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Gross National Product

Preliminary estimates of the National Income and Expenditure Accounts indicate GNP rose 2.4% to \$289.4 billion, seasonally adjusted at annual rates, in the third quarter of 1980. This represents an increase of about 0.4% in volume following two quarters of decline. The gain in GNP was virtually identical to the increase in Real Domestic Product in the third quarter, after allowing for conceptual differences.

A 1.2% increase in real final domestic demand, particularly in personal expenditure, provided the main stimulus to the gain in GNP. Most of this upturn of demand was met by a substantial decline in inventories as goods production fell slightly and there was a further reduction of imports. The appearance of excess capacity contributed to a substantial displacement of imports in the past year. This has also, however, coincided with a moderation of business expenditures for plant and equipment.

As much of the expansion in personal expenditure in the quarter appears to be unsustainable, given the high rate of income tax refunds in the second quarter, the transitory stimulus of relatively low interest rates in the third quarter and continued moderate growth in labour income, it is too early to conclude that the cyclical downturn of the economy has been completed.

Following eight consecutive quarters of accumulations, business non-farm inventories were reduced by about \$1.2 billion in volume. The largest declines occurred in the manufacturing and retail industries. The inventory liquidation was most evident in the automotive industry, as domestic demand improved. At the manufacturing level, there was also a substantial reduction in raw materials and goods-in-process.

For further information, order the third quarter 1980 issue of *National Income and Expenditure Accounts* (13-001, \$6/\$24).

Washing Machines/Dryers

Canadian production of washing machines (electric automatic) in October 1980 totalled 39,062 units.

Production of clothes dryers (electric automatic) during the latest month amounted to 31,925 units.

For further information, order the October 1980 issue of *Domestic Washing Machines and Clothes Dryers* (43-002, \$1.50/\$15).

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Aug.	318.90p	317.28p	9.1
Labour Income (\$ million)	Sept.*	13,980.1p	13,610.4p	10.9
Persons with Jobs (million)	Oct.	10.82	10.80	2.2
Unemployed	Oct.	759,000	757,000	2.2

INVENTORIES

Department Store (\$ million)	Sept.	2,379.5	2,530.7	4.7
Manufacturers' Owned (\$ million)	Sept.	28,271.0p	28,506.8r	14.9
Wholesale (\$ million)	Sept.	13,421.8	13,562.6	17.6

ORDERS

Manufacturers' New Orders (\$ million)	Sept.	14,915.5p	12,888.2r	14.7
Manufacturers' Unfilled Orders (\$ million)	Sept.	19,080.5p	18,921.3r	13.4

PRICES

Consumer Price Index (1971=100)	Oct.	217.3	215.4	10.9
Non-food (CPI) Component	Oct.	200.3	198.2	10.4
New House Price Index (1976=100)	Oct.	121.7	120.2	9.1
22-city Composite Wage, Building (1971=100)	July	249.9p	248.3r	8.4
Industry Selling Price Index (1971=100)	Oct.*	254.9p	251.6r	12.1

CONSTRUCTION

			Year-to-date	
Building Permits (\$ million)	Sept.	1,414.8p	10,779.7p	1.6
Housing Starts — Urban Centres (units)	Oct.	14,224	101,902	-17.3

ENERGY

Coal Production (thousand metric tonnes)	Aug.	3 102.5	23 567.9	9.0
Electricity Generation (terawatt hours)	Aug.	27.5	239.8	3.1
Natural Gas Production (million cubic metres)	Aug.	7 092.6	64 876.8	-8.0
Petroleum Refining (million cubic metres)	Sept.	7.9p	83.7p	-1.5

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Sept.	6,235p	54,930p	16.9
Imports — Balance of Payments Basis (\$ million)	Sept.	5,152p	49,953p	12.0

PRODUCTION

Steel (ingots — thousand metric tonnes)	Oct.	1 353.6	13 092.9	-0.2
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SALES

