



Statistics  
Canada

Statistique  
Canada

# informat

## Weekly Bulletin

December 7, 1979

### Trade

A major revision to 1979 refined petroleum export statistics is included in the October Preliminary Statement of Canadian Trade. Figures for all months to date have been revised: revisions for those months of 1978 affected will be made at the end of the calendar year.

On a seasonally-adjusted, balance-of-payments basis, exports declined 2.9% to \$5.93 billion in October following a 12% increase in September. With imports advancing 4.7% to \$5.61 billion (after falling 0.5% in September), the trade surplus was \$326 million (\$754 million in September).

The short-term trend cycle for exports increased 3.6% in August after increases of 3.0% in July and 1.8% in June. The import trend cycle was up 2.7% in August, 2.3% in July and 1.5% in June. Due to the stronger performance by exports the trend cycle for the balance increased from a surplus of \$210 million in June to \$249 million in July and \$301 million in August.

A commodity analysis of exports (seasonally adjusted) on a Customs basis indicates that negative growth in crude materials and food-feed-beverages-tobacco caused October's decline. As well, exports of fabricated materials and end products showed marginal declines. Crude material exports fell 20% or \$257 million to \$1.05 billion following a 33% increase in the previous month; metallic ores declined 15% to \$329 million and asbestos 38% to \$51 million. Crude oil exports fell 12% to \$209 million, natural gas 2.9% to \$254 million and coal-other crude bituminous substances 3.2% to \$75 million. Exports of food-feed-beverages-tobacco fell 12% or \$84 million to \$622 million after an 83% increase in September. Barley exports declined 73% to \$40 million after more than doubling and flaxseed, rapeseed and other oil seeds fell 31% to \$70 million after almost doubling. Wheat exports increased 11% to \$305 million following a September strong advance. Fabricated material exports declined 0.6% or \$12 million to \$2.16 billion with newsprint down 5.0% to \$261 million, chemicals 5.8% to \$216 million and petroleum-coal products 9.9% to \$127 million. Exports of commodities increasing: lumber 2.9% to \$375 million, pulp 12% to \$270 million, other paper 17% to \$73 million, fertilizers 7.2% to \$101 million, iron and

### LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
<b>EMPLOYMENT, INCOME</b>				
Average Weekly Earnings (\$)	Sept.	294.42p	291.88r	8.6
Labour Income (\$ million)	Sept.	12,558.6p	12,294.6r	11.5
Persons with Jobs (million)	Oct.	10.59	10.53	4.3
Unemployed	Oct.	743,000	719,000	-5.7
<b>INVENTORIES</b>				
Department Store (\$ million)	Aug.	2,442.7p	2,385.0p	17.0
Manufacturers' Owned (\$ million)	Sept.	24,506.5p	24,096.2r	23.2
Wholesale (\$ million)	Sept.	10,338.5p	10,282.7r	23.9
<b>ORDERS</b>				
Manufacturers' New Orders (\$ million)	Sept.	13,040.7p	12,794.7r	7.6
Manufacturers' Unfilled Orders (\$ million)	Sept.	16,540.9p	16,574.3r	26.2
<b>PRICES</b>				
Consumer Price Index (1971=100)	Oct.	195.9	194.5	9.3
Non-food (CPI) Component	Oct.	181.5	180.1	8.4
New House Price Index (1976=100)	Sept.	111.4	110.6	4.1
22-city Composite Wage, Building (1971=100)	Sept.	230.3	230.2	6.9
Industry Selling Price Index (1971=100)	Oct.*	226.3p	222.9r	14.5
<b>CONSTRUCTION</b>				
Building Permits (\$ million)	Sept.	1,292.7	10,439.7	7.4
Housing Starts — Urban Centres (units)	Oct.*	15,414	123,265	-17.0
<b>ENERGY</b>				
Coal Production (thousand metric tonnes)	Aug.	2,567.1	21,613.5	9.8
Electricity Generation (terawatt hours)	Aug.	26.8	232.4	5.8
Natural Gas Production (million cubic metres)	Aug.*	7,706.8	70,107.0	7.9
Petroleum Refining (million cubic metres)	Sept.	8.12p	84.43p	9.5
<b>FOREIGN TRADE</b>				
Exports — Customs Basis (\$ million)	Oct.*	6,248.5p	53,497.0p	24.3
Imports — Customs Basis (\$ million)	Oct.*	6,111.4p	51,940.6p	27.5
<b>PRODUCTION</b>				
Steel (ingots — thousand metric tonnes)	Oct.	1,392.4p	13,101.9	5.5
<b>SALES</b>				
Department Store Sales (\$ million)	Sept.	722.4p	5,558.5p	10.9
Manufacturers' Shipments (\$ million)	Sept.	13,111.9p	110,842.2r	18.3
New Motor Vehicle Sales (\$ million)	Oct.*	1,145.0	9,912.2	18.8
Retail Sales (\$ million)	Sept.	6,388.5p	55,336.5p	12.2
Wholesale Sales (\$ million)	Sept.	6,679.4p	55,786.1p	21.7

