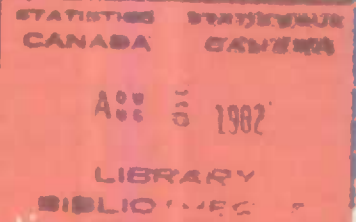




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Weekly Bulletin



August 6, 1982

Canada's Merchandise Trade

On a seasonally adjusted balance-of-payments basis, preliminary results indicate that Canada's exports increased 4.3% to a level of \$7.3 billion in June 1982 after a 1.2% decline in May. The recession continued to have a substantial effect on imports which were down an additional 4.3% in June to \$5.4 billion after a decline of 4.7% in May. As a result, the merchandise trade surplus jumped \$545 million to a record level of \$2.0 billion in June 1982. This brings the surplus for the first half of 1982 to \$8.2 billion which is \$850 million higher than the \$7.4 billion surplus posted for the whole of 1981 and very close to the record annual surplus of \$8.5 billion for 1980.

Quarterly results show that exports rose 4.7% or \$970 million to \$2.1 billion in the second quarter of 1982. This increase more than compensated for a 3.7% decline in the first quarter of 1982 and brought second quarter 1982 exports to the same level as in the second quarter of 1981. Imports were down slightly in the second quarter to \$17.0 billion, following large declines of 8.7% in the first quarter and 7.0% in the fourth quarter of 1981. As a result, the merchandise trade surplus increased an additional \$1.1 billion to \$4.7 billion in the second quarter of 1982 from surpluses of \$3.6 billion in the first quarter and \$2.7 billion in the fourth quarter of 1981.

Commodity Analysis

On a domestic export basis, the largest increase recorded in June 1982 was for motor vehicle products (up 13% or \$195 million to \$1.72 billion). This marked the fifth consecutive monthly increase and as a result the level of exports of these products was 90% higher in June than in January. Other large increases occurred in June for iron and steel products (up 78% or \$95 million to \$218 million, following a \$45 million decrease in May), fish and fish products (up 57% or \$65 million to \$174 million, after a \$35 million increase in May), and crude petroleum (up 35% or \$55 million to \$210 million, following a \$30 million decrease in May). The largest decreases in value were for cereals and cereal preparations (down 2% or \$150 million to \$518 million) and metal ores, concentrates and scrap (down 38% or \$110 million to \$210 million, following a \$10 million decrease in May).

The only large decline in imports for June
(continued on next page)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Apr.	385.20p	384.23p	10.7
Labour Income (\$ million)	Apr.	16,382.5p	16,246.2p	9.8
Persons with Jobs (million)	June	10.89	10.70	-3.8
Unemployed	June	1,303,000	1,241,000	52.4

INVENTORIES

Department Store (\$ million)	May	3,120.6	3,324.8	2.6
Manufacturers' Owned (\$ million)	May	33,867.0p	34,259.9r	8.2

ORDERS

Manufacturers' New Orders (\$ million)	May	15,180.0p	15,095.2r	-6.1
Manufacturers' Unfilled Orders (\$ million)	May	17,704.4p	18,070.9r	-9.7

PRICES

Consumer Price Index (1971=100)	June	263.4	260.8	11.2
New House Price Index (1976=100)	May	133.7	134.9	-0.5
Raw Materials Price Index (1977=100)	June	200.1p	200.7p	6.4
Excl. coal, crude oil, nat. gas	June	153.5p	154.6p	-2.8
Industry Selling Price Index (1971=100)	June	289.9p	288.7p	6.5

CONSTRUCTION

Building Permits (\$ million)	May*	978.1p	4,961.2p	-29.0
Housing Starts — Urban Centres (units)	June	9,288	52,905	-25.3

ENERGY

Coal Production (thousand tonnes)	May	3,911.9	18,719.1	10.3
Electricity Generation (terawatt hours)	May	28.7	168.3	2.8
Natural Gas Production (million cubic metres)	Mar.	9,127.4	28,801.6	5.0
Petroleum Refining (million cubic metres)	May	6.2p	35.5p	-19.5

