

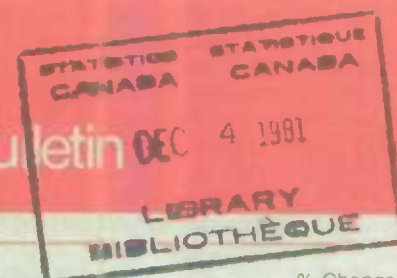


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December 4, 1981

Gross National Product

Preliminary estimates of the National Income and Expenditure Accounts indicate that Gross National Product, seasonally adjusted at annual rates, rose 1.6% from the preceding quarter to a level of \$330.8 billion in the third quarter of 1981. In real terms, this represents a decline of 1.0% after allowing for an increase of 2.6% in overall prices. The sudden buckling of economic activity in the quarter follows three quarters of strong growth, at least by recent standards, averaging 1.6% per quarter.

The decline would have been greater had there not been a substantial addition to inventories, as final demand declined much more rapidly than production. Excluding inventory investment, overall real output fell 1.9%, its most severe contraction since 1951. A continued worsening of the merchandise trade balance and an increase in interest and dividend outflows and miscellaneous income payments drove the current account balance to a new record deficit during the quarter.

The abrupt reversal so soon after the 1980 recovery would appear to be because the economy has finally given way in the face of a protracted period of high interest rates, prevalent in all major industrialized nations including Canada, since the fall of 1980. Labour disputes in a number of industries contributed in a lesser way to the weakness of the third quarter. Virtually all of the major categories of expenditure declined in real terms during the quarter.

Some highlights of the third quarter performance:

- Corporation profits tumbled 15.8%, following a decline of 3.0% in the second quarter. The third-quarter drop far surpassed any previous declines on record and was widespread.
 - Labour income recorded a moderate increase of 2.4%, while personal disposable income rose 4.2%. This would imply some optimism for consumer expenditure in the fourth quarter; however, most of the strength in personal income was due to a 20.0% rise in the interest-related investment income and may reflect shifts in the composition of investment holdings or may not be readily converted into consumption in the near future.
 - Real personal expenditure on goods and services fell 0.9% in the quarter, mostly due to lower spending on durable and
- (continued on next page)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Aug.	358.22p	355.32p	12.2
Labour Income (\$ million)	Aug.	15,481.3p	15,482.3p	13.5
Persons with Jobs (million)	Oct.	10.99	11.03	1.6
Unemployed	Oct.	891,000	891,000	17.4

INVENTORIES

Department Store (\$ million)	Sept.	2,775.9	2,983.1	16.9
Manufacturers' Owned (\$ million)	Sept.*	32,311.6p	32,279.8r	15.6
Wholesale (\$ million)	May	17,091.0	16,923.1	

ORDERS

Manufacturers' New Orders (\$ million)	Sept.*	16,330.0p	14,404.1r	8.4
Manufacturers' Unfilled Orders (\$ million)	Sept.*	19,363.3p	19,401.2r	6.2

PRICES

Consumer Price Index (1971=100)	Oct.	244.8	242.4	12.7
Non-food Component (CPI)	Oct.	227.8	224.9	13.7
New House Price Index (1976=100)	Oct.*	134.4	134.7	10.4
22-city Composite Wage, Building (1971=100)	July	273.3p	273.3p	8.3
Industry Selling Price Index (1971=100)	Sept.	276.9p	276.1r	9.9

CONSTRUCTION

Building Permits (\$ million)	Aug.	1,297.3p	12,141.3p	29.9
Housing Starts — Urban Centres (units)	Oct.*	8,271	118,807	16.6

ENERGY

Coal Production (thousand metric tonnes)	Aug.	2,894.7	25,831.8	9.6
Electricity Generation (terawatt hours)	Aug.	28.7	248.2	3.5
Natural Gas Production (million cubic metres)	July	7,187.1	56,997.0	-1.4
Petroleum Refining (million cubic metres)	Sept.	8.1p	78.1p	-6.6

