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Weekly Bulletin

## Statement of Canadian Trade

Exports and imports in December drastically reversed November declines to set record high levels. On a seasonally-adjusted, balance of payments basis, exports advanced 23% to \$4,216 million and imports 17% to \$3,796 million. The merchandise trade surplus went from \$180 million (revised) in November to \$420 million, the third highest in 1977 after March and October.

At \$11,760 million, exports for October-December stood 5.5% above the September quarter. Seasonally-adjusted imports increased 1% to \$10,616 million. The fourth-quarter surplus of \$1,144 million exceeded that for the whole of 1976 with the surplus of \$2,911 million for 1977 the largest since 1970.

The pattern of the merchandise trade balance is more clearly reflected in the semi-annual changes in the surplus for the last two years: a surplus of \$113 million in the first half of 1976 jumped to \$976 million in the second half and an increase of nearly 15% raised the first half 1977 surplus to \$1,120 million, followed by a further expansion of 60% to \$1,791 million in the second.

Following a 7% decline in November, seasonally-adjusted (Customs basis) exports to the United States rebounded by 18.3% to a record level of \$2,993 million in December. Apart from deliveries of natural gas and trucks, which fell back from unusually high levels in November, shipments of other commodities increased in December. Contributing prominently were enhanced exports of metallic ores, non-ferrous metals, forestry products, automobiles, automotive parts and equipment.

Seasonally-adjusted exports rose further in the fourth quarter by 5.9% to \$8,238 million and for the year exports to the U.S. reached \$30,890 million, up 19.7% over 1976's \$25,796 million. A smaller gain of 18.8% was recorded in 1976. The proportion of own exports going to the U.S. expanded from 65.3% in 1975 to 70.0% in 1977. Automotive goods accounted for 36% of the latest increase with shipments of automobiles escalating 15.5% to \$3,948 million, trucks 47.5% to \$2,001 million and automotive components 23% to \$3,447 million. Lumber exports jumped about \$675 million, or 55.5%, to almost \$1,900 million due to another strong performance for the U.S. housing construction industry.