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	June*	7,826p	42,764p	0.7
Imports — Balance of Payments Basis (\$ million)	June*	5,915p	34,876p	-11.5

PRODUCTION

Railway Carloadings (million tonnes)	May	20.1	89.0	-6.6
Steel (ingots — thousand tonnes)	Mar.	1,246.3	3,654.3	-12.5

SALES

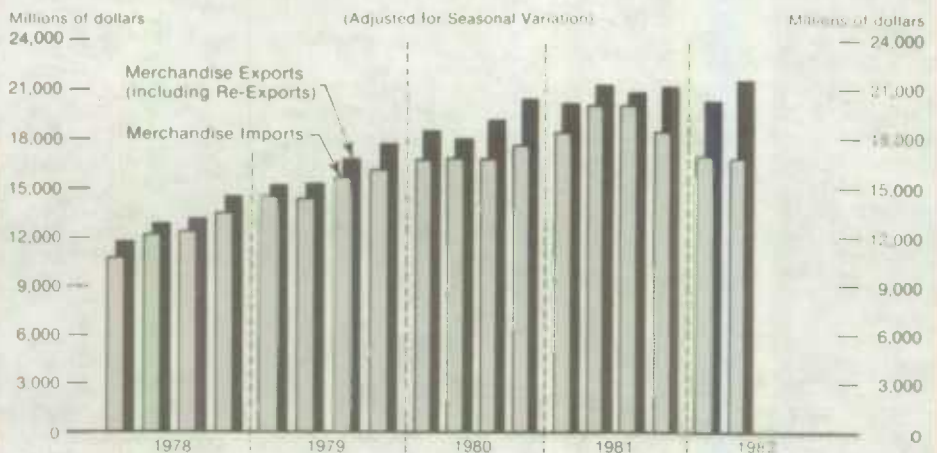
Department Store Sales (\$ million)	May	811.1	3,475.3	-1.2
Manufacturers' Shipments (\$ million)	May	15,546.5p	75,554.9p	-1.9
New Motor Vehicle Sales (\$ million)	May	1,011.8	4,283.8	-20.1
Retail Sales (\$ million)	May	8,495.9p	37,117.5p	2.8

Statistics are in current dollars and are not seasonally adjusted.

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

Canadian Merchandise Exports and Imports*

Quarter-by-Quarter Movements



* Balance of Payments Basis

Source: Statistics Canada, Summary of External Trade (65-001)

1982 was registered for motor vehicle products which fell 8.9% or \$125 million to \$1.28 billion following a decrease of \$70 million in May (this decline was largely due to the deceleration in the rate of entry of passenger cars from Japan). The largest increases were for crude petroleum (up 10% or \$65 million to \$400 million) and coal (up 89% or \$60 million to \$130 million).

Trading Partner Analysis

The main contributor to the overall increase of exports in June was the United States with shipments to that country increasing 7.2% or \$340 million to \$5.07 billion. Export increases were also posted to Japan (up 15.2% or \$60 million to \$445 million) and "Other America" countries (up 46% or \$110 million to \$350 million). There were notable declines for the United Kingdom (down 20.7% or \$50 million to \$195 million) and "Other O.E.C.D." countries (down 20.4% or \$35 million to \$110 million).

For further information, order the June 1982 issue of *Summary of External Trade* (65-001, \$3/\$30).

Building Permits

Canadian municipalities issued building permits valued at a seasonally adjusted \$883.7 million in May 1982, down 16.9% from \$1,062.8 million (revised) in April and a drop of 41.8% from the May 1981 level of \$1,519.5 million. Decreases were recorded for both residential and non-residential permits.