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Sept.	6,931p	61,805p	7.2
Imports — Balance of Payments Basis (\$ million)	Sept.	6,479p	58,440p	13.5

PRODUCTION

Steel (ingots — thousand metric tonnes)	Oct.*	1,026.4	12,653.9	-2.7
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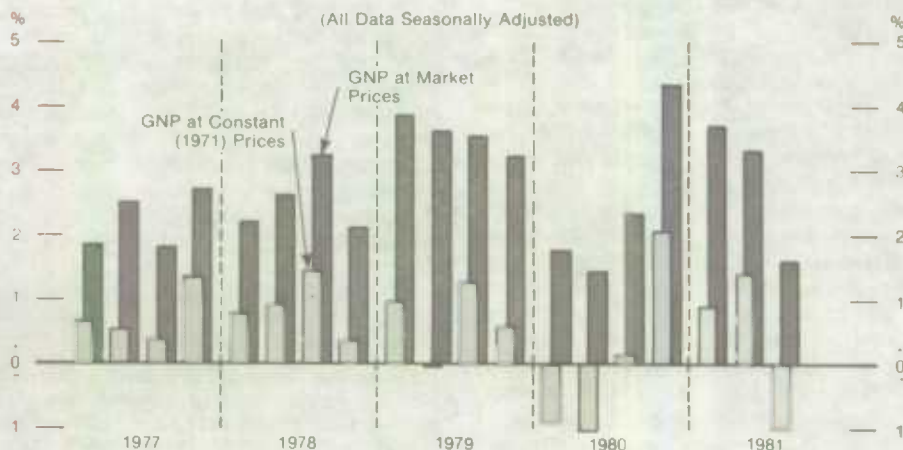
SALES

Department Store Sales (\$ million)	Sept.	848.4	6,747.3	10.7
Manufacturers' Shipments (\$ million)	Sept.	16,367.9p	140,816.9p	15.4
New Motor Vehicle Sales (\$ million)	Sept.	877.8	9,254.2	7.2
Retail Sales (\$ million)	Sept.	7,809.9p	68,007.2	13.9
Wholesale Sales (\$ million)	May	9,701.6p	44,570.1p	

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

Canada's Gross National Product (GNP)

Quarter-to-Quarter Change



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

semi-durable goods. The sharp decline coincided with a weakening of wages and salaries, a continuation of rising interest rates and strong price increases; it also followed the temporary suspension of sales taxes on specific items in Ontario. Spending on durable goods fell 5.7%, the largest decline since 1976.

- The merchandise trade balance continued to erode in the quarter, falling about \$1.7 billion at annual rates to \$3.4 billion after declines of \$4.6 billion and \$1.5 billion in the first and second quarters. Merchandise exports declined by 4.1% in volume under the pressure of receding demand from the major industrialized nations overseas and the virtual halt of economic growth in the United States.
- Business residential construction slid 13.5% in real terms after three quarters of strong growth. Total work-put-in-place fell 6.3%, dominated by a sharp decline in the construction of single-family homes.
- Business investment in plant and equipment fell 2.4% in volume, with all of the reversal contained in a 5.9% decline in outlays for machinery and equipment. The origins of the weakness suggest that cyclical factors, notably the constricting effects on cash flow of slack demand and the high cost of financing outstanding debt, dominated the decline compared to the strike-induced fall in the second quarter of 1980.
- Business non-farm inventories rose for the third consecutive quarter. The sudden fall-off in final sales more than outweighed cutbacks in goods production, and the rate of stock-building accelerated sharply to \$1.6 billion in volume. By the end of the quarter, firms appeared to be intensifying their efforts to shed unwanted stocks by cutting back orders, output, and employment.
- The economy-wide measure of inflation contained in the implicit price index of GNE rose 2.6%. On a year-over-year basis, prices have risen 9.5%, down slightly from the peak rates of almost 12% prior to the 1980 recession.

For further information, order *National Income and Expenditure Accounts, Third Quarter 1981* (13-001,\$6/\$24).

