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Canada's Merchandise Trade

On a seasonally adjusted balance-of-payments basis, preliminary results indicate that Canada's exports increased 9.9% or \$647 million to \$7.16 billion in December 1982 following a 0.7% decline in November. Imports also increased in December, 8.2% or \$407 million to \$5.35 billion following a 0.9% increase in the preceding month. As a result, Canada's merchandise trade surplus rose \$240 million to \$1.8 billion in December following surpluses of \$1.56 billion in November, \$1.65 billion in October, and \$1.79 billion in September.

Canada's \$17.8 billion surplus (balance-of-payments basis) for 1982 was twice as large as the previous record surplus in 1980 and \$10.5 billion higher than the 1981 surplus. The main reasons for the huge increase in the 1982 surplus were:

- A dramatic turnaround in motor vehicle product trade with the United States, which swung to a \$2.9 billion surplus in 1982 (customs basis) from a \$1.4 billion deficit in 1981.
- A 37.0% or \$2.9 billion drop in crude petroleum imports to \$5 billion and a 13% or \$2.6 billion drop in machinery and equipment imports to \$17 billion.

Unemployment Insurance

Unemployment insurance payments made to claimants in November 1982 totalled \$863 million, up 24% from October and a substantial rise of 129% from the \$377 million disbursed in November 1981. Payments for 1982-to-date totalled \$7.7 billion, up 77% from the January-November 1981 period.

Preliminary data show that 1,230,000 persons qualified for unemployment insurance benefits for the week ended November 13, an increase of 11% from the previous month and up 73% from November 1981.

Claimants filed 438,000 applications for benefits in November, an increase of 23% from October and 25% from November 1981. Claims received in the first 11 months of 1982 totalled 3,531,000, a rise of 37% from the same period in 1981.

For further information, order the October-December 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.

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Oct.	399.04p	395.64p	8.0
Labour Income (\$ million)	Oct.	16,958.7p	16,912.3p	3.4
Persons with Jobs (million)	Dec.	10.25	10.36	-3.8
Unemployed	Dec.	1,494,000	1,438,000	51.4

INVENTORIES

Department Store (\$ million)	Nov.	3,324.7	3,338.1	-3.3
Manufacturers' Owned (\$ million)	Nov.	31,849.6p	32,132.3r	-3.5

ORDERS

Manufacturers' New Orders (\$ million)	Nov.	15,829.7p	14,828.6r	3.5
Manufacturers' Unfilled Orders (\$ million)	Nov.	17,361.9p	16,764.9r	-9.7

PRICES

Consumer Price Index (1971=100)	Dec.	271.1	271.0	9.3
New House Price Index (1976=100)	Dec.*	129.6	129.7	-3.9
Raw Materials Price Index (1977=100)	Dec.*	201.6p	200.7p	8.2
Excl. coal, crude oil, nat. gas	Dec.*	144.0p	142.7p	-0.8
Industry Selling Price Index (1971=100)	Dec.*	292.3p	291.2p	4.4

CONSTRUCTION

Building Permits (\$ million)	Nov.*	964.5p	11,498.6p	-31.3
Housing Starts — Urban Centres (units)	Dec.	10,498	104,792	-26.4

ENERGY

Coal Production (thousand tonnes)	Nov.*	3 681	39 008	8.0
Electricity Generation (terawatt hours)	Oct.	30.5	307.3	-0.6
Natural Gas Production (million cubic metres)	Oct.	7 925.6	79 776.4	0.5
Petroleum Refining (million cubic metres)	Nov.	7.8p	82.7p	-13.0

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Nov.	7,028p	77,351p	0.1
Imports — Balance of Payments Basis (\$ million)	Nov.	5,262p	61,682p	-13.9

PRODUCTION

Railway Carloadings (million tonnes)	Dec.	14.5p	200.9p	-12.6
Steel (ingots — thousand tonnes)	Dec.	618.3p	11 769.0p	-19.6

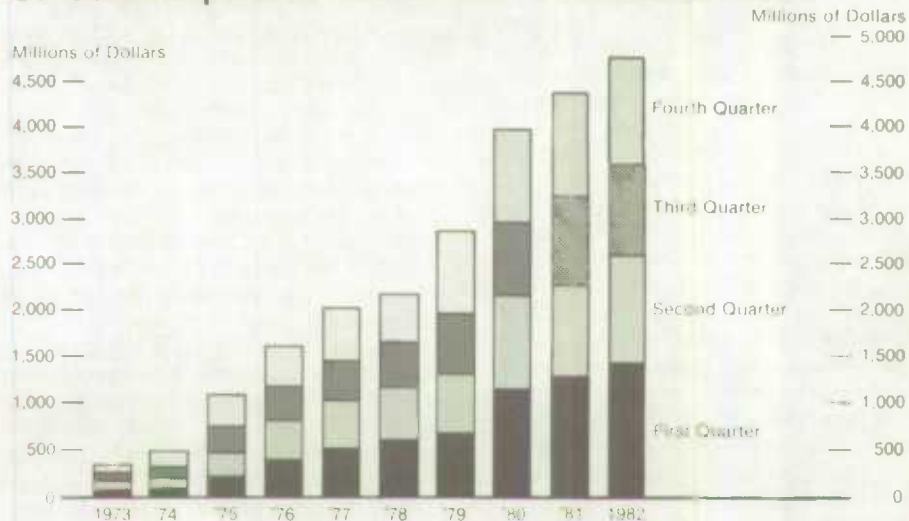
SALES

Department Store Sales (\$ million)	Nov.	1,073.6	8,598.0	-0.9
Manufacturers' Shipments (\$ million)	Nov.	15,232.7p	168,542.3p	-3.4
New Motor Vehicle Sales (\$ million)	Nov.	765.2	9,094.5	-19.0
Retail Sales (\$ million)	Nov.	8,536.7p	86,762.4p	2.8

Statistics are in current dollars and are not seasonally adjusted.