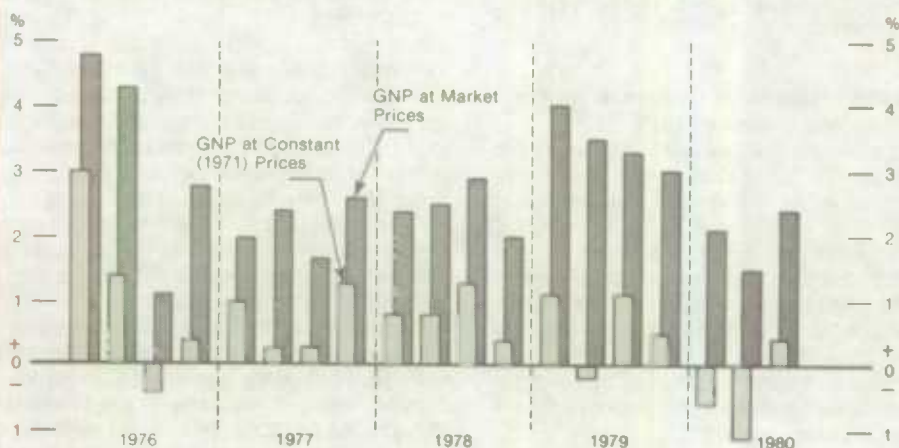
Department Store Sales (\$ million)	Sept.	807.6	6,095.3	9.5
Manufacturers' Shipments (\$ million)	Sept.	14,756.2p	121,128.5p	8.2
New Motor Vehicle Sales (\$ million)	Oct.*	1,134.9	9,766.6	-1.5
Retail Sales (\$ million)	Sept.	7,036.8p	59,554.6	7.7
Wholesale Sales (\$ million)	Sept.	7,273.7	58,864.6	10.0

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

Canada's Gross National Product (GNP)

Quarter-to-Quarter Change

(All Data Seasonally Adjusted)



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

Labour Force Survey

Canada's seasonally adjusted unemployment rate was 7.3% in November 1980, down from 7.6% in October. The seasonally adjusted participation rate decreased to 64.1% from 64.2% in October. The employment/population ratio increased to 59.4% from 59.3%.

In November, the seasonally adjusted employment level at 10,760,000 was up by 22,000 from the previous month. The level increased by 22,000 for men 25 and over, but showed little change for women 25 and over or for persons 15-24. Provincially, the seasonally adjusted employment level increased in Alberta (+12,000) and British Columbia (+17,000). In the remaining provinces, there was little or no change.

Unemployment, seasonally adjusted, was estimated to be 853,000 in November, down 24,000 from October. The level decreased by 11,000 for men 15-24 and by 17,000 for women of the same age group. The level for women 25 and over increased by 5,000, while it showed little change for men 25 and over. By province, the seasonally adjusted unemployment level increased in Quebec (+8,000), while it decreased in Newfoundland (-3,000), Ontario (-15,000) and British Columbia (-4,000).

Seasonally adjusted unemployment rates for the provinces in November were as follows, with October rates in brackets: Newfoundland, 12.6% (13.8%); Prince Edward Island, 11.8% (11.2%); Nova Scotia, 10.3% (9.8%); New Brunswick, 11.4% (11.3%); Quebec, 10.3% (10.1%); Ontario, 6.3% (6.7%); Manitoba, 5.7% (5.8%); Saskatchewan, 4.7% (5.0%); Alberta, 3.6% (3.6%); and British Columbia, 5.8% (6.2%).

Without seasonal adjustment, the employment level for Canada was 10,743,000 in November 1980, up 2.2% from 10,516,000 last November. The estimated number of unemployed was 787,000 compared to 771,000 a year earlier. The unemployment rate in November 1980 at 6.8% was unchanged from a year earlier, while the participation rate was 63.6% compared to 63.4%, and the employment/population ratio was 59.3% compared to 59.1% in November 1979.

For further information, order the November issue of *The Labour Force* (71-001, \$3.50/\$35).