Railway Carloadings

Revenue freight loaded by railways in Canada during October 1981 totalled 22.2 million short tons (20.1 million t), down 2.9% from a year earlier. The carriers received an additional 1.5 million short tons (1.4 million t) from the United States, a decline of 11.7% from October 1980.

Commodities registering notable changes in volumes loaded in the latest month were: wheat (up 13.6%); iron ore and concentrates (down 8.1%); coal (down 17.3%); and potash (down 37.2%).

Total loadings in Canada during January-October 1981 showed a decrease of 4.0% from the 1980 period while receipts from U.S. connections decreased by 3.7%.

For further information, order the *October 1981 issue of Railway Carloadings* (52-001, \$1.50/\$15).

Catalogued Publications

Order through:

Publication Sales and Services
User Services Division
10th Floor, R.H. Coats Building
Statistics Canada, Ottawa K1A 0V7.

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Title of Report
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Please enclose money order or cheque made payable to the order of: Receiver General for Canada.

Expenditures on R & D

Canadian gross domestic expenditures on research and development are expected to amount to about \$3,500 million in 1981, an increase of 16% over the estimated total for 1980. An expenditure of this magnitude would represent about 1.1% of GNP.

A more detailed description of the GERD is contained in the *Annual Review of Science Statistics, 1981* (13-212, \$6) which will be published in April 1982. For further information, contact H. Stead (613-995-3014), Science Statistics Centre, Statistics Canada, Ottawa K1A 1A1.

Industrial Production

The seasonally adjusted index of Industrial Production (1971=100) declined 1.0% to 134.7 in September 1981 from 136.0 in August. Production declined in mining and manufacturing while output by electric power, gas and water utilities remained unchanged during the month.

For further information, order the *September 1981 issue of Gross Domestic Product by Industry* (61-005, \$3/\$30), or contact Erika Young (613-995-0568), Industry Product Division, Statistics Canada, Ottawa K1A 0T6.

Export/Import Indexes

Domestic export prices (based on fixed weight) continued to decline in September 1981 with a decrease of 1.5% from August. Import prices also declined (-0.9%) following a 1% increase in August.

In the third quarter of 1981, price increases for both exports and imports continued to decelerate. Export prices remained virtually unchanged, following increases of 1.5% and 3.3% in the second and first quarters of 1981. Import prices advanced 0.6% after 2.2% and 5.7% increases in the preceding quarters. The current weighted price indexes increased 1.6% for exports and 2.2% for imports in the third quarter.

The seasonally adjusted volume indexes declined for both exports and imports in the third quarter of 1981.

For further information, order the *October 1981 issue of Summary of External Trade* (65-001, \$3/\$30), or contact Leslie Viczian (613-995-6115), Head, International Trade Indexes Unit, External Trade Division, Statistics Canada, Ottawa K1A 0T6.

Industrial Corporations

Preliminary estimates indicate after-tax profits of Canadian industrial corporations, seasonally adjusted at quarterly rates, were at a level of \$4,322 million in the third quarter of 1981, down \$640 million (12.9%) from the preceding quarter. Profits, not seasonally adjusted were \$4,039 million, a decrease of \$1,006 million (19.9%) from the year-earlier period (Included in these profits are extraordinary gains of \$218 million in the current quarter, \$55 million in the second quarter of 1981 and \$86 million in the third quarter of 1980.)

Pre-tax profits were \$7,074 million on a seasonally adjusted basis, down \$1,412 million (16.6%) from the preceding quarter. Unadjusted pre-tax profits totalled \$6,660 million, a decrease of \$1,382 million (17.2%) from the third quarter of 1980.

Seasonally adjusted third quarter 1981 sales decreased by \$2 billion from the second quarter to \$125 billion. Unadjusted sales reached \$123.8 billion, up \$12 billion (10.7%) from the same quarter of last year.

These data, which cover all privately-owned corporations operating in Canada excepting those in the agriculture, fishing, construction and finance, insurance, and real estate industries, will be revised approximately 45 days after the date of this release. More detailed statistics for the 47 industry groups are available on CANSIM and will be available in publication no.61-003p. For further information contact Gail Campbell or Roy St. Germain (613-995-9751), Business Finance Division, Statistics Canada, Ottawa K1A 0T6.