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

### Corporation Profits (Before Taxes)

Data Seasonally Adjusted at Annual Rates



Source: National Income and Expenditure Accounts (13-001)



steel 24% to \$150 million and non-ferrous metals 37% to \$389 million. End products were down 0.7% in October, or \$12 million to \$1.79 billion, following a September 2.2% increase. Industrial machinery exports declined 8.7% to \$160 million, agricultural machinery 8.1% to \$81 million, motor vehicle parts 19% to \$340 million and aircraft-other transportation equipment 24% to \$162 million. Automobile exports increased 6.6% to \$354 million, truck exports more than doubled to \$349 million and communication-other equipment rose 5.2% to \$243 million.

In terms of the short-term trend cycle, fairly strong growth was recorded by all sections in August. The crude material trend cycle increased about 2.8% in each month of the June-August period. Showing accelerating growth were metallic ores and crude oil — up 2.2% and 2.1% in August. The trend cycle for natural gas exports advanced 4.4%, down from 4.8% in July, and coal and other crude bituminous substances rose about 3.0% in both July and August. The trend cycle for asbestos weakened over June-August. The food-feed-beverages-tobacco trend cycle increased 7.4%, from 5.2% in July and 1.9% in June. Much of the strength in this section was due to strong growth in the export trend cycle of wheat (up 15% in August) and barley (17%). The export trend cycle for fabricated materials advanced 3.5% following increases of 4.1% in July and 3.7% in June. Growth in pulp-newsprint and non-ferrous metals strengthened over June-August. Fertilizers-chemicals showed weakening — though positive — growth and petroleum-coal products and iron-steel showed progressively stronger declines. The end product trend cycle advanced 2.3%, from 1.7% in July and 0.3% in June. The export trend cycles for industrial and agricultural machinery showed weakening over the period. The automobile trend cycle advanced 1.9% in August, trucks declining 1.8% following a stronger decline in July and motor vehicle parts 0.6% after a 2.0% decline in July. Communication-other equipment showed strengthening over the period.

For further information on area and commodity trade, order the October 1979 issue of *Summary of External Trade* (65-001, \$3/\$30).

### Gross National Product

Third Quarter Gross National Product, seasonally adjusted at annual rates, increased 3.6% to a level of \$264.4 billion. After adjustment for price changes this represents an increase of 1.3% in real terms, a sharp reversal from the 0.7% second quarter decline.

All of the major final expenditure aggregates (except government current expenditure) increased in real terms. Business investment in plant and equipment continued expansion begun in 1978's second quarter and for the second consecutive quarter non-residential construction contributed a substantial amount to the overall increase in plant and equipment investment. Personal expenditure on goods and services rose 1.3% after increasing at an average rate of about 0.5% in the preceding four quarters though there were some indications that the personal expenditure increase was strongly influenced by transitory factors.

The Index of Real Domestic Product increased 1.5% in the third quarter — well within the normal tolerance between RDP and real GNE growth rates. The expansion of RDP was led by an 8.6% increase in mining output and a 1.8% increase in manufacturing production. Increase in mining output was largely the result of strike settlements and brought a strong increase in exports of metallic ores and concentrates. Increase in manufacturing output in part reflected the increase in business investment — particularly strong increases in machinery, electrical products and metal fabricating.

Wages, salaries, and supplementary labour income grew 2.9%, about the second quarter rate of increase. Labour income rose 11.7% from a year earlier. About three-quarters was the result of higher average earnings with the remainder due to moderately strong employment growth.

After falling 3.6% in the second quarter corporation profits before taxes rose 12.3%. Profits rose in most major industrial groups (largest gainers: mining, manufacturing, trade, service).

Interest and miscellaneous investment income increased 2.3%, up 18.8% from a year earlier. The increase resulted from higher interest rates on deposit and bond

interest payments and increasing provincial government royalties.