At \$1,256 million, seasonally-adjusted

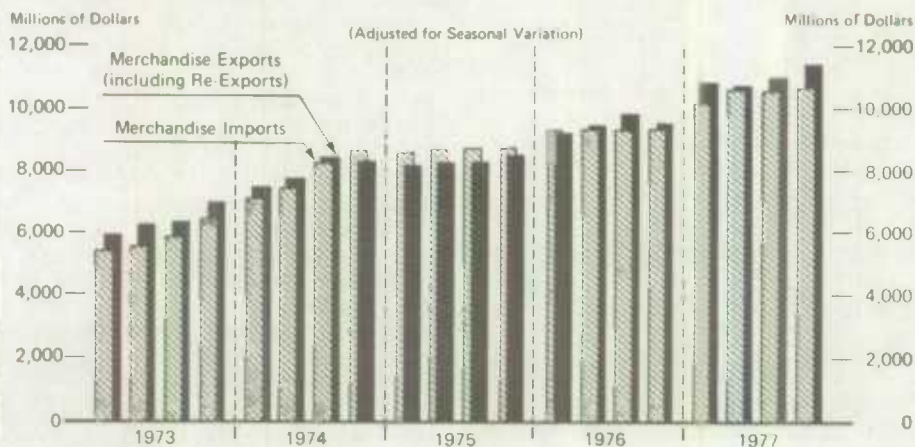
## LATEST MONTHLY STATISTICS

	Latest Month	Previous Month	Change From Year Ago %
<b>EMPLOYMENT, INCOME</b>			
Average Weekly Earnings (\$)	Nov.* 256.17	257.94p	8.3
Labour Income (\$ million)	Nov.* 10,225.7	10,351.0	9.2
Persons with Jobs (million)	Dec. 9.73	9.83	2.7
Unemployed	Dec. 882,000	840,000	17.0
<b>INVENTORIES</b>			
Department Store (\$ million)	Oct. 2,105.3	1,707.3	2.2
Manufacturers' Owned (\$ million)	Nov. 18,330.5p	18,035.3	9.4
Wholesale (\$ million)	Oct. 7,422.8	7,267	9.6
<b>ORDERS</b>			
Manufacturers' New Orders (\$ million)	Nov. 9,853.7p	9,870.9r	14.3
Manufacturers' Unfilled Orders (\$ million)	Nov. 10,644.4p	629.8r	9.9
<b>PRICES</b>			
Consumer Price Index (1971=100)	Dec. 167.2	166.1	9.5
Industry Selling Price Index (1971=100)	Nov. 177.1p	176.0p	8.3
Wholesale Price Index (1935-39=100)	Nov. 571.0p	562.5p	10.9
<b>CONSTRUCTION</b>			
Building Permits (\$ million)	Oct. 980.1	10,436.4	0.6
Housing Starts — Urban Centres (units)	Nov. 18,022	173,828	-9.5
<b>ENERGY</b>			
Coal Production (thousand tons)	Aug. 2,222	21,065	22.6
Electricity Generation (terawatt hours)	Sept. 23.6	229.3	7.8
Natural Gas Production (billion cu. ft.)	Oct.* 299.7p	2,948.5p	4.0
Petroleum Refining (million barrels)	Nov. 57.7	599.9	5.9
<b>FOREIGN TRADE</b>			
Exports — Customs Basis (\$ million)	Nov. 3,618	40,042	15.3
Imports — Customs Basis (\$ million)	Nov. 3,524	38,499	12.0
<b>PRODUCTION</b>			
Motor Vehicles (thousand units)	Nov. 171.2	1,644.0	8.9
Steel (ingots — thousand tons)	Dec. 1,187.6	14,738.9	3.2
<b>SALES</b>			
Department Store Sales (\$ million)	Nov. 747.8	5,890.1	6.4
Manufacturers' Shipments (\$ million)	Nov. 9,839.1p	100,627.8p	11.4
New Motor Vehicle Sales (\$ million)	Nov. 704.2	8,004.1	11.6
Retail Sales (\$ million)	Nov. 5,664.9p	54,796.5p	7.7
Wholesale Sales (\$ million)	Nov. 4,870.6	51,179.5	11.0

Statistics are not seasonally adjusted. p - preliminary. r - revised. \* - new this week.

## Canadian Merchandise Exports and Imports\*

Quarter-by-Quarter Movements



Source: Summary of External Trade [65-001]

\*Customs Basis



exports in December to overseas countries were a shade above the October total following a sharp fall in November. Contributing significantly to this rise were increased shipments of fish, wheat and other cereals, metallic ores, non-ferrous metals, forestry products (other than lumber) and transportation equipment (other than trucks). Exports of oilseeds and coal declined in December.

In a quarterly comparison, exports overseas fell 2.5% to \$3,318 million in the October-December period with all areas, except the European Economic Community, accounting for the decline. During the year, exports to overseas countries increased \$883 million, or 7.1% to \$13,233 million. Gains of roughly \$150 million for each were recorded in exports of fish, oilseeds, metallic ores and non-ferrous metals and automotive goods. Shipments of wheat, coal, asbestos, lumber, newsprint, chemicals and machinery advanced more moderately. Exports of other cereals, primarily barley, dropped by nearly \$270 million from 1976. The lack of barley shipments to the Soviet Union accounted for approximately \$100 million of the fall and exports were also lower to West Germany, Poland, Israel and Japan. Shipments of pulp, petroleum products, steel and non-automotive equipment declined more modestly.

Seasonally-adjusted imports (Customs basis) from the U.S. advanced 11.5% to \$2,607 million in December, exceeding the monthly rate of \$2.6 billion for the first time. Except for a 6% decline in automotive components, imports increased, including food, industrial materials, machinery, motor vehicles, other equipment and consumer goods.