Residential building permits were estimated at a seasonally adjusted \$393.7 million in May, 17.1% below April's \$474.8 million and down 53.3% from \$842.9 million in May 1981. Builders' applications were approved for the construction of 3,350 single-detached homes and 4,637 multiple dwellings in May, down from 3,569 singles and 5,131 multiples in the preceding month. The decrease in housebuilding intentions was more pronounced in metropolitan areas than in smaller centres: major decreases occurred in Montreal, Kitchener, Regina,

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Travel Price Index

The Travel Price Index (1971=100, 1979-80 weights) rose to 283.6 in the first quarter of 1982, up 4.1% from the fourth quarter of 1981. The annual rate of increase (first quarter 1982 over first quarter 1981) for the TPI at 14.3% was higher than the 11.6% increase recorded by the CPI in the same period.

Travel price information will be released in *Travel-log*, Vol. 1, No. 2 (87-003, \$1.50/\$6).

Saskatoon, Calgary and Vancouver.

Non-residential permits fell 16.7% in value in May to \$490.0 million from \$588.0 million in April and were down 27.6% from May 1981 (\$676.6 million), reflecting decreases in all three component categories. Industrial projects at \$87.6 million in May were down 4.7% from \$91.9 million in April, commercial projects value dropped 23.7% to \$259.6 million from \$340.4 million and publicly-initiated projects declined 8.3% to \$142.8 million from \$155.7 million.

Building permits issued by Canadian municipalities during the first five months of 1982 had an estimated value of \$4,961.2 million, a drop of 29.0% from \$6,987.5 million in the corresponding period of 1981.

Gross Domestic Product

Preliminary estimates indicate that real Gross Domestic Product by Industry decreased in May 1982 by 0.1% from April and the level of output of Canadian industries is now 5.3% below the peak reached in June 1981. The May decline reflected a 0.8% output drop in goods-producing industries, partly offset by a rise of 0.3% in service-producing industries. The narrower index of industrial production (released earlier and included in GDP), although up 1.0% in May was 11.3% below its peak of June 1981. (The United States index of industrial production in June stood 10.1% below its July 1981 peak.)

The major contributor to the May decline in output of the goods-producing industries was the construction industry, with both residential and non-residential construction weak. Strikes were a contributing factor in the drop of almost 9% in May which left overall construction activity at a level 17% below that of July 1981. Output declines also occurred in forestry, fishing and trapping and metal mining.

In contrast to construction, manufacturing production rose by 1.7% in May — the first increase in 12 months. Major increases were recorded in motor vehicle and parts manufacturing, some food and beverage industries, iron and steel mills, plastics and synthetic resins, sawmills and major appliance manufacturing.

The gain in the automotive manufacturing industries was due to increased sales of motor vehicles in Canada and especially in the U.S. — resulting in higher production levels in Canada. Output of major appliance manufacturers increased despite a lack of improvement in sales during recent months; however, production was at only 70% of 1971 levels. For iron and steel mills, pulp and paper manufacturers and sawmills, higher production in May was primarily due to increased sales in the export market.

In the service-producing industries, trade was mainly responsible for the 0.3% overall gain. Most of the increase in wholesale trade was attributable to motor vehicles and parts and agricultural machinery. Within retail trade, gains were posted by motor vehicle dealers, service stations and garages, automotive parts and accessories stores and sporting goods and accessories stores.

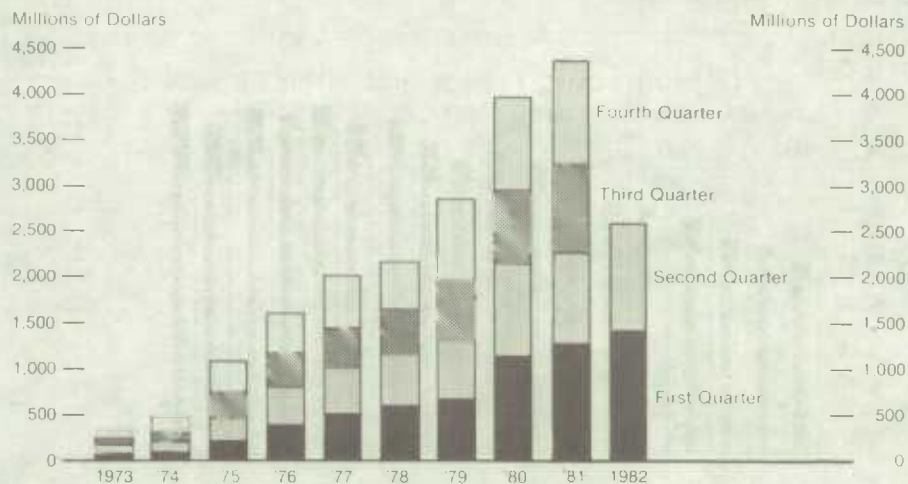
For further information, order the May 1982 issue of *Gross Domestic Product by Industry* (61-005, \$3/\$30), or contact R. Kennedy (613-995-0568), Industry Product Division, Statistics Canada, Ottawa K1A 0T6.

