). The United States, along with other countries, moved quickly to shut the border to ruminants and all associated products. The loss of crucial markets resulted in oversupply, which depressed prices for all cattle, be they slaughter animals, feeders or calves.

The hog index dropped 3.3% from June, to 86.2, in July. Despite this decline, the hog index remained well above the September 2002 to April 2003 period, when it ranged between 60.6 and 78.9. Increased movement of pigs and pork from Canada to the United States has resulted in tighter supplies of pork in Canada during this extended period.

The poultry and egg indexes remained unchanged from June to July, while the dairy index decreased 0.1%. On a year-over-year basis, the poultry, egg, and dairy indexes increased 5.1%, 0.7% and 6.2%, respectively. The egg index has been increasing year-over-year since August 2000, while the dairy index has climbed since May 2002, and poultry, since March 2003.

On a month-to-month basis, the crop index was down 2.6% in July, as all of the components except potatoes (+8.3%) recorded declines from June.

While the potato index jumped from 147.1 in June 2003 to 159.3 in July, it remained well below the July 2002 level of 234.5. Specialty crop, grain and oilseed prices have slipped since January of this year as a return to average annual production is anticipated this fall.

Available on CANSIM: tables 002-0021 and 002-0022.

Definitions, data sources and methods: survey number 5040.

The July 2003 issue of *Farm Product Price Index*, Vol. 3, no. 7 (21-007-XIB, free) is now available on Statistics Canada's website. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Agriculture*.

For general information or to order data, call 1-800-465-1991. To enquire about the concepts, methods or data quality of this release, contact Bernie Rosien (613-951-2441; fax: 613-951-3868; bernie.rosien@statcan.ca), Agriculture Division. □

Farm Product Price Index
(1997=100)

	July 2002 ^r	June 2003 ^r	July 2003 ^p	July 2002 to July 2003 % change	June to July 2003
Farm Product Price Index	104.5	101.5	95.4	-8.7	-6.0
Crops	106.2	104.8	102.1	-3.9	-2.6
Grains	108.7	106.2	102.4	-5.8	-3.6
Oilseeds	96.1	91.1	88.5	-7.9	-2.9
Specialty crops	120.5	107.3	106.5	-11.6	-0.7
Fruit	102.4	105.2	100.3	-2.1	-4.7
Vegetables	109.5	111.1	107.7	-1.6	-3.1
Potatoes	234.5	147.1	159.3	-32.1	8.3
Livestock and animal products	102.2	98.7	89.1	-12.8	-9.7
Cattle and calves	108.9	90.4	63.6	-41.6	-29.6
Hogs	84.9	89.1	86.2	1.5	-3.3
Poultry	92.9	97.6	97.6	5.1	0.0
Eggs	100.8	101.5	101.5	0.7	0.0
Dairy	110.0	116.9	116.8	6.2	-0.1

^r Revised figures.

^p Preliminary figures.

Primary iron and steel

July 2003

Data on primary iron and steel are now available for July.

Available on CANSIM: table 303-0010.

Definitions, data sources and methods: survey numbers, including related surveys, 2106, 2116 and 2184.

The July 2003 issue of *Primary iron and steel*, Vol 58, no 7 (41-001-XIB, \$5/\$47) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

For-hire motor carriers of freight: All carriers

First quarter 2003

There were an estimated 2,960 for-hire trucking companies based in Canada with annual revenues of \$1 million or more in the first quarter, down from 3,124 carriers in the first quarter of 2002. Operating revenues totalled \$5.39 billion, up 1.0% from the first quarter of 2002, and operating expenses

reached \$5.11 billion, up 2.2%. This increase in expenses was mainly driven by higher miscellaneous expenses (+11.1%), depreciation (+9.4%) and fuel expenditures (+5.5%).

As a result of the combined effect of the decline of the estimated number of trucking companies and the increase of global operating expenses and revenues, average operating revenues (+6.4%) and expenses (+8.1%) were both up in the first quarter from the first quarter of 2002. Average revenues were \$1.82 million, compared with \$1.71 million and average expenses were \$1.73 million, compared with \$1.60 million in the first quarter of 2002. The operating ratio (operating expenses divided by operating revenues) rose slightly to 0.95.

For-hire trucking transportation revenues from international movements increased 10.6% to \$1.99 billion from \$1.80 billion in the first quarter of 2002. Revenues from outbound movements were up 11.5%, and revenues from inbound movements increased by 9.8%.

Available on CANSIM: table 403-0002.

Definitions, data sources and methods: survey number 2748.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Denis Pilon (613-951-2707; fax: 613-951-0579; denis.pilon@statcan.ca), Transportation Division. ■

Refined petroleum products

April 2003

Data on the supply and disposition and domestic sales of refined petroleum products are now available for April.

Available on CANSIM: tables 134-0001 to 134-0004.

Definitions, data sources and methods: survey number 2150.

For more information, or to inquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

New products

Infomat — a weekly review, September 26, 2003
Catalogue number **11-002-XIE** (\$3/\$109).

Infomat — a weekly review, September 26, 2003
Catalogue number **11-002-XPE** (\$4/\$145).

**Analytical Studies Branch research paper series:
Cohort effects in annual earnings by field of study
among British Columbia University graduates,**
no. 200
Catalogue number **11F0019MIE2003200**
(free).

**National balance sheet accounts, quarterly
estimates**, Second quarter 2003
Catalogue number **13-214-XIE** (\$21/\$45).

**National balance sheet accounts, quarterly
estimates**, Second quarter 2003
Catalogue number **13-214-DDB** (\$300/\$1,200).

**National balance sheet accounts, quarterly
estimates**, Second quarter 2003
Catalogue number **13-214-XDB** (\$60/\$240).

Farm Product Price Index, July 2003, Vol. 3, no. 7
Catalogue number **21-007-XIB**
(free).

Metal ore mining, 2001
Catalogue number **26-223-XIB**
(free).

Primary iron and steel, July 2003, Vol. 58, no. 7
Catalogue number **41-001-XIB** (\$5/\$47).

Service bulletin: Surface and marine transport,
Vol. 19, no. 1
Catalogue number **50-002-XIB** (\$10).

Canada's international transactions in securities,
July 2003, Vol. 69, no. 7
Catalogue number **67-002-XIE** (\$14/\$132).

**Juristat: Custodial remand in
Canada**, 1986/87 to 2000/01, Vol. 23,
no. 7
Catalogue number **85-002-XIE20030078420** (\$8/\$70).

**Juristat: Custodial remand in
Canada**, 1986/87 to 2000/01, Vol. 23,
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Catalogue number **85-002-XPE20030078420**
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Catalogue 11-001-XIE (F) (en) (fr) 11-001-XIE (F) (en) (fr) 11-001-XIE (F) (en) (fr)



Statistics Canada

Thursday, June 3, 1997
For release at 8:30 a.m.



MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 2
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, Apr. 1997** 12

PUBLICATIONS RELEASED 11

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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Release dates: September 29 to October 3

(Release dates are subject to change.)

Release date	Title	Reference period
29	National tourism indicators	Second quarter 2003
29	Ethnic Diversity Survey	2002
30	Industrial Product Price and Raw Materials Price Indexes	August 2003
30	Gross domestic product by industry	July 2003
30	Employment Insurance	July 2003
1	Homicide	2002
1	Family income and participation in post-secondary education	1980 to 2000
3	Production of principal field crops	September 2003