At \$7,473 million, fourth-quarter imports stood fractionally above the total for the months of July-September. During the year, imports from the U.S. rose 14.7% to \$29,543 million following an increase of less than 9% in 1976. The U.S. share of imports grew from 68.7% to 70.2% in 1977. About half of the growth or some \$1,900 million, was

accounted for by automotive products totalling \$10,450 million. Nearly two-thirds of the automotive rise comprised parts and components. Imports of fabricated materials rose over \$500 million. Machinery imports expanded \$211 million to \$3,940 million. Imports of other equipment advanced \$573 million, or 15% to \$4,351 million.

Imports from overseas reversed the declining trend of the preceding three months to reach a seasonally-adjusted total of \$1,229 million in December. Most of the rise occurred in imports from countries other than Japan and the European Economic Community. Larger landings of crude oil accounted for about half of the overall rise, and the rest of the increase was attributable to fabricated materials, automotive goods, other equipment, apparel and other consumer goods.

#### \$ fall: 8%

Seasonally-adjusted imports rose 2.3% to \$3,261 million in the December quarter following a slightly larger increase in the preceding period. The decline in imports from the European Economic Community was outweighed by increases originating in Japan and other countries. During the year, imports from overseas increased 6.6% to \$12,510 million from \$11,732 million in 1976. The rise was 5.9% in 1976. Imports from the European Economic Community, Japan, the other O.E.C.D. countries and Central and South America expanded between 2% to 20% in 1977, but imports from the remaining countries fell by 10.5%. There were widespread increases including arrivals of fruits, vegetables, coffee, tea, cocoa, chemicals, steel, machinery, motor vehicles, other transportation equipment and consumer goods. Crude oil landings fell \$315 million, or 10% to some \$2,950 million. Fairly substantial declines in imports of crude oil from many of the traditional sources in Africa and the Middle East were partly offset by increases from Saudi Arabia, the Soviet Union, Venezuela, Ecuador and Caribbean islands. Imports of meat, sugar, non-ferrous metals, hardware, apparel, some equipment and tools were lower than in 1976.

Average export and import prices from declining slightly in the final quarter of 1976 turned up sharply in early 1977 as the Canadian dollar began to depreciate against the currencies of important trading partners. (During the course of 1977 its value in terms of the U.S. dollar fell about 8%). As the rate of increase was higher for import than export prices, Canada's terms of trade (i.e. the ratio of export to import prices) deteriorated during the year.

With a rise over 1976 of about 6% in average export prices, on the basis of partial data, the gain in real exports in 1977 is estimated to have been close to 9%. As import prices increased some 11%, the rise in the volume of imports appears to have been less than 1%.

For further information on area and commodity trade, order the December 1977 issue of *Summary of External Trade* (65-001, 40¢/\$4).

## Building Permits

November permits recovered from October's \$963.0 million low, reaching a seasonally-adjusted level of \$1,038.2 million, close to the monthly average (\$1,045.1 million) of 1977. The November 1976 level reached \$1,075.7 million.

An unusual number of permits for multiple dwellings (13,690 units) more than compensated for a November decrease in single-detached homes to 7,838. (In October, 10,745 multiples were authorized with 8,588 permits for singles.) Residential permits rose 13.4% to \$671.4 million from \$590.3 million in October.

Non-residential permits, remaining weak (\$366.7 million), reflected little change from October's \$372.7 million. Industrial (\$78.8 million) and commercial permits (\$189.6 million) decreased from October (\$88.9 million for industrial, \$218.5 million for commercial) but government-initiated construction projects rose from \$65.4 million to \$98.4 million.

Municipal December returns indicate the level of permits for December will approach if not exceed \$1.1 billion (seasonally-adjusted) as a result of continuing strong residential activity in western provinces. (Large non-residential projects approved included a \$19 million shopping mall in St. John's and a \$10 million plant in Varennes, Québec.) New building projects reached a level of \$1.0 billion in December 1976.

For further information, order the November 1977 issue of *Building Permits* (64-001, 70¢/\$7), or contact J.P. Delisle (613-994-9312), Construction Division, Statistics Canada, Ottawa K1A 0T6.

## Average Earnings

Average weekly earnings rose 8.3% to \$256.17 in November from \$236.59 in 1976. Average hourly earnings in manufacturing reached \$6.58 (from \$5.98), in construction \$10.07 (\$9.17) and in mining \$8.48 (\$7.72).