Electric Lamps

Total sales of electric lamps (light sources) of all types including imports during the month of June 1982 were valued at \$16.6 million.

For further information, order the June 1982 issue of *Electric Lamps (Light Sources)* (43-009, \$1.50/\$15), or contact A. Shusterman (613-996-3226).

Canadian Exports of Natural Gas to the United States



Source: Statistics Canada, Summary of External Trade (65-001)

Business Conditions Survey

Canadian manufacturers reporting to the July Business Conditions Survey on production expectations, new orders level, unfilled orders backlog and finished product inventory conveyed the most gloomy picture of the economic health of the industry since the start of the survey in January 1976.

Manufacturers were extremely pessimistic about production levels in the third quarter of 1982: in all eight provinces for which results are published, manufacturers forecast lower production in the upcoming quarter. Overall, results show that 53% of the weighted response expect lower production while 11% anticipate higher production in the next quarter. (Management is asked to allow for normal seasonal conditions when reporting.)

A similar situation exists regarding the level of new orders: manufacturers in each of the eight provinces reported that new orders had declined. At the Canada level, the latest results continue a year-long trend of declining new orders. In July, only 6% reported rising new orders while 66% indicated that new orders were declining.

The proportion of the response indicating a lower than normal backlog of unfilled orders continued its upward trend: for all the manufacturing industries, the difference between the "higher than normal" and "lower than normal" proportions has widened consistently over the past five surveys. In July, 72% reported a lower than normal backlog of unfilled orders and only 2% indicated a higher than normal backlog.

Finished product inventory, on balance, continued to be too high for manufacturers in all provinces: in July 51% reported finished product inventories too high and only 3%, too low.

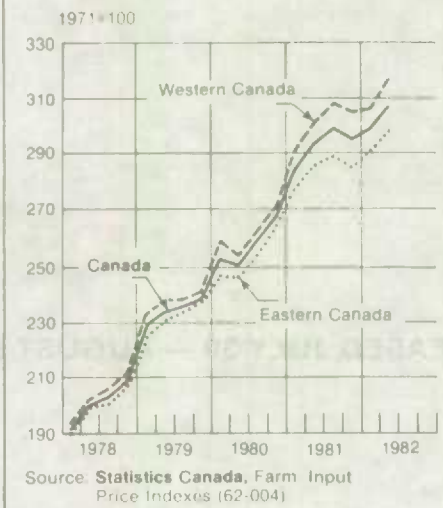
Historical data from the Business Conditions Survey at the Canada and economic use group level as well as provincial data at the all-industry level are available from matrices 2840 and 2842 of the CANSIM data bank; in addition, historical data for a selected number of major industry groups are now available from matrix 2841 (CANSIM Division 613-995-7406). For further information, contact T. Newton (613-996-7008), Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0T6.

Telecommunications

Teleglobe Canada and CNCP Telecommunications had revenue of \$119.0 million in the first quarter of 1982, an increase of 20.0% from the year-earlier period. Operating expenses were up 24.8% to \$89.3 million. Net operating revenue rose to \$29.6 million from \$27.5 million in the first quarter of 1981.

For further information, order Communications Service Bulletin, Telecommunications Statistics, First Quarter 1982 (56-001, \$1.50/\$15), or contact J.R. Slatery (613-996-9271), Transportation and Communications Division, Statistics Canada, Ottawa K1A 0V1.

