

Statistics
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Weekly Bulletin

Gross National Product

Second quarter over first quarter, Gross National Product, seasonally adjusted, rose 2.3% to \$253.8 billion — with price changes, representing a decline of 0.7% in the volume of production, the first since mid-1976. The decline in real Gross National Expenditure was largely the result of a substantial fall in real merchandise exports. Business non-farm inventory accumulation, business investment in machinery and equipment and personal expenditure also moderated somewhat. The slowdown in these expenditure aggregates was reflected in a decline of real merchandise imports. With business investment in non-residential construction up strongly, total business investment in plant and equipment continued to strengthen.

Weakened export demand plus reaction to the recent large accumulation of manufacturing inventories were reflected in a 1.6% decline in manufacturing output — particularly large in export-oriented industries such as pulp and paper mills, smelting and refining, aluminum and motor vehicles including parts. A further recovery in mining output helped to restrain the overall decline of the goods-producing industries to 0.9%.

The nominal merchandise trade balance was virtually unchanged. Exports and imports declined by almost 2%. Terms of trade continued to improve as merchandise export prices advanced 4.4% and import prices declined slightly. In volume terms, merchandise exports fell 5.9%. With an increase in the non-merchandise trade account deficit, the decline of real net exports reduced real GNE by more than one percentage point. Decline in merchandise exports appears to be largely attributable to the American economy: a slump in the market for larger-sized cars in the United States was the major source of weakness. Exports of cars, trucks and motor vehicle parts fell by almost \$2 billion in nominal terms. Softening for most fabricated materials — notably lumber, pulp, newsprint and aluminum — is also consistent with the widespread slackening of American expenditure. Crude materials continued to be the exports demonstrating any strength this year.

Decline in merchandise imports was fairly widespread, the largest again originating in energy products, particularly crude petroleum. Imports of machinery and equipment levelled off and automotive

LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	May	285.18p	282.78r	8.3
Labour Income (\$ million)	May	11,896.0p	11,455.3r	10.5
Persons with Jobs (million)	July	10.88	10.63	3.5
Unemployed	July	793,000	916,000	-13.4
INVENTORIES				
Department Store (\$ million)	May	2,434.4p	2,270.1p	17.5
Manufacturers' Owned (\$ million)	June	23,244.0p	23,002.3r	18.7
Wholesale (\$ million)	June	10,382.4p	10,347.0p	27.7
ORDERS				
Manufacturers' New Orders (\$ million)	June	13,381.4p	13,550.7r	13.0
Manufacturers' Unfilled Orders (\$ million)	June	16,380.3p	16,164.9r	33.2
PRICES				
Consumer Price Index (1971=100)	July	192.1	190.6	8.1
Non-food (CPI) Component	July	177.0	176.0	8.3
New House Price Index (1976=100)	July	109.9	109.7	3.4
22-city Composite Wage, Building (1971=100)	May	229.0	220.0	7.1
Industry Selling Price Index (1971=100)	June	214.7p	213.6r	13.6
CONSTRUCTION				
Building Permits (\$ million)	June	1,164.3	6,187.7	2.1
Housing Starts — Urban Centres (units)	July	12,884	80,200	-21.5
ENERGY				
Coal Production (thousand metric tonnes)	May	2,908.8	13,682.5	9.3
Electricity Generation (terawatt hours)	June*	25.8	179.9	5.6
Natural Gas Production (million cubic metres)	May	8,477.9	46,583.6	8.1
Petroleum Refining (million cubic metres)	June	9.63p	56.1p	11.1
FOREIGN TRADE				
Exports — Customs Basis (\$ million)	June	5,227.0p	30,573.0p	19.0
Imports — Customs Basis (\$ million)	June	5,104.0p	30,425.0p	25.2
PRODUCTION				
Steel (ingots — thousand metric tonnes)	July	1,247.1	9,116.9	6.7
SALES				
Department Store Sales (\$ million)	June	677.6p	3,510.2p	12.9
Manufacturers' Shipments (\$ million)	June	13,166.0p	62,073.9p	18.9
New Motor Vehicle Sales (\$ million)	June	1,161.2	5,996.9	18.3
Retail Sales (\$ million)	June	6,966.9p	35,908.4p	12.9
Wholesale Sales (\$ million)	June	6,534.2p	36,054.3p	19.8

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

Canada's Gross National Product (GNP)



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

goods declined. With the sharp drop in exports of automotive goods the deficit in trade in automotive products has increased sharply, acting as a major drag on a dwindling merchandise trade surplus.