The Non-residential General Building Contracting Industry, 1979

Now available is information from a sample of some 732 general contractors primarily engaged in non-residential building during 1979. The businesses covered reported revenues during 1979 of \$3.2 billion. It is anticipated that full census data for this sector will be available by mid-1981; however, the sample from which the information is derived is large enough to permit the release of ratios which will not vary appreciably from those derived from the completed census.

For further information, contact P.M. Schneider (613-995-8424), Construction Division, Statistics Canada, Ottawa K1A 0T6.

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New Motor Vehicle Sales

New motor vehicles sold in October 1980 totalled 121,463 units, down 8.8% from a year earlier. This included 72,009 passenger cars (down 12.1%) and 29,536 commercial vehicles (down 21.9%) manufactured in Canada and the U.S., and 18,074 passenger cars (up 45.0%) and 1,844 commercial vehicles (up 84.2%) manufactured overseas.

Total sales value decreased 0.9% to \$1,134.9 million. Canadian and U.S. passenger cars sold for \$602.4 million (down 2.0%) and commercial vehicles for \$378.3 million (down 13.3%). Sales of passenger cars manufactured overseas increased 60.8% to \$140.0 million. Sales of overseas-manufactured commercial vehicles increased 100.4% to \$14.3 million, and included in the total were 238 units of coaches and buses valued at \$9.6 million.

For the first 10 months of 1980, total sales amounted to 1,089,908 units (1,214,656 in 1979), with an accumulated value of \$9,766.6 million. This represented a decrease of 1.5% in value from sales for January-October 1979.

For further information, order the October 1980 issue of *New Motor Vehicle Sales* (63-007, \$2.50/\$25), or contact M. Kwilecki (613-996-9304), Retail Trade Section, Merchandising and Services Division, Statistics Canada, Ottawa K1A 0V4.

Raw Materials Price Index

The Raw Materials Price Index (1977=100) for October 1980 stood at a preliminary level of 159.2, an increase of 1.0% from the revised September index and up 14.5% from October 1979.

All the major component indexes rose in the latest month except for wood products which were unchanged. The largest increase occurred in the vegetable products index (3.5%) with significant increases in prices for fresh vegetables (15%) and raw sugar (8%) only partly offset by a decrease in fresh fruit prices (-17%). The other main change occurred in the non-ferrous metals index (+3.3%), mainly due to higher prices for precious metals and aluminum.

Data users should note that indexes for the most recent six months are subject to revision. For further information, order the October issue of *Industry Price Indexes* (62-011, \$3.50/\$35), or contact the Information Unit, Industrial Prices (613-995-5738), Prices Division, Statistics Canada, Ottawa K1A 0V5.

Preliminary Statement of Canadian Trade

From preliminary results, it is estimated that on a seasonally adjusted balance-of-payments basis, Canada's exports increased 11% or \$667 million to \$6,710 million in October 1980 after declining 5.4% in September. Imports rose slightly less than exports with a 10.2% or \$562 million increase to \$6,052 million following a 2.7% increase in September and a 5.2% decrease in August. The merchandise trade balance therefore increased \$105 million to \$658 million in October after a drop of \$486 million in September and an increase of \$555 million in August.

The short term trend-cycle for exports peaked in February 1980 at \$6,150 million, declined a total of 1.4% up until June, and increased 0.7% in July and 1.4% in August. The import trend-cycle peaked in March 1980 at \$5,700 million, dropped a total of 4.4% up until July and increased 0.7% in August. The short term trend-cycle for the merchandise trade balance peaked in November 1979 at \$525 million, declined to a low point of \$450 million in March 1980 and increased to \$710 million in August.

For further information on area and commodity trade, order the October 1980 issue of *Summary of External Trade* (65-001, \$3/\$30).

Real Domestic Product (1971=100)

Real Domestic Product for September 1980 rose 0.6% to a level of 139.3 from 138.5 in August. The index of industrial production increased 1.8%, recording the largest monthly gain since last March. (Although industrial production has risen 3.0% since July, the September level remained 3.1% below the peak level of a year earlier.)

The September increase was concentrated in manufacturing, where output gains were widespread. The two most notable advances were in automotive manufacturers and iron and steel mills.