Personal income was up 2.1% but disposable income remained virtually unchanged as income tax payments rose 14.4% after falling 9.4% in the previous quarter. Expenditure on goods/services increased 1.3% in real terms despite the weakness in personal disposable income with strongest growth in spending on durable goods, up 2.5%. There were also large increases in expenditure on semi- and non-durable goods. Timing and composition of the growth in personal expenditure suggest that it was related to transitory increases in income resulting from higher second quarter income tax refunds.

Total gross fixed capital formation increased 4.0% in real terms. Business fixed investment grew 4.8% — all of the increase as government fixed investment fell for the third consecutive quarter. Business investment in residential construction rose 1.3%, the first increase in more than a year and only the third since mid-1976. The increase was entirely due to capitalized real estate commissions, however, and the volume of new construction put in place fell slightly. Business investment in plant and equipment increased 5.8%, up almost 18% from the trough reached in the first quarter of 1978. Until the second quarter of this year all of the expansion was due to higher spending on machinery and equipment. In the second quarter, business non-residential construction had increased 5.6% in real terms and this strength continued into the third as non-residential construction increased a further 6.6%. Machinery and equipment investment also continued to expand strongly — 5.2% in real terms.

The current dollar values of exports and imports recovered from second quarter declines with exports up 11.4% and imports 8.9%, the net result being the balance of trade in goods and services improved substantially to a deficit of \$5.4 billion — seasonally adjusted at annual rates — from \$6.6 billion in the second quarter. The implicit GNE Price Index rose 2.3% (second quarter: 3.3%). Movements recorded have been substantially higher than last year and on a year-over-year basis the increase in the Index reached 9% for the first time since

### Industrial Corporations Set Fair For Strong Financial Finish In Home Stretch

Mining industries' net income after extraordinary items rose 70.9% in the third quarter to \$1,005 million from \$417 million a year earlier. Sales rose 25% to \$4,820 million and net income before extraordinary items 55% to \$913 million.

Manufacturing's net after extraordinary items rose 54.1% to \$2,293 million from \$1,488 million, with sales up 16.9% to \$42,519 million and net income before extraordinary items \$2,215 million (48.3%).

The "Other Industries" category for the third quarter shows a 12-months' rise of 22.4% for net income after extraordinary items — \$1,646 million — with sales up 14.8% to \$49,877 million and net before extraordinary items up 24.1% to \$1,622 million. Not covered are data for construction, real estate, agriculture, fishing/trapping, financial institutions and government enterprises.

For further information on preliminary estimates, order the third quarter 1979 issue of *Industrial Corporations, Financial Statistics* (61-003p, No Charge), or contact Randy Martelock (613-995-9751), Business Finance Division, Statistics Canada, Ottawa K1A 0T6. (N.B. Estimates of quarterly profits included in publication 61-003p are subject to revision and may not coincide with final data in quarterly publication 61-003, \$10/\$40).



1975. The index for imports was about 15% higher year-over-year and that for exports about 18% higher. Excluding exports, increase in price of Canadian-produced goods/services has been comparatively moderate, in part because energy prices have not increased to the same extent as those in most industrialized nations. The index, excluding exports — which has the interpretation of an index of prices paid by Canadians for domestically-produced goods/services — rose about 5.5% year-over-year. This is less than two-thirds the increase in the total index year-over-year.

Revenues of all levels of government (excluding intergovernmental transfers) rose 8.3% (sharp increases in personal corporate income tax revenues). The rise, combined with a moderate (2.5%) rise in expenditures, gave a reduction in the deficit of the government sector (a national accounts basis) from \$9.5 billion in the second quarter to \$4.4 billion in the third.

For further information, order *National Income and Expenditure Accounts, third quarter, 1979* (13-001, \$6/\$24), or contact Miss B. Clift (613-995-3989), Assistant Director, Gross National Product Division, Statistics Canada, R.H. Coats Building, Section 22-A, Ottawa K1A 0T6.

### Real Domestic Product

Third quarter RDP increased 1.5% following a slight decline (0.2%) in the second. The upturn was fairly widespread, singular exceptions being forestry, fishing/trapping and construction.

The decline in forestry production resulted from reduced logging activity in July due partly to labour disruptions in British Columbia, contributing to a downturn for sawmills and veneer/plywood manufacturers. Furniture and fixtures manufacturing also declined but retail furniture sales increased from second quarter's level.

Recent quarterly mining successes were maintained — third quarter's increase of 8.7% was largely due to the post-strike recovery of metal mines (production rose some 30%) the strong upturn reflecting July/August production of silver, copper, nickel and iron. Abnormally high iron ore production was not maintained in August/September as export demand slackened. Mineral fuels recovered somewhat in September but were down 1.8% over the quarter. September upturn led to an increase in non-metal mines output.