The \$2.2 billion accumulation of non-farm business inventories was somewhat less than the sharp \$2.9 billion accumulation in the first quarter. Although stockpiling over long periods is not unprecedented the rapidity of the current phase of inventory accumulation is exceptional by any standard.

Business gross fixed capital formation advanced 2.5% in volume as investment in plant and equipment continued the recovery that began a year ago. The level of investment rose 3.3% and has now increased by close to 10% in the last four quarters, the strongest year-over-year increase since mid-1975. In contrast to the previous increases most of the second quarter growth came in non-residential construction, notably in the building component and in energy-related investments. Expenditure on residential construction was virtually unchanged this quarter.

Personal expenditure on goods and services was unchanged as expenditure on goods declined. Expiry of sales tax rate cuts, relatively large holdings of consumer durables as a result of strong expenditures in previous quarters and a rapid 2.3% increase in the implicit price index for total personal expenditure contributed to weakness of consumer demand.

A 2.5% increase in personal income largely originated in higher labour income. Personal income taxes declined 9.4% due to a sharp increase in income tax refunds. As a result, personal disposable income advanced 5.0%. Personal expenditure rose only 2.3% in nominal terms, the personal savings rate rising from 9.4% to 11.7%.

Wages, salaries, and supplementary labour income grew 2.8% (2.2% in the first quarter). In manufacturing, wage and salary growth was about 2%. A strong advance in goods producing was maintained by recovery in construction and very robust gains in mining.

Corporation profits before taxes fell about 2.5% although they are still up about 29% from a year earlier. This decline was fairly widespread: profits of trade and service industries suffered most.

Total revenue of all levels of government (excluding intergovernmental transfers) declined 1.5% in the quarter. A decline in personal income tax collections reflecting extremely high tax refunds was in part offset by sharp increase in investment income. Total expenditures, up 2.2%, saw large increases in subsidies related to oil imports, western grain stabilization plan and transfer payments to persons. Increase in expenditure combined with decrease in revenue brought widening of the deficit (on a national accounts basis) in the government sector from \$6.6 billion to \$10.0 billion.

For further information, order *National Income and Expenditure Accounts, second quarter, 1979* (13-001, \$1.05/\$4.20).

Labour Income

Labour income in June rose 9.9% to \$12.3 billion from \$11.2 billion a year earlier. Total wages and salaries rose 10.0% to \$11.4 billion from \$10.4 billion.

Breakdowns for wages and salaries (millions of dollars) were: primary industries \$145.0; forestry \$135.9; mines, quarries, oil wells \$310.6; manufacturing \$2,594.4; construction \$852.8; transportation, communication, other utilities \$1,221.6; trade \$1,475.1; finance, insurance, real estate \$755.7; commercial, personal service \$1,073.9; education, related services \$1,114.9; health, welfare services \$694.7; federal administration, other government offices \$411.4; local administration \$274.1; and provincial administration \$332.5.

Supplementary income for June reached \$926.1 million.

See detailed estimates in the 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, Ottawa K1A 0V2.

Trade

On a seasonally-adjusted, balance-of-payments basis, July exports rose 7.1% to \$5.17 billion after falling 5.5% in June. Imports increased 10.2% to \$5.10 billion after falling 6% in June.

The higher increase in imports compared with exports led to the trade surplus dropping from \$206 million in June to \$77 million in July.

Short-term trend-cycles for exports and imports have both grown very little over the March — May period; as a result, the trend-cycle for the balance has been level at close to \$135 million per month for March, April and May.

