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Consumer Price Index

The Consumer Price Index for Canada advanced by 0.7% in November 1982 to a level of 271.0 (1971=100), up from 269.2 in October. This is the fifth consecutive month in which the monthly increase has been within the range of 0.5% to 0.7%. As a result of this latest monthly advance, the year-over-year increase, as calculated by comparing the index level of November 1982 to that of November 1981, fell to 9.8%, down from the 10.0% increase registered in October, representing the first month in which the year-over-year change has been under 10.0% since May 1980.

The latest monthly increase was largely attributable to higher transportation costs and increased housing charges and, to a lesser extent, to higher prices for tobacco and alcohol, food and for clothing. The all-items-excluding-food index advanced by 0.8% in the latest month. Meanwhile, food prices, which had registered declines for three consecutive months, advanced by 0.3% between October and November.

Higher prices for dairy products, especially for fresh milk in the provinces of Ontario, Manitoba and Saskatchewan, coupled with increased fresh vegetable prices, most notably for salad-type vegetables as prices for storage-type vegetables continued to decline, were largely responsible for the 0.3% increase in the food-purchased-from-stores index. In November, the index stood 6.0% above its level of November 1981. The food-purchased-from-restaurants index also advanced by 0.3% in the latest month, up 9.9% above its level of November 1981. As a result, the aggregate food index increased 7.0% over its level of November 1981.

Higher 1983 new car prices, increased prices for gasoline and higher tobacco and alcohol prices were largely responsible for the 0.8% increase in the all-items-excluding-food index. Between November 1981 and November 1982, the index advanced 10.5%, down from the 10.9% increase registered between October 1981 and October 1982.

For further information, order the November 1982 issue of *The Consumer Price Index* (62-001, \$2.50/\$25).

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

Average Weekly Earnings (\$)	Sept.*	393.26p	392.02p	7.0
Labour Income (\$ million)	Sept.	16,880.7p	16,401.0p	2.2
Persons with Jobs (million)	Nov.	10.36	10.52	-4.5
Unemployed	Nov.	1,438,000	1,388,000	55.0

INVENTORIES

Department Store (\$ million)	Oct.	3,338.1	2,826.5	-11.5
Manufacturers' Owned (\$ million)	Oct.*	32,105.2p	32,533.4r	-2.1

ORDERS

Manufacturers' New Orders (\$ million)	Oct.*	14,984.3p	15,773.3r	-8.3
Manufacturers' Unfilled Orders (\$ million)	Oct.*	16,856.6p	17,129.0r	-14.6

PRICES

Consumer Price Index (1971=100)	Nov.*	271.0	269.2	9.8
New House Price Index (1976=100)	Oct.	130.2	130.6	-3.1
Raw Materials Price Index (1977=100)	Oct.	200.6p	202.6p	3.1
Excl. coal, crude oil, nat. gas	Oct.	143.8p	147.1p	-4.2
Industry Selling Price Index (1971=100)	Oct.	291.8p	292.3p	4.5

CONSTRUCTION

Building Permits (\$ million)	Oct.*	977.0p	10,381.3p	-31.0
Housing Starts — Urban Centres (units)	Oct.	9,099	83,086	-30.1

ENERGY

Coal Production (thousand tonnes)	Oct.*	2,970	35,327	8.5
Electricity Generation (terawatt hours)	Sept.	27.9	276.7	-0.2
Natural Gas Production (million cubic metres)	Sept.*	6,866.7	71,850.8	1.2
Petroleum Refining (million cubic metres)	Sept.	7.2p	67.6p	-14.5

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Oct.	6,722p	70,316p	1.1
Imports — Balance of Payments Basis (\$ million)	Oct.	5,179p	56,388p	-12.9

PRODUCTION

Railway Carloadings (million tonnes)	Nov.	16.3p	186.4p	-12.1
Steel (ingots — thousand tonnes)	Sept.	958.0p	9,576.5p	-17.6