Total manufacturing rose 1.8% — non-durable manufactured goods 1.9%, durables 1.8%. Durable manufactures' growth lay in the strong upturn in miscellaneous machinery, non-metallic mineral products and electrical product manufacturers. Within primary metal industries a large gain by iron/steel mills was nearly offset by losses in iron foundries and smelting/refining. Metal fabricating industries' output rose 3.1% and manufacture of machinery 6.3%. Upturn in machinery and electrical equipment manufacturing contrasts with a continued downturn in production of transport equipment, down 3.3% following an

11% second quarter fall. (This decline was due largely to continued weakness in the exports of automobiles and automobile parts.)

Increase of 1.9% in non-durable manufactures largely resulted from considerable improvements recorded in the output of the chemical industries — the downward production trend in the first half of the year was reversed in the third quarter. Chemical and chemical products grew 5.9% although petroleum/coal production increased only slightly. Rubber/plastic, food/beverage and printing/publishing/allied industries contributed. Weakness continued in knitting mills but the picture in textiles, leather and clothing is one of moderate improvement. Downward trending in pulp and paper products continued and production levels remained below those of third quarter 1978. Output of food and beverage industries increased 1.1%.

Construction with a slight decrease continued four consecutive quarterly declines, this latest deriving mainly from a downturn in residential construction activity. However, the strengthening of non-residential construction activity in the second quarter was maintained with marginal increase in the third.

The high levels of output in the utilities sector evident in recent quarters were maintained — growth of more than 2% was due mainly to a further strong growth in electric power production.

Activity in service-producing industries was comparatively strong with retail trade increasing 2.5% (most of this strength originated in the 3% rise in volume of sales made by department and general merchandise stores) and the 1% by motor vehicle dealers. Product originated in finance/insurance/real estate increased 2.1%. Slight declines in education/amusement/recreational services and accommodation services were offset by increases in health/welfare, business management and personal services. Community, business and personal services increased by just under 1.0%. For the second successive quarter, activity in public administration (including defence) fell in each of the three months with declines being recorded at both the federal and provincial levels of government activity.

For further information, order the *September 1979 issue of Indexes of Real Domestic Product by Industry* (61-005, \$3/\$30), or contact R.W. Collins (613-995-0443), Industry Product Division, Statistics Canada, Ottawa K1A 0T6.

### Balance Of Payments

The seasonally-adjusted third quarter current account deficit fell to \$1,165 million, from \$1,476 million in the second quarter. Unadjusted, the deficit was \$45 million. Capital movements, which are not seasonally adjusted, resulted in a net inflow of \$1,032 million and the balancing item representing net errors and omissions in the recorded estimates of the current and capital accounts was equivalent to a net

outflow of \$830 million. The overall surplus produced an increase in net official monetary assets of \$307 million.

Main quarterly features include:

- a sharp rise of over 40% in the seasonally-adjusted merchandise trade surplus to \$954 million as value of exports rose 11.6% and imports 10.2% (reflecting price rises, chiefly, as the volume of exports rose 4.5% compared with about 2.5% for imports — a relatively large part of the increased trade was overseas)
- among exports, large increases, on a seasonally-adjusted basis, for grains, forest products, nickel, natural gas, automotive products (excluding trucks), agricultural machinery, crude petroleum and copper, with decreases for trucks and aluminum
- imports with the largest gains were crude petroleum, industrial and agricultural machinery, chemicals and related products, non-ferrous metals and coal
- a \$31 million fall in the seasonally-adjusted non-merchandise trade deficit to \$2,119 million with increased receipts recorded for interest and dividends (principally reflecting irregular dividend receipts), freight and shipping, miscellaneous services and immigrants' funds (there were larger payments for dividends, freight and shipping, miscellaneous services and official contributions for development assistance)
- relative stability in the United States dollar value of the Canadian dollar ranging from a high in September of 86.48 U.S. cents to a low in August of 85.00 U.S. cents and bringing a closing rate for the quarter of 86.19 U.S. cents, up 0.65 U.S. cents from the end of June.

Following past practice, data for earlier quarters of 1979 are revised to reflect new information. The main tables can be obtained in machine-readable form from the CANSIM base. For further information, contact D.K. McAlister (613-995-0743), Balance of Payments Division, Statistics Canada, Ottawa K1A 0T6.