Canadian Universities

Where Do You Come From? Where Do You Go? (catalogue 81-002, Volume 3, Number 9; price: Canada, \$1.50/\$15; other countries, \$1.80/\$18), a service bulletin examining non-resident enrolment at Canadian universities from 1957-58 to 1979-80 was released recently by the Education, Science and Culture Division. Non-residents are defined as foreign visa students and out-of-province Canadians (including landed immigrants).

Highlights for 1979-80:

- At the graduate level (Master's and Ph.D.), foreign students made up more than 20% of the full-time enrolment in five provinces: Newfoundland, New Brunswick, Saskatchewan, Alberta and British Columbia.
- Together, foreign students and students from other provinces represented about half the graduate enrolment in Nova Scotia, New Brunswick, Saskatchewan and British Columbia.
- Foreign students constituted no more than 7% of full-time undergraduate enrolment in any province.
- Only in Quebec did foreign undergraduates outnumber those from other parts of Canada.
- Prince Edward Islanders were the most "university-going" people in Canada. British Columbians were the least.

For further information, contact M.S. Desreux (613-995-9685 or 9692), Projections Section, Education, Science and Culture Division, Statistics Canada, Ottawa K1A 0T6.

Canada's Merchandise Trade

On a seasonally adjusted balance-of-payments basis, preliminary results indicate that Canada's exports decreased 0.3% or \$20 million to \$6.946 billion in October 1981 following a 0.4% increase in September, a 0.9% decrease in August and a 6.0% decrease in July. Imports were down 10% or \$656 million to \$6.236 billion, after a 5% increase in September, a 2% decrease in August and a 3% decrease in July. As a result, the surplus on merchandise trade was up \$646 million to \$710 million in October from \$74 million in September.

Following a recovery from a slight decline in January 1981, the short-term trend for exports slowed from an increase of 1.5% in May to a 0.2% increase in July and a 0.4% decline in August. The main contributors to the slower growth in recent months and the decline in August in the export trend were the slowdown in motor vehicle product exports and declining trends for wheat, lumber, woodpulp and iron and steel. Imports peaked in July 1981 after a 12-month period of continuous growth and decreased 0.4% in August. For imports, the main contributors for slowing growth and the decline in August were a slowdown in imports of motor vehicle products and a decline in August and declining trends in recent months for crude petroleum and precious metals.

The short-term trend for the merchandise trade balance levelled off at an average surplus of about \$400 million a month for the five months up to August 1981 following a steep decline from a peak of \$920 million reached in October 1980.

Commodity Analysis

On a customs basis, for seasonally adjusted domestic exports the largest decreases in value for the month of October were for non-ferrous metals (down 21% or \$95 million to \$370 million following an \$85 million decrease in September), motor vehicle products (down 7.7% or \$90 million to \$1.1 billion following a \$175 million decrease in September) and petroleum and coal products (down 28% or \$80 million to \$210 million following a \$110 million increase in September). Exports of aircraft and other transportation equipment were up 93% or \$140 million to \$290 million following a \$155 million decrease in September and woodpulp increased 41% or \$95 million to \$330 million.