SALES

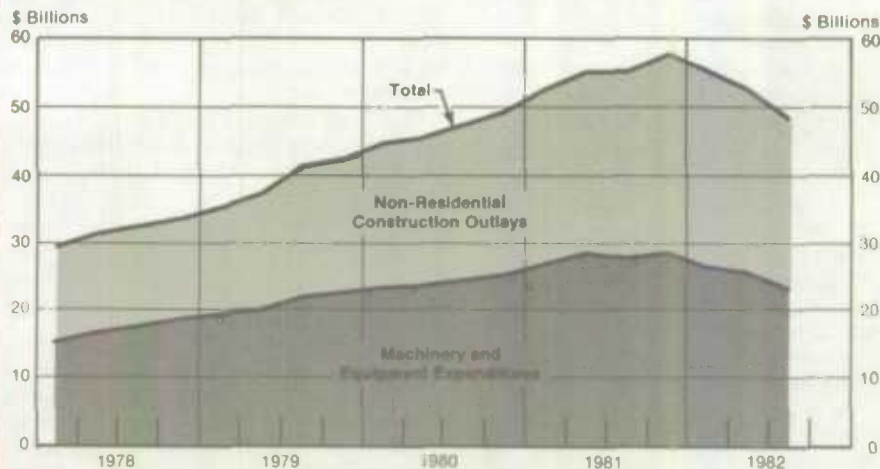
Department Store Sales (\$ million)	Oct.	859.1	7,524.5	-1.5
Manufacturers' Shipments (\$ million)	Oct.*	15,256.7p	153,373.6p	-3.3
New Motor Vehicle Sales (\$ million)	Oct.	733.6	8,329.3	-18.0
Retail Sales (\$ million)	Oct.	8,300.4p	78,252.3p	2.8

Statistics are in current dollars and are not seasonally adjusted.

p - preliminary. r - revised. * - new this week.

Business Investment in Plant and Equipment

Data Seasonally Adjusted at Annual Rates



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

Canadian Leading Indicator

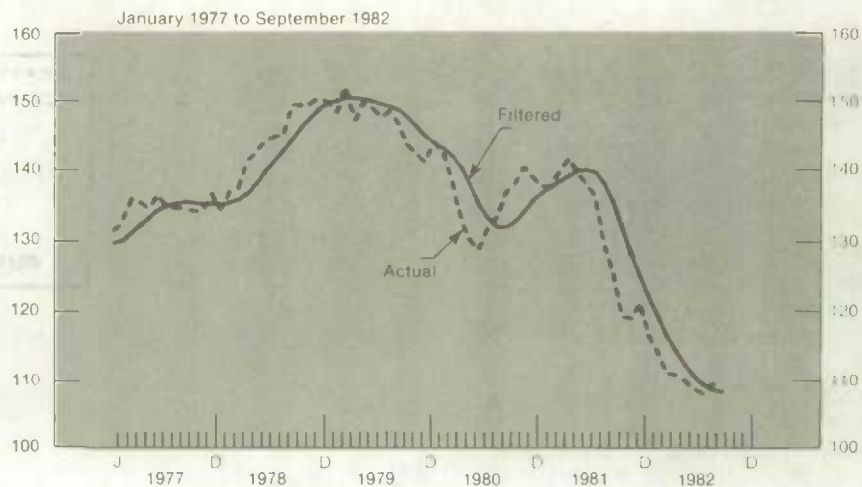
The rate of decline of the leading indicator continued to ease in September 1982, and, after an increase of 1.25% in August, the non-filtered version was unchanged in September at 109.2. This indicates that although the likelihood of a recovery has increased, it is still too early to be confident about such a development. The leading indicator declined by only 0.29% in September to 108.54 from 108.85, as five components increased. The most encouraging factor for a firming of activity in the first quarter of 1983 is a probable upturn in residential construction activity. The steady improvement of longer-term indicators, such as profit margins and the stock market, is also a favourable development. The determining element, however, remains consumer demand, which has given few signs of recovery up to now as real incomes contract and job prospects deteriorate. The outlook for personal expenditure is clouded by the increase in federal personal income taxes, due to higher unemployment insurance premiums and the limited indexation of the personal income tax structure, and by the large cutbacks in wages in the public sector in Quebec which will take effect in the first quarter. At the same time, inventory levels remain very high entering the fourth quarter, and new orders for durable goods, shipments, employment, and the average workweek recorded marked declines.