For further information on area and commodity trade, order the July 1979 issue of *Summary of External Trade* (65-001, 40¢/\$4).

Electric Power

June net generation increased to 25.8 TW.h from 24.1 TW.h in 1978. Hydro generation increased 3.2%, thermal production 16.7%. Year-to-date total generation was 179.9 TW.h, up 5.6%.

For further information, order the June 1979 issue of *Electric Power Statistics*, (57-001, 30¢/\$3), or contact David Madsen (613-992-4021), Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0T6.

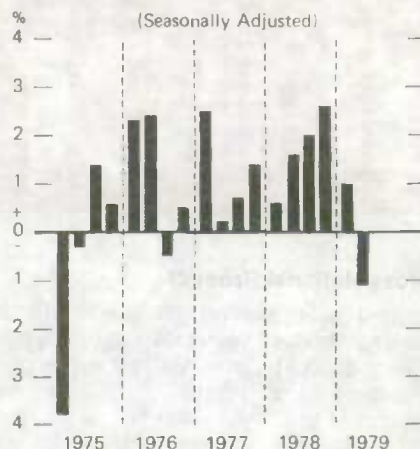
Electricity Selling Price Indexes

Electricity Selling Price Indexes are now available to April 1979. With the release of data for the most current four months Indexes for the previous four-month span have been revised and finalized.

For further information, order the July 1979 issue of *Industry Price Indexes* (62-011, 55¢/\$5.50), or contact the Information Unit, Industrial Prices (613-995-5738), Prices Division, Statistics Canada, Ottawa K1A 0T6.

Index of Industrial Production

Quarter-to-Quarter Percentage Change



Source: Indexes of Real Domestic Product by Industry (61-005)

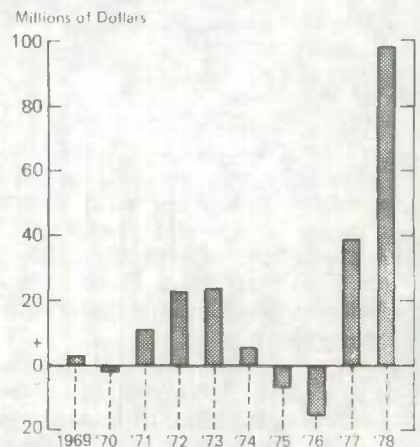
International Travel

January to June, Canada earned \$945 million from international travel, up 12.9% from 1978. Canadians travelling abroad increased their payments 1.7% to \$2,214 million, leaving the international travel account with a deficit of \$1,269 million.

The second quarter deficit — \$348 million — fell 16.7% from last year's second quarter \$418 million. A strong gain in receipts from countries other than the United States to \$269 million was the main contributor. Receipts from U.S. visitors totalled \$433 million and payments by Canadians abroad were \$695 million in the U.S. and \$355 million elsewhere.

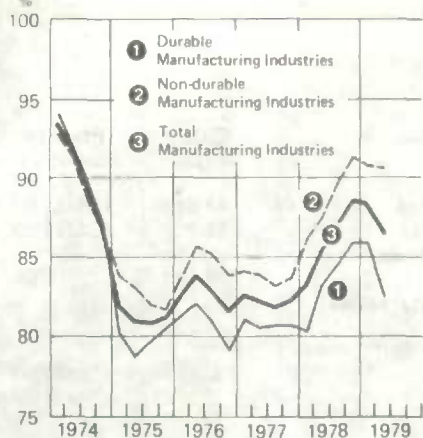
For further information, contact M.W. Valiquette (613-995-0847), International Travel Section, Statistics Canada, Ottawa K1A 0T6.