Economic activity as measured by Real Domestic Product increased by 0.4% in the third quarter of 1980 to a level of 138.5, the first quarterly increase since the corresponding period in 1979. Growth was narrowly based, however, as it was concentrated mainly in retail trade, motor vehicle manufacturers, and communications. The index of industrial production (mining, manufacturing and public utilities) decreased slightly in the quarter. Major decreases were recorded by pulp and paper mills, iron and steel mills, and iron ore mines.

Within the quarter, growth was recorded in each of the three months. Real Domestic Product in September was 1.8% above the June level. However, the total increase in output between April and September was only 0.2%.

For further information, order the September 1980 issue of *Indexes of Real Domestic Product by Industry* (including the Index of Industrial Production) (61-005, \$3/\$30), or contact Ron Kennedy (613-995-0568), Industry Product Division, Statistics Canada, Ottawa K1A 0T6.

Canadian Balance of International Payments

In the third quarter of 1980 the seasonally adjusted current account deficit is estimated to have dropped by over \$900 million to \$137 million, its lowest level since the first quarter of 1974. Unadjusted for seasonal variations the current account in the quarter was in surplus by \$1,085 million. Capital movements, which are not seasonally adjusted, led to a net inflow of \$208 million, while 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 \$1,825 million. Net official monetary movements to finance the over-all deficit described above resulted in a decrease in reserve assets of \$532 million.

The main quarterly features were:

- a \$791 million increase in the seasonally adjusted merchandise trade surplus to \$2,076 million as a 3.5% increase in the value of exports was accompanied by a 1% drop in imports. In volume terms, exports rose by 1% while imports fell by nearly 4%.
- among exports, large increases on a seasonally adjusted basis for automotive products, aluminum, lumber, fertilizers and natural gas with major declines for iron ore, crude petroleum, newsprint, barley and wheat. Import commodities with the sharpest drops in value were non-ferrous metals, automotive products, chemicals and agricultural machinery while rises were recorded for office and industrial machinery and crude petroleum;
- a \$147 million decrease in the seasonally adjusted non-merchandise trade deficit to \$2,213 million, mainly reflecting declines in the deficits on international travel and "other service" transactions. In the travel account there seems to have been a drop in expenditures overseas while an increase in miscellaneous income receipts, principally for chartered banks, was largely responsible for the decreased deficit in "other service" transactions.

For further information, contact D.K. McAlistar (613-995-0743), Balance of Payments Division, Statistics Canada, Ottawa K1A 0T6 or order the third quarter 1980 issue of *Quarterly Estimates of the Canadian Balance of International Payments* (67-001, \$6/\$24).

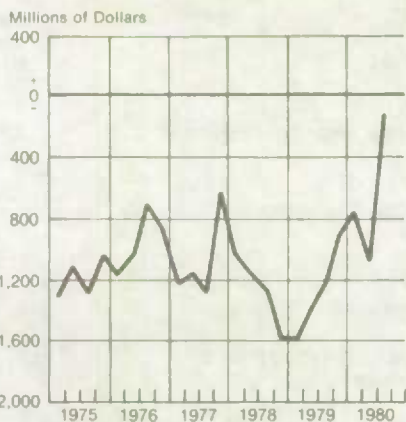
Telephone Statistics

Canada's 13 major telephone systems reported revenues of \$527.2 million in October 1980, up 18.3% from a year earlier. Operating expenses increased 14.0% to \$343.0 million. Net operating revenue at \$178.2 million showed an increase of 27.6% over October 1979. Telephone toll messages increased 10.0% to 118.7 million.

For further information, order the October 1980 issue of *Telephone Statistics* (56-002, \$1.50/\$15), or contact J.R. Slattery (613-996-9271), Transportation and Communications Division, Statistics Canada, Ottawa K1A 0V1.