The indicators of personal expenditure displayed little strength in September, as the trend continued to decline for furniture and appliances (-0.75%) and was virtually unchanged for new motor vehicles (+0.01%). The non-filtered version of these indicators, however, recorded increases for the second consecutive month, which can be partly attributed to the temporary stimulus of rebates offered by manufacturers of major appliances, and by retailers of passenger cars. The climate of uncertainty created by the persistent drop in employment and the reduction in real incomes has limited the demand for consumer credit. Consumer credit outstanding excluding credit unions declined for the eighth straight month in September, and is down 3.4% since January. Demand for non-durables and semi-durables continued to be very weak in September.

The rate of descent of the index of residential construction (-6.53%) began to ease in September, as the non-filtered version registered its first significant gain (+8.7%) since the end of 1981. The real value of building permits recovered by 10.6% in September, reflecting the impetus given by aid programs for housing and by lower mortgage rates. The value of building permits has risen by 26% since the trough in June, although it remains well below the levels registered during the winter of 1981-82. The number of housing starts in urban centres declined by 2.8% in September to 69,000 units.

The recent firming of the leading indicators in the manufacturing sector lost ground

The Canadian Composite Leading Index (1971=100)



Source: Statistics Canada, Current Economic Analysis (13-004E)

in September due to the indicators of demand. After three consecutive increases, new orders for durable goods declined by 0.42%, and the increase in shipments which appeared in August slowed to +0.01% in September. Most of this reversal seems due to the automobile sector, where production, exports and imports began to retrench sharply beginning in September. New orders related to household demand also showed accentuated weakness after the drop in retail activity since August. The negative trend in the industries related to construction activity seemed, however, to be slowing substantially. The ratio of shipments to finished goods inventories continued to increase for the second straight month in September (+0.01%), as the process of inventory correction accelerated.

The drop in the average workweek in manufacturing was more pronounced in September, falling from -0.13% to -0.29%, while the most recent data available on employment (in the Labour Force Survey) confirm the accentuated weakness in this sector. About 79,000 jobs were lost in manufacturing from September to November. Profit margins, however, have continued to be more favourable as the percentage change in price per unit labour cost recovered by 0.14, moving to -0.74% from -0.88%.

The real money supply (M1) declined substantially in September (-1.08%), as the non-filtered version registered only a marginal gain (+0.1%), after a string of declines.

The leading indicator for the United States continued to be one of the most positive components. The U.S. leading indicator increased by 0.76% in September, the fourth consecutive monthly gain.

For further information, order *Current Economic Analysis* (13-004E, Canada: \$2.50/\$25; other countries: \$3/\$30), or contact D. Rhoades (613-992-4441), *Current Economic Analysis Division*, Statistics Canada, Ottawa K1A 0T6.

Gross Domestic Product

Gross Domestic Product fell 0.9% in September 1982 from the preceding month (a decline of \$1,045.9 million in constant 1971 prices to an annual level of \$112,670.6 million). The decline followed a 0.9% increase recorded in August. For September, the Canadian economy stood 8.1% below the peak level of June 1981. Industrial production fell 3.5% in September; however, the drop followed a substantial 4.0% increase recorded in the previous month. Most of the September decline originated among manufacturers of durable goods, in particular motor vehicle manufacturers where production was down almost 30% from the August level.