Net Income After Taxes — Air Carriers of All Financial Levels



Source: Air Carrier Financial Statements (51-206)

Capacity Utilization Rates in Canadian Manufacturing, by Quarter



Source: Capacity Utilization Rates in Canadian Manufacturing (31-003)

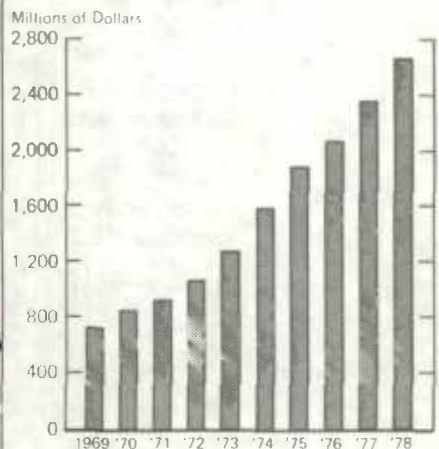
Railway Carloadings

Railways loaded 23.0 million short tons (20.9 million t) of revenue freight in July, up 16.5% from 1978. From the United States entered an additional 1.9 million short tons (1.7 million t), up 11.4%. Notable percentage changes include agriculture implements and parts, up 337.2%, iron ore and concentrates, up 85.6%, grain other than wheat, up 34.9%, alumina, bauxite and other aluminum ores, down 99.3% (a strike at Alcan) and wheat, down 31.6%.

Seven months' freight volume loaded increased 13.1% from 1978; receipts from the U.S. were 2.0% higher.

For further information, order the July 1979 issue of *Railway Carloadings* (52-001, 30¢/\$3), or contact L.E. Robbins or M. Vallières (613-996-9271), Transportation and Communications Division, Statistics Canada, Ottawa K1A 0T6.

Operating Revenues — Air Carriers of All Financial Levels



Source: Air Carrier Financial Statements (51-206)

Industry Selling Price Index

The Industry Selling Price Index for manufacturing rose 0.8% to 217.0 in July from June's revised 215.3 and 14.2% from 190.1 a year earlier.

The food and beverage group rose 0.7% due largely to increases of 7.1% in the feed industry and 3.7% for miscellaneous food processors. Increases were partially offset by a decline of 1.6% in slaughtering and meat processors attributable in part to decreases for fresh and frozen beef (2.4%) and fresh and frozen pork (1.8%).

Sawmills and planing mills rose 2.6% following a 0.1% decrease in June. Over the past twelve months the index has changed direction six times yet the year-to-year change is 22.0%.

Despite decreases in newsprint prices the pulp and paper mills index rose 0.9% due principally to increases in all wood-pulp commodities.

Motor vehicle manufacturers moved up 1.3% as all sizes of automobiles and trucks registered increases.

Men's clothing factories rose 1.8%, the largest change since a 3.2% increase in January.

Manufacturers of industrial chemicals (Organic) advanced 3.1% as selling prices continued to rise in response to increases in the cost of petro-chemical feedstocks.

The index for plastics and synthetic resins, up 1.6%, was affected by the higher cost of petro-chemical inputs plus a reduction in competition from European producers of polyethylene resin.

For further information, order the July 1979 issue of *Industry Price Indexes* (62-011, 55¢/\$5.50), or contact the Information Unit, *Industrial Prices* (613-995-5738 or 995-5739).

Local Government Employment

June saw employees rise 7.8% in general government services of municipalities to 287,491 from 266,717 reported at the end of the previous quarter. Gross payrolls of municipalities for the second quarter amounted to \$988,986,000, up 9.6% from \$902,705,000 reported for the first quarter.

For further information, order the April-June 1979 issue of *Local Government Employment* (72-009, 70¢/\$2.80), or contact Local Government Section (613-995-9897), Public Finance Division, Statistics Canada, Ottawa K1A 0T6.

Divorces, 1977-78

Divorce decrees granted in 1978 totalled 57,155, up 3.2% from 1977. The rate per 100,000 population increased to 243.4 against 237.7. British Columbia maintained the highest rate (326.7) and Newfoundland the lowest (75.0).

For further information, order *Vital Statistics, 1978, Volume II, Marriages and Divorces* (84-205, 75¢), or contact D. Nagnur (613-995-9593), Demographer, Vital Statistics and Disease Registries Section, Health Division, Statistics Canada, Ottawa K1A 0T6.