First estimates show average weekly earnings were highest in British Columbia (\$290.28) and followed by Alberta (\$266.45), Ontario (\$256.28), Québec (\$252.20), Newfoundland (\$246.29), Saskatchewan (\$240.73), Manitoba (\$228.04), New Brunswick (\$224.77), Nova Scotia (\$215.56) and Prince Edward Island (\$192.62).

Average weekly earnings by industry division were: construction, \$379.42; mining, \$363.86; forestry, \$329.26; transportation, communication and other utilities, \$297.04; manufacturing, \$276.97; finance, insurance and real estate, \$234.55; trade, \$194.15; and service, \$172.52.

For further information, order the November 1977 issue of *Employment, Earnings and Hours* (72-002, 70¢/\$7), or contact R. Ouellette (613-992-5613), Labour Division, Statistics Canada, Ottawa K1A 0V2.

## Import/Export Price/Volume Indexes

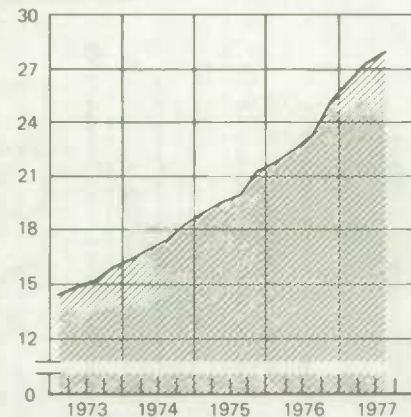
Import and export price indexes increased in November, imports rating about a 1% advance on November 1976, the export index up 8.6%.

For further information, order the December 1977 issue of *Summary of External Trade* (65-001, 40¢/\$4).

## Trusted Pension Funds

Quarterly Estimates of Assets Held

Billions of Dollars



Source: Quarterly Estimates of Trusted Pension Funds (74-001)



### Estimates of Labour Income

Total labour income for November rose 9.2% to \$10,225.7 million from \$9,360.1 million in 1976.

Preliminary estimates for wages and salaries were: service, \$2,399.8 million; manufacturing, \$2,128.7 million; trade, \$1,241.5 million; transportation, communication and other utilities, \$988.2 million; public administration and defence, \$857.5 million; construction, \$786.6 million; finance, insurance and real estate, \$601.5 million; mining, \$247.3 million; forestry, \$116.0 million; and agriculture, \$77.9 million.

Supplementary labour income for November reached \$774.0 million.

For further information, order the October-December 1977 issue of *Estimates of Labour Income* (72-005, \$1.05/\$4.20), or contact Mrs. G. Gauthier (613-995-8067), *Labour Income Section, Labour Division, Statistics Canada*.

### Unemployment Insurance Statistics

Unemployment insurance benefit for week ending November 12 went to 689,000 people, up 11% from October and 12% from a year earlier. Of the beneficiaries, 37% were under 25, as in November 1976. Net benefit rose 21% from November 1976 and 18% from October to \$314 million. Net benefits for eleven months reached \$3,567 million, up 16% from 1976.

For further information, order the November 1977 issues of *Preliminary Unemployment Insurance Statistics* (73-001P) *Statistical Report on the Operation of the Unemployment Insurance Act* (73-001, 40¢/\$4), or contact George Fincham (613-992-7461).

### Job Vacancies

Fourth quarter 1977 estimates show a decrease from third quarter vacancies, full-time, part-time and casual jobs declining 30% to 36,700 from 52,700. Compared with fourth quarter 1976, vacancies decreased by 9%. For every 1,000 existing jobs, four were vacant, down two from the third quarter. Comparable rate in 1976 was five.

For further information, contact Mlle. M. Beaubien (613-996-7148), *Job Vacancy Section, Labour Division, Statistics Canada*.

### Federal Enterprise Finance

Federal government enterprises' income reached \$7,978.8 million during the fiscal year(s) ended nearest to December 31, 1976. Expenditure for, respectively, the same period(s) totalled \$7,758.6 million. On a financial management basis, this resulted in net profit of \$179.7 million after provision for income tax.