Farm Input Price Indexes



Alcoholic Beverages

Sales of alcoholic beverages reached \$5,341 million in the year ending March 31, 1981, up \$643 million or 13.7% from the previous year. Sales volume decreased to 2 412 million litres in 1980 from 2 451 million in 1979; the decrease (40 million litres) reflected a change in year-end reporting in Alberta from March 31 to December 31, and beer strikes in Alberta and British Columbia.

Imports increased to \$311 million from \$282 million while the value of exports increased to \$410 million from \$369 million.

Provincial government revenues from the sales rose 11.6% from the preceding year to \$1,644 million.

Further information will be contained in the Control and Sale of Alcoholic Beverages in Canada, 1980 (63-202, \$4.50).

Refrigerators/Freezers

Domestic production of refrigerators during the month of June 1982 was 32,012 units. Home freezer production amounted to 27,459 units.

For further information, order the June 1982 issue of Domestic Refrigerators and Freezers (43-001, \$1.50/\$15), or contact A. Shusterman (613-996-3226).

Unemployment Insurance

Benefits paid to unemployment insurance claimants in May 1982 totalled \$671 million, a decrease of 3% from April (in the two preceding years a drop of 18% was recorded between these months). Benefits jumped by 79% from the May 1981 level of \$376 million. Payments for the January-May 1982 period reached \$3.43 billion, up 47% from the first five months of 1981.

Claimants qualifying for unemployment insurance benefits for the week ending May 15 numbered 1,086,000, down 7% from the previous month but up 58% from May 1981. Thirty-six per cent (38% last year) of the beneficiaries were residents of Quebec, 26% (26%) of Ontario, 16% (20%) of the Atlantic provinces, 12% (9%) of British Columbia and 10% (8%) of the Prairie provinces.

Claims received from persons filing for benefits in May totalled 265,000, a decrease of 5% from April but 59% more than in May 1981. Claims for 1982-to-date numbered 1,483,000, up 39% from the year-earlier period. Higher than average increases for the cumulative totals were registered for Alberta (73%), British Columbia (60%) and Ontario (43%).

For further information, order the May 1982 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 0V1.

The Dairy Review

Milk sold from Canadian farms for all purposes in May 1982 totalled an estimated 713 509 kilolitres, 2.0% more than in May 1981. This brought the total estimate of milk sold off farms during the first five months of 1982 to 3 024 992 kilolitres, up 3.8% over the January-May 1981 period.

For further information, order the June 1982 issue of The Dairy Review (23-001, \$2.50/\$25), or contact E. Leckie (613-995-4853), Agriculture Statistics Division, Statistics Canada, Ottawa K1A 0T6.

Demographic Trends and Their Impact on the Canadian Labour Market

Is Canada close to zero population growth? Is the westward shift in population a temporary phenomenon, or the beginning of a trend? How much of the increase in the unemployment rate can be attributed to changes in demographic conditions? What are some of the major shifts in the age structure of the Canadian population and how are they likely to affect the labour market? Will there be shortage of younger workers in the late 1980s? Will the work force continue to grow faster than the population? What are the immigration levels required to maintain given levels of population growth?

These and other questions are addressed in seven papers presented at a workshop organized by Statistics Canada and Employment and Immigration and published in a 220-page non-catalogued volume (8-4200-501) that includes numerous charts and tables.

Copies of this thought-provoking publication are available at a cost of \$6 from Publication Sales and Services, Statistics Canada, Ottawa K1A 0T6.



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Production and Stock of Eggs and Poultry, May 1982	23-003	\$2.50/\$25	\$3/\$30
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Communications , Vol. 12, No. 3, Cable Television Statistics, 1981	56-001	\$1.50/\$15	\$1.80/\$18
Water Transport , Vol. 12, No. 6, International Vessel Traffic Statistics, First Quarter 1981	54-003	\$1.50/\$15	\$1.80/\$18