For further information, order the *September 1982 issue of Gross Domestic Product by Industry* (61-005, \$3/\$30), or contact R. Kennedy (613-995-0568), *Industry Product Division*, Statistics Canada, Ottawa K1A 9Z9.

Refined Petroleum Products

Preliminary data show net sales in Canada of all refined petroleum products plunged 15.8% in October 1982 to 6 471.4 thousand cubic metres from 7 686.7 thousand cubic metres a year earlier.

Canadian refineries produced 7 137.8 thousand cubic metres of refined petroleum products in the latest month, down 5.6% from 7 559.9 thousand cubic metres in October 1981.

For further information, order the *October 1982 issue of Refined Petroleum Products* (45-004, \$3.50/\$35), or contact Richard Godin (613-996-3139), *Energy Section, Manufacturing and Primary Industries Division*.

Railway Operating Statistics

Canada's seven major railways reported a combined net income from operations of \$39.9 million in September 1982, up 19.8% from the year-earlier level. Operating revenues of \$502.6 million were down 0.6% from the 1981 figure.

Manufacturing Activities

Preliminary estimates show the value of seasonally adjusted new orders received in all Canadian manufacturing industries dropped 3.9% in October 1982 to \$14,585.9 million from \$15,173.4 million in September. In durable goods industries, new orders plunged 7.9% to \$5,682.3 million from \$6,172.8 million, reflecting large decreases in the machinery (-29.3%), transportation equipment (-15.4%) and primary metals industries (-9.5%); partly offsetting was an increase of 15.7% in the metal fabricating industries. New orders in non-durable goods industries were estimated at \$8,903.6 million, 1.1% below the revised September value of \$9,000.6 million.

The seasonally adjusted preliminary estimate of the value of Canadian manufacturers' shipments in October was \$14,683.2 million, down 4.7% from September's revised value of \$15,414.6 million. Pulled down by a sharp decline in motor vehicle manufacturers' sales, shipments of durable goods industries dropped 10.5% to \$5,782.0 million from \$6,458.7 million. Shipments of non-durable goods industries were down 0.6% to \$8,901.2 million from \$8,955.9 million a month earlier.

The preliminary estimate of the backlog of unfilled orders in October was \$17,250.2 million, seasonally adjusted, down 0.6% from the September revised value of \$17,347.5 million.

The total seasonally adjusted value of inventory owned in October was \$32,766.1 million, 0.8% lower than the \$33,029.2 million revised September estimate. Total inventory held decreased 0.7% to \$34,275.0 million from \$34,528.3 million with decreases of 1.4% in the value of raw materials, 0.1% in goods in process and 0.4% in finished products.

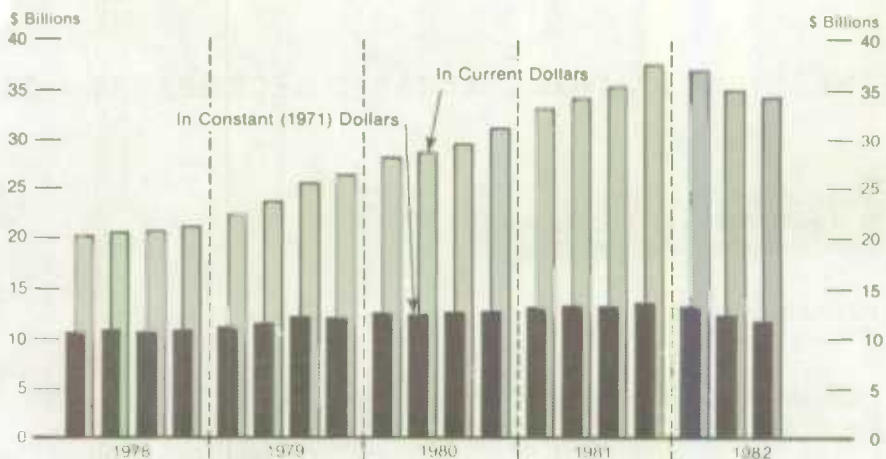
For the second consecutive month, there was a sharp rise in the seasonally adjusted ratio of inventory owned to shipments — to 2.23:1 in October from 2.14:1 in September. The increased ratio reflected both lower inventories and shipments, with the steeper decline in the latter; this ratio had stood at 2.04:1 in August after decreasing to that level from 2.28:1 in April 1982. The ratio of finished products inventory to shipments rose to 0.78:1 in October from 0.75:1 a month earlier.