Canadian Balance of International Payments

Current Account — Seasonally Adjusted



Source: Quarterly Estimates of the Canadian Balance of International Payments (67-001)

Unemployment Insurance Statistics

Unemployment insurance payments in September 1980 amounted to \$284 million, down 5% from August, but up 28% over the previous year. For 1980 to date, payments reached \$3,377 million, a 5% increase from the \$3,228 million disbursed in the January-September period in 1979. This increase in cumulative benefits was due to an 11% rise in the average weekly payment to \$120.04, which was partly offset by a 6% drop in the number of weeks of benefits paid.

For the week ending September 20, some 529,000 persons qualified for unemployment insurance benefits, 11% fewer than in the previous month but 6% more than in September 1979. Fifteen percent of the beneficiaries drew other than regular benefits, the same proportion as a year earlier.

Claimants filed 188,000 applications for benefits in September, 4% more than the previous month and up 5% from a year earlier. For the January to September 1980 period, claims totalled 1,937,000, a rise of 8% over the same period in 1979.

For further information, order the third quarter 1980 issue of *Statistical Report on the Operation of the Unemployment Insurance Act* (73-001, \$6/\$24), or contact George Fincham (613-995-8445), Labour Division, Statistics Canada, Ottawa K1A 0V5.

Estimates of Labour Income

Labour income for the month of September 1980 was estimated at \$13,980.1 million, an increase of \$1,379.1 million or 10.9% from September 1979.

Adjusted for seasonal variation, wages and salaries increased by \$190.2 million between August and September 1980 to \$12,626.9 million.

The estimates will be published in the July-September 1980 issue of *Estimates of Labour Income* (72-005, \$5/\$20). For further information, contact Mrs. G. Gauthier (613-995-8431), Labour Income Section, Labour Division, Statistics Canada, Ottawa K1A 0T6.

Department Store Sales by Regions

Department store sales totalled \$824.1 million in October 1980, up 11.3% from a year earlier. Sales were higher in all regions of Canada.

Department store sales by regions for the latest month were as follows, with percentage increases from October 1979 in brackets:

- Ontario, \$294.1 million (7.7%).
- Quebec, \$154.2 million (15.9%).
- British Columbia, \$144.1 million (16.6%).
- Alberta, \$115.7 million (11.9%).
- Atlantic Provinces, \$52.0 million (9.1%).
- Manitoba, \$41.8 million (6.4%).
- Saskatchewan, \$22.2 million (7.4%).

Data users should note that the figures for British Columbia include as well those for the Yukon and the Northwest Territories. See the October 1980 issue of *Department Store Sales by Regions* (63-004, \$1.50/\$15).

Industry Selling Price Index

The Industry Selling Price Index for manufacturing (1971=100) increased 1.3% to 254.9 in October 1980 from the revised September level of 251.6, and stood 12.1% higher than a year earlier.

The food and beverage industries group index increased 1.6% in the latest month and was up 15.0% from October 1979. The main contributors to the increase included cane and beet sugar processors where prices continued their upward price movement, increasing 10.5%, and flour mills, which rose 4.2%. Slaughtering and meat processors showed an index level increase of 0.8% over the previous month.

The petroleum and coal products industries index increased 3.9% over the previous month, mainly due to higher prices for motor gasolines and furnace fuel oils. (These followed an increase in the price of domestic crude oil on August 1, 1980.)

The transportation equipment industries index increased 3.5% in October, reflecting a 5.1% rise in the motor vehicle manufacturing industry. This advance was due to price increases by all of the major manufacturers ranging from 3% to 6%.

The primary metal industries group increased 1.8%, with the main contributions coming from the smelting and refining industry (+1.8%), iron and steel mills (+2.2%), and steel pipe and tube mills (+4.3%). (Within the latter two industries, price increases occurred over a broad range of their products that had not shown increases since the spring of 1980.)

The non-metallic mineral products industries index rose 1.3%, with the glass manufacturers component up 7.5% as a result of significant price increases for all glass bottles. The miscellaneous non-metallic mineral products industry index was up 1.9% over the previous month with the bulk of the rise attributable to higher prices for industrial insulation.

Data users should note that indexes for the most recent six months are subject to revision. For further information, order the October issue of *Industry Price Indexes* (62-011, \$3.50/\$35).



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