1010728823

## These publications released November 30 — December 6

	Cata- logue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
<b>AGRICULTURE</b>			
Production and Stocks of Eggs and Poultry, September 1979	23-003	\$2.50/\$25	\$3/\$30
<b>BALANCE OF PAYMENTS</b>			
The Canadian Balance of International Payments, 1977	67-201	\$8	\$9.60
<b>BUSINESS FINANCE</b>			
Industrial Corporations, Financial Statistics, Preliminary Data, Third Quarter 1979	61-003p	N/C	
<b>CONSTRUCTION</b>			
Building Permits, September 1979	64-001	\$3.50/\$35	\$4.20/\$42
<b>EDUCATION, SCIENCE AND CULTURE</b>			
Culture Statistics, Radio and Television, 1978	87-630	\$4.50	\$5.40
<b>SERVICE BULLETIN</b>			
Science Statistics — Vol. 3, No. 10, R&D and The Investment Tax Credit, 1977 and 1978	13-003	\$1.50/\$15	\$1.80/\$18
<b>EXTERNAL TRADE</b>			
Exports by Commodities, September 1979	65-004	\$5/\$50	\$6/\$60
<b>HEALTH</b>			
A Prognosis for Hospitals, The Effects of Population Change on the Need for Hospital Space, 1967-2031	83-530E	\$7	\$8.40
Vital Statistics, July-September 1979	84-001	\$2.50/\$10	\$3/\$12
<b>MANUFACTURING AND PRIMARY INDUSTRIES</b>			
Canned and Frozen Fruits and Vegetables, September 1979	32-011	\$1.50/\$15	\$1.80/\$18
Capacity Utilization Rates in Canadian Manufacturing, Third Quarter 1979	31-003	\$5/\$20	\$6/\$24
Crude Petroleum and Natural Gas Production, July 1979	26-006	\$2.50/\$25	\$3/\$30
Gas Utilities, August 1979	55-002	\$2.50/\$25	\$3/\$30
Gypsum Products, October 1979	44-003	\$1.50/\$15	\$1.80/\$18
Hardboard (Wood Fibre), October 1979	36-001	\$1.50/\$15	\$1.80/\$18
Mineral Wool, October 1979	44-004	\$1.50/\$15	\$1.80/\$18
Monthly Production of Soft Drinks, October 1979	32-001	\$1.50/\$15	\$1.80/\$18
Production and Disposition of Tobacco Products, October 1979	32-022	\$1.50/\$15	\$1.80/\$18
Production and Inventories of Process Cheese and Instant Skim Milk Powder, October 1979	32-024	\$1.50/\$15	\$1.80/\$18
Production and Shipments of Floor Tiles, October 1979	47-001	\$1.50/\$15	\$1.80/\$18
Production, Shipments and Stocks on Hand of Sawmills in British Columbia, September 1979	35-003	\$2.50/\$25	\$3/\$30
Quarterly Shipments of Office Furniture Products, Quarter Ended September 30, 1979	35-006	\$2.50/\$25	\$3/\$30
Sales of Paints, Varnishes and Lacquers, September 1979	46-001	\$1.50/\$15	\$1.80/\$18
Stocks of Frozen Meat Products, November 1979	32-012	\$2.50/\$25	\$3/\$30
Stocks of Fruit and Vegetables, November 1, 1979	32-010	\$1.50/\$15	\$1.80/\$18
<b>SERVICE BULLETINS</b>			
Fruit and Vegetable Preservation — Vol. 8, No. 2, Pack of Processed Peas, 1979	32-023	\$1.50/\$15	
Minerals — Vol. 7, 1978: No. 4, Consumption of Ferro-Alloys and Addition Agents; No. 5, Consumption of Molybdenum and Tungsten; No. 8, Consumption of Unmanufactured Tin	41-010	\$1.50/\$15	
<b>MERCHANDISING AND SERVICES</b>			
Department Store Sales and Stocks, September 1979	63-002	\$2.50/\$25	
Vending Machine Operators, 1978	63-213	\$4.50	\$5.40
Wholesale Trade, September 1979	63-008	\$1.50/\$15	\$1.80/\$18
<b>TRANSPORTATION AND COMMUNICATIONS</b>			
Air Carrier Operations in Canada, January-March 1979	51-002	\$6/\$24	\$7.20/\$28
<b>SERVICE BULLETINS</b>			
Aviation Statistics Centre — Vol. 11, No. 11, Canadian Air Transport Industry, Summary Statistics, 1979	51-004	\$1.50/\$15	
Railway Transport — Vol. 9, No. 8, Railway Carloadings, September 1979; Railway Operating Statistics, May 1979	52-004	\$1.50/\$15	