Not adjusted for seasonal variation, manufacturers' shipments in October 1982 were estimated at \$15,256.7 million. Cumulative shipments for the first 10 months of 1982 at an estimated \$153,373.6 million were down 3.3% from the \$158,581.2 million estimated for the same period in 1981.

For further information, order the October 1982 issue of *Inventories, Shipments and Orders in Manufacturing Industries* (31-001, \$3.50/\$35), or contact H.D. Wightman (613-996-7008), *Shipments, Inventories and Orders Section, Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0T6*.

Non-Residential Construction Expenditures

Data Seasonally Adjusted at Annual Rates



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

Building Permits

Residential building permits issued by Canadian municipalities posted a fourth consecutive advance in October 1982 but the increase was almost entirely offset by a softening in non-residential building intentions. Overall, preliminary figures show the value of October permits reached a seasonally adjusted level of \$1,027.4 million, up 1.3% from a revised \$1,014.2 million in September, but down 19.7% from \$1,279.6 million in October 1981.

Residential permits, estimated at \$513.0 million in September, strengthened in October under the stimulus of government housing assistance programs and reduced mortgage rates — rising 12.9% to \$579.3 million. During the month a seasonally adjusted total of 12,103 new dwellings were authorized (6,200 singles and 5,903 multiples) compared to 9,854 units in September (5,391 singles and 4,463 multiples). In annual terms, October permits indicate a total of 145,000 potential housing starts. Residential building permits increased in all provinces except Alberta and British Columbia.

Non-residential permits, which had been relatively weak in the previous five months, slipped 10.6% to \$448.1 million in October from \$501.2 million in September because of a significant drop in proposed commercial construction. This latter category, which comprised projects with an estimated value of \$164.2 million in October (\$220.4 million in September) was at its lowest level since the August 1976 figure of \$155.6 million. Government-initiated projects also decreased 2.8% to \$201.1 million in October from \$206.8 million, while industrial projects rose 12.0% to \$82.8 million from \$74.0 million in September.

For further information, order the October 1982 issue of *Building Permits* (64-001, \$3.50/\$35), or contact J.P. Delisle (613-995-8213), *Construction Division, Statistics Canada, Ottawa K1A 9Z9*.

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Provincial Governments

The general government services in Canada's provincial and territorial governments reported gross payrolls for the third quarter of 1982 of \$2,418.7 million. The number of employees reported for the last pay period of September 1982 was 426,625.

Data are presently available from matrix 2722 of the CANSIM data bank and from the July-September 1982 issue of *Provincial Government Employment* (72-007, \$5/\$20), or contact A.G. Kerr (613-995-8201), *Provincial Government Section*.

Coal/Coke Statistics

Production of coal in Canada dropped 9.2% to 2 970 kilotonnes in October 1982 from 3 270 a year earlier. Landed imports were down to 1 998 kilotonnes from 2 139 and exports declined to 1 250 kilotonnes from 1 408.

Coal production in the first 10 months of 1982 totalled 35 327 kilotonnes, up 8.5% from 32 563 in the January-October 1981 period. Landed imports rose to 13 109 kilotonnes from 11 149 and exports increased to 13 587 kilotonnes from 13 198.

For further information, order the October 1982 issue of *Coal and Coke Statistics* (45-002, \$2.50/\$25).



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Department Store Sales and Stocks, September 1982	63-002	\$3/\$30	\$3.60/\$36
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