For further information, contact G.M. McIlveen (613-995-0669), *Public Finance Division, Statistics Canada, Ottawa K1A 0T6*.

### Petroleum/Natural Gas Production

October crude petroleum production totalled 1,370,000 B/D, down 7.9% from 1,488,000 in 1976. Natural gas averaged 9,668,000 Mcf./D, up 1.9% from 9,484,000.

For further information, order the October 1977 issue of *Crude Petroleum and Natural Gas Production* (26-006, 30¢/\$3), or contact G. Kitchen (613-992-4021), *Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0V6*.

### LONG-TERM INVESTMENT, FOREIGN SOURCES, 1975

Book value of foreign long-term investment amounted to \$68,649 million at the end of 1975, an annual advance of 14% in this accumulated stock of long-term capital owned by non-residents compared with increases of about 10% in 1974 and 1973. United States investors, corporate and individual, owned the largest portion with 77%. Residents in the United Kingdom and all other countries owned 8% and 15% respectively of this stock of capital at the 1975 year-end.

Direct investment in the form of foreign capital (long-term debt and equity) attributable to the country of control grew by 10% to \$39,838 million. Direct investment continued to be the largest single component at 58% (down from 60% at 1974 year-end).

During 1975, portfolio transactions in Canadian securities had given rise to record net capital inflows of \$4.5 billion in the balance of payments to eclipse the previous record inflow in 1974 by a sizeable margin. Foreign investment in government bonds increased by 31% to reach \$15,109 million at the end of 1975 with provincial governments and their agencies being the most active borrowers, accounting for \$12,368 million, up almost \$3 billion from the previous year.

The spate of new issues abroad was spurred by substantial capital requirements by provincial utilities to finance large-scale developments as well as a lower rate of interest abroad. Foreign placements of bonds by municipal governments were also quite large, increasing by 32% to a level of \$2,095 million at the end of the year. Over 68% of the net growth in government bonds sold abroad was absorbed by United States investors while 30% was provided by investors in overseas countries other than the United Kingdom.

Foreign investment in Canadian corporate portfolio investment rose by 10%, the same rate as direct investment, to \$10,149 million at the 1975 year-end. Miscellaneous investment — including foreign investment in real estate, mortgages, private investment companies and assets administered for non-residents — increased marginally to \$3,553 million.

Foreign long-term investment owned in the U.S. grew by 13% to \$52,935 million at the end of 1975. Direct investment, the largest component, rose by 11% to \$32,194 million and government bonds advanced by 28% to \$11,078 million. Of these claims by United States investors, the capital stock of Canadian companies, at \$26,195 million, comprised 49% and bonds and debentures, government and corporate, represented 32%.

### Eurobond Market

Long-term investment owned by investors in the United Kingdom rose 6%, the same rate as in 1974, to \$5,675 million in 1975. There was a sizeable gain of 19% in government bonds while direct investment grew more moderately by 5% to \$3,717 million. A breakdown of these liabilities to the United Kingdom by type of claim shows that about 60%, or \$3,429 million, was in the capital stock of Canadian companies while only 15% was invested in bonds and debentures.

Investment owned in all other countries increased by 23% to \$10,039 million as investment in government bonds and other portfolio investment jumped by 42% (\$3,590 million) and 38% (\$1,567 million). A large number of new Canadian issues were sold in the Eurobond market, particularly in the latter part of the year. A number of factors, including the temporary removal of the 15% withholding tax on interest payments by corporations to non-residents on certain types of new issues, the high credit rating of the borrowers, and the high coupon rates offered, made such issues highly marketable.

Eurodollar rates in general were lower than Canadian bond yields and the registration requirements less costly to fill than those faced by borrowers in the United States. By type of claim, investment in bonds and debentures, at \$4,369 million, comprised 44% of the total investment from this group of countries while investment in the capital stock of Canadian companies, at \$3,563 million, represented 35%.