Canada Year Book 1978-79

The *Canada Year Book*, a publication that draws on a wide variety of sources to provide an in-depth review of economic, social and political developments in Canada, is available now in the 1978-79 edition. Material for the book comes from government departments and agencies at the federal, provincial and territorial levels and from private organizations as well to make this book a valuable and unique reference work giving facts and figures on virtually every facet of life in Canada.

Budgetary pressures arising from rising prices and federal government initiatives to effect general spending reductions have forced Statistics Canada to conclude that, henceforth, the *Canada Year Book* will be published every second year rather than annually. Every effort is being made to ensure that, with the cooperation of contributors, each issue will provide a complete picture of the Canadian scene. The 1978-79 issue is available in Canada at \$15.00, in other countries at \$18.00 (catalogue 11-202E).

Canada's Elderly

Canada's Elderly (catalogue 98-800E, \$1.25 in Canada, \$1.50 in other countries) is the first of a unique series based on the 1976 Census and other relevant Statistics Canada data. The publication is produced in a popular journalistic style, with art work, captions, simple graphs and summary tables for easy and attractive reading.

Canada's Elderly highlights some of the following facts about our aging population: declining fertility trends mainly account for the growing proportion of elderly; most of the elderly live in family settings but many elderly women live alone; almost half of all persons living in collective dwellings are elderly; Prince Edward Island has the highest proportion of elderly to its population; it is estimated that by 2001 the proportion of elderly may reach between 11% and 13%.

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AGRICULTURE			Electric Lamps, July 1979	43-009	15¢/\$1.50
Production and Stocks of Eggs and Poultry, June 1979	23-003	30¢/\$3	Mineral Wool, July 1979	44-004	15¢/\$1.50
Stocks of Frozen Meat Products, August 1979	32-012	30¢/\$3	Miscellaneous Metal Mines, 1977	26-219	70¢
BALANCE OF PAYMENTS			Miscellaneous Non-metal Mines, 1977	26-220	70¢
Security Transactions with Non- Residents, May 1979	67-002	40¢/\$4	Monthly Production of Soft Drinks, July 1979	32-001	15¢/\$1.50
CANSIM			Oils and Fats, June 1979	32-006	15¢/\$1.50
Main Base Series Directory, 1979	12-203E	\$27	Production and Disposition of Tobacco Products, July 1979	32-022	15¢/\$1.50
Summary Reference Index, 1979	12-202E	N/C	Production and Inventories of Process Cheese and Instant Skim Milk Powder, July 1979	32-024	15¢/\$1.50
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Advance Statistics of Education, 1979-80	81-220	70¢	Stone Quarries, 1977	26-217	70¢
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Cancer in Canada, 1976	82-207	\$2.10	Department Store Sales and Stocks, June 1979	63-002	40¢/\$4
LABOUR			TRANSPORTATION AND COMMUNICATIONS		
Preliminary Unemployment Insurance Statistics, May 1979	73-001p	N/C	For-hire Trucking Survey 1977	53-224	\$1.05
MANUFACTURING AND PRIMARY INDUSTRIES			SERVICE BULLETIN		
Canned and Frozen Fruits and Vegetables — Monthly, June 1979	32-011	30¢/\$3	Water Transport — Vol. 9, No. 6, International Vessel Traffic Statistics, First Quarter 1979	54-003	/\$1.40

User Advisory Services

When amplification of summaries would be helpful, additional information can often be obtained from the regional User Advisory Services staff of Statistics Canada or from its Central Inquiries Service, Ottawa (613-992-4734).

Toll free access to statistical information within the New Brunswick, Prince Edward Island and Nova Scotia region is available by direct dialing the User Advisory Services Halifax office, 1-800-565-7192. Throughout Saskatchewan, the Regina office can be reached by dialing 1-800-667-3524. Throughout Alberta, the Edmonton office can be reached by dialing 1-800-222-6400.

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