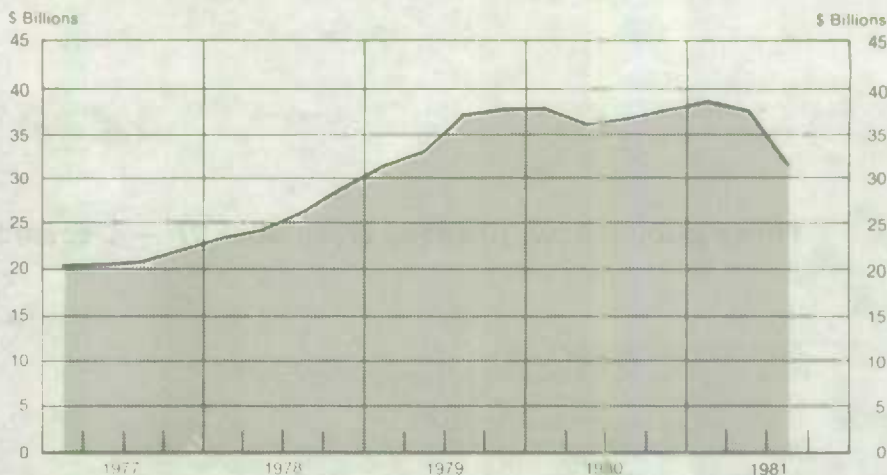
There were widespread declines in imports for October 1981. The largest decreases in value were for motor vehicle products (down 12.0% or \$165 million to \$1.18 billion following a \$210 million decrease in September), precious metals (down 53% or \$85 million to \$75 million following an increase of \$95 million in September) and aircraft and other transportation equipment (down 15% or \$50 million to \$290 million following a \$100 million increase in September).

Trading Partner Analysis

Exports to the United States increased 3.5% or \$155 million in October to \$4.68 billion, following a 7.8% decrease in September.

Corporation Profits (Before Taxes)

(Data Seasonally Adjusted at Annual Rates)



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

Exports to the United Kingdom increased 8% to \$275 million after rising 13% in September and exports to "Other EEC" countries were up 16% to \$450 million. Exports to "Other America" increased 12% or \$35 million to \$335 million. Exports to Japan decreased by 5% to \$330 million and those to "Other OECD" countries were down by 22% to \$190 million.

Imports from all major sources decreased in October. Imports from the U.S. fell 10.5% or \$510 million to \$4.32 billion, following an increase of 8.0% in September. Imports from "Other EEC" countries decreased 12% or \$50 million to \$360 million (following a 39% increase in September); imports from Japan decreased 15% or \$60 million to \$335 million; and imports from "Other America" decreased 12% to \$355 million.

For further information on area and commodity trade, order the October 1981 issue of *Summary of External Trade* (65-001, \$3/\$30).

Therapeutic Abortions

Canada's 10 provinces and two territories reported that 269 hospitals with therapeutic abortion committees performed 65,855 therapeutic abortions in 1980. This represents an increase of only 720 abortions or 1.1% over the 65,135 abortions performed in 1979. This increase was the smallest since 1970, the first complete calendar year after the implementation of amended abortion laws in Canada on August 26, 1969.

Canadian residents accounted for 65,751 therapeutic abortions or more than 99.8% of the 65,855 abortion cases in 1980. The abortion rate for Canadian residents was 17.9 (number of abortions per 100 estimated live births) in 1980, up only 0.6% from 17.8 in 1979, the smallest rise since 1970.

The 1980 abortion rates for the provinces and the territories were: British Columbia, 32.9; Yukon, 26.0; Ontario, 24.8; Alberta, 19.0; Nova Scotia, 13.3; Northwest Territories, 11.3; and less than 10 for each of the remaining six provinces.

Selected demographic and medical characteristics of Canadian women who obtained therapeutic abortions in Canada in 1980 were available for 65,243 cases or more than 99% of the 65,751 abortions.

As in previous years, those obtaining therapeutic abortions in 1980 were most often young, unmarried and with no previous deliveries. Overall, 61.5% were under 25, 65.2% were single and 62.4% had no previous deliveries.

The above information and other details are contained in the publication *Basic Facts on Therapeutic Abortions, Canada, 1980* (82-215) available in late December 1981.

Detailed analysis and tabulations relating to therapeutic abortions statistics for 1980, will be released later in *Therapeutic Abortions, Canada, 1980* (82-211, \$8). For further details, contact S. Wadhwa, Therapeutic Abortions or C. Nair, Institutional Care Statistics, Health Division, Statistics Canada, Ottawa K1A 0Z5 (613-995-0861 or 613-995-0862).

Population Estimates

Canada's population at October 1, 1981 totalled an estimated 24,281,100 persons.