### Manufacturing

Long-term investment in manufacturing grew by 10% to \$18,397 million at the end of 1975. Within manufacturing, the largest increases were registered by iron and products, chemicals and allied products and non-ferrous metals. About 90% of the growth in each of these three sectors was due to increased U.S. investment.

Investment both in petroleum/natural gas and in mining/smeltering expanded by 7% to \$10,807 million and \$5,492 million respectively.

Long-term investment in the financial industry and merchandising was also sizeable, rising by 16% and 13% to \$7,529 million and \$2,996 million. A substantial portion of the increase in finance was registered by sales finance, insurance and real estate enterprises.

For further information, contact F. Chow (613-996-2545), *Balance of Payments Division, Statistics Canada, Ottawa K1A 0Z8*.



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## THESE PUBLICATIONS RELEASED JANUARY 26 — FEBRUARY 1

	Cata- logue	Price per issue/year		Cata- logue	Price per issue/year
<b>AGRICULTURE</b>			Production, Shipments and Stocks on Hand of Sawmills in British Columbia, October 1977		
Dairy Factory Production, December 1977	32-002	15¢/\$1.50		35-003	30¢/\$3
Fruit and Vegetable Production, January 1978	22-003	40¢/\$3	Products Shipped by Canadian Manufacturers, 1975		
Stocks of Fruit and Vegetables, January 1, 1978	32-010	30¢/\$3	Pulpwood and Wood Residue Statistics, October 1977		
<b>CONSTRUCTION</b>			Pulpwood and Wood Residue Statistics, November 1977		
The Heavy Engineering Contracting Industry, 1975	64-209	\$1.05	Scrap Iron and Steel, 1975		
The Highway, Road, Street and Bridge Contracting Industry, 1975	64-206	\$1.05	Soaps and Synthetic Detergents, November 1977		
<b>EDUCATION, SCIENCE AND CULTURE</b>			Specified Domestic Electrical Appliances, November 1977		
Culture Statistics, Public Libraries in Canada, 1975	87-651	70¢	<b>SERVICE BULLETINS</b>		
<b>EXTERNAL TRADE</b>			<b>Tobacco and Tobacco Products —</b>		
Summary of External Trade, November 1977	65-001	40¢/\$4	Vol. 6, No. 15, Production and Disposition of Tobacco Products, December 1977		
<b>HEALTH</b>			Fruit and Vegetable Preservation —		
Health Manpower, Radiological Technicians, 1976	83-224	\$1.05	Vol. 6, 1977: No. 7, Pack of Processed Plums; No. 8, Pack of Processed Peaches; No. 9, Pack of Processed Lima Beans		
<b>LABOUR</b>			Selected Dairy By-Products —		
Employment, Earnings and Hours, October 1977	72-002	70¢/\$7	Vol. 6, December 1977; No. 23, Production and Inventory of Instant Dry Skim Milk Powder; No. 24, Production and Inventory of Process Cheese		
Preliminary Unemployment Insurance Statistics, October 1977	73-001-p	N/C	Rubber and Plastics Products Industries — Vol. 6, No. 8, Factory Shipments of High Pressure Decorative Laminate Sheet, Quarter Ended December 31, 1977		
<b>LABOUR FORCE SURVEY</b>			<b>MERCHANDISING AND SERVICES</b>		
Historical Labour Force Statistics — Actual Data, Seasonal Factors, Seasonally Adjusted Data	71-201	\$2.10	Consumer Credit, November 1977		
<b>MANUFACTURING AND PRIMARY INDUSTRIES</b>			Retail Trade, November 1977		
Electric Power Statistics, September 1977	57-001	30¢/\$3	New Motor Vehicle Sales, November 1977		
Gas Utilities, October 1977	55-002	30¢/\$3	<b>PRICES</b>		
Monthly Production of Soft Drinks, December 1977	32-001	15¢/\$1.50	Construction Price Statistics, Monthly Bulletin, January 1976		
Oil Pipe Line Transport, October 1977	55-001	30¢/\$3	<b>TRANSPORTATION AND COMMUNICATIONS</b>		
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies, October 1977	35-002	30¢/\$3	Shipping Statistics, September 1977		