Population figures for the provinces and territories were as follows:

- Ontario, 8,650,300
- Québec, 6,353,000
- British Columbia, 2,724,900
- Alberta, 2,186,100
- Manitoba, 1,032,700
- Saskatchewan, 983,900
- Nova Scotia, 859,600
- New Brunswick, 711,900
- Newfoundland, 588,200
- Prince Edward Island, 124,600
- Northwest Territories, 43,700
- Yukon, 22,200.

These postcensal estimates which will be published in the next few weeks in *Quarterly Estimates of Population for Canada and the Provinces* (91-001, \$2.50/\$10) are available from CANSIM. Current quarterly figures on immigration and interprovincial migration can also be retrieved from CANSIM.



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These publications released November 27 — December 3

	Cata- logue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
AGRICULTURE STATISTICS			
Field Crop Reporting Series, No. 8, Estimate of Production of Principal Field Crops, Canada	22-002		\$10
Grains and Oilseeds Review, September 1981	22-007	\$2 50/\$25	for Series \$3/\$30
Index Numbers of Farm Prices of Agricultural Products, September 1981	62-003	\$1 50/\$15	\$1.80/\$18
BUSINESS FINANCE			
Corporation Financial Statistics, 1979	61-207	\$10	\$12
CONSTRUCTION			
Building Permits, August 1981	64-001	\$3 50/\$35	\$4 20/\$42
Housing Starts and Completions, September 1981	64-002	\$3/\$30	\$3 60/\$36
EDUCATION, SCIENCE AND CULTURE SERVICE BULLETIN			
Education Statistics, Vol. 3, No. 9, Where Do You Come From? Where Do You Go? (Non-resident Enrolment at Canadian Universities, 1957-58, 1967-68 and 1979-80)	81-002	\$1 50/\$15	\$1.80/\$18
LABOUR			
Statistical Report on the Operation of the Unemployment Insurance Act, January-March 1981	73-001	\$6/\$24	\$7.20/\$28.80
MANUFACTURING AND PRIMARY INDUSTRIES			
Cane and Beet Sugar Processors, 1980	32-222	\$4.50	\$5.40
Canned and Frozen Fruits and Vegetables — Monthly, September 1981	32-011	\$1 50/\$15	\$1.80/\$18
Construction Type Plywood, September 1981	35-001	\$1 50/\$15	\$1.80/\$18
Gas Utilities, August 1981	55-002	\$2 50/\$25	\$3/\$30
Hardboard, October 1981	36-001	\$1 50/\$15	\$1.80/\$18
Lime Manufacturers, 1980	44-209	\$4 50	\$5 40
Monthly Production of Soft Drinks, October 1981	32-001	\$1 50/\$15	\$1.80/\$18
Particleboard and Waferboard, September 1981	36-003	\$1 50/\$15	\$1.80/\$18
Production and Disposition of Tobacco Products, October 1981	32-022	\$1 50/\$15	\$1.80/\$18
Production and Inventories of Process Cheese and Instant Skim Milk Powder, October 1981	32-024	\$1 50/\$15	\$1.80/\$18
Refined Petroleum Products, August 1981	45-004	\$3 50/\$35	\$4.20/\$42
PUBLIC FINANCE			
The Control and Sale of Alcoholic Beverages in Canada, 1979	63-202	\$4.50	\$5.40
PRICES			
Industry Price Indexes, September 1981	62-011	\$3.50/\$35	\$4.20/\$42
TRANSPORTATION AND COMMUNICATIONS			
Railway Carloadings, September 1981	52-001	\$1 50/\$15	\$1.80/\$18
Railway Operating Statistics, April 1981	52-003	\$2 50/\$25	\$3/\$30
Railway Transport: Part V — Freight Carried by Principal Commodity Classes, 1979	52-211	\$8	\$9.60
SERVICE BULLETINS			
Aviation Statistics Centre, Vol. 13, No. 11, Canadian Air Transport Industry, Summary Statistics	51-004	\$1 50/\$15	\$1.80/\$18
Communications, Vol. 11, No. 5, Telecommunication Statistics, Second Quarter, 1981	56-001	\$1 50/\$15	\$1.80/\$18