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

Canadian Exports of Natural Gas to the United States



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

Gross Domestic Product

Gross Domestic Product in constant 1971 prices increased 0.3% in November 1982 from the downward revised October level. The November data indicate that output in the Canadian economy stood 9.0% below the June 1981 peak. Since July 1981, GDP has recorded only two months of growth — August and November of 1982. A slight upward movement (0.3%) was recorded in industrial production during November.

Most of the November increase in GDP originated among goods-producing industries where output advanced 0.7% following declines of 2.3% and 2.4% in the two preceding months. Service-producing industries posted a slight 0.1% increase in November.

Among goods-producing industries, major contributors to the November output increase included construction, mining, agriculture, and utilities.

The rate of decline in manufacturing slowed significantly in November, moving down only 0.2% compared to drops of 4.3% in October and 4.5% in September.

Among service-producing industries, a significant increase in retail trade (up 2.4%) in November was offset to a large extent by a decline in wholesale trade (down 2.9%). Major contributors to the retail trade gain included new motor vehicle dealers (up 16.5%) and department stores (up 2.4%). In wholesale trade, significant declines were reported by wholesalers of motor vehicle parts and accessories, and machinery and equipment.

For further information, order the November 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.

Raw Materials Index

Preliminary data show that the Raw Materials Price Index (1977=100) rose 0.4% in December 1982 to 201.6 from a revised figure of 200.7 in November. The index excluding coal, crude oil and natural gas rose 0.9% in the month.

All the component indexes showed increases in December except wood (-0.1%). The animals and animal products index was up 1.1%; increased prices for hogs and fish were partly offset by price decreases for cattle and calves. The index for non-ferrous materials rose 3.7% reflecting higher prices for precious metals.

Raw Materials Price Index, 1982

Between December 1981 and December 1982, the total index increased 8.2%, compared to increases of 13.5% during 1981 and 16.9% in 1980. The component which had the largest moderating impact on the total movement was that of coal, crude oil and natural gas; although prices for crude oil continued to rise, from mid-1981 onward the increases were much more moderate than had occurred in the previous 12 months so that the increase during 1982 was only about 15% compared to a jump of about 50% during 1981.

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Industry Selling Price Index

The Industry Selling Price Index for manufacturing (1971=100) rose 0.4% to a preliminary level of 292.3 in December 1982 from 291.2 (revised) in November. The year-over-year increase of 4.4% was the same as in the previous month.

The wood industries component index rose 2.9% in December, due primarily to a 4.6% increase in the sawmills and planing mills index. Prices in the food and beverage industries rose 0.4% to a level of 5.3% higher than in December 1981; increases were posted in the fish products industry (2.1%), feed industry (2.6%), bakeries industry (1.7%) and breweries (3.2%), while the slaughtering and meat processors index declined 0.6%.

In December, the primary metal industries index rose 0.9%, mainly reflecting a 2.7% rise in the smelting and refining index, while miscellaneous manufacturing industries increased 1.8% as the result of a 4.4% jump in the jewellery and silverware industry index (the latter increase can be traced to the rising cost of precious metals).

Industry Selling Price Index, 1982

Between December 1981 and December 1982, the ISPI rose 4.4%. The corresponding increases were 8.4% in 1981 and 12.2% in 1980, signifying that price changes have been decelerating more or less continuously for three years, from the peak of 16.7% in January 1980. This is the longest period for which the rate of price change has been declining since the ISPI began to be calculated in 1956.

In the early months of 1982 price increases appeared to have stabilized at an annual rate of about 7% to 8%. From June onwards, however, the rate slowed noticeably as reported price declines became more widespread. Over the last six months the index has risen only 0.9%.

The same pattern of price behaviour was observed across the whole spectrum of the manufacturing sector, with prices in the basic industries having been particularly affected. Even the petroleum index, which at +8% showed the largest 12-month movement, was up considerably less than the 31.3% rise registered during 1981.

For further information in detail about these indexes, order the December 1982 issue of Industry Price Indexes (62-011, \$3.50/\$35).

CALURA Report, 1980

By all measurements the leading 500 non-financial enterprises in Canada maintained their market share in 1980, accounting for 53.2% of industry sales, 65.1% of assets, 68.8% of profits and 76.7% of payments to non-residents. The foreign-controlled sector was dominant within the leading 500, in financial terms, and accounted for 273 enterprises.

Differences between Canadian- and foreign-controlled enterprises were particularly evident in the leading 25 enterprises. Within this group, which accounted for 21% of total sales, 30% of assets, and 26% of profits, the foreign-controlled sector had a turnover ratio (sales/assets) almost twice as high as its Canadian counterpart and was more profitable.

Some of the highlights of the report:

Assets

- In 1980, the share of total assets held by non-financial, foreign-controlled corporations declined by 1.6 percentage points to 27.3%. Assets of foreign-controlled corporations rose by 8.5% to \$126.5 billion, while those of Canadian-controlled corporations rose by 17.5% to \$336.7 billion.

Sales

- The foreign-controlled share of total non-financial sales declined 2.1 percentage points to 31.5% in 1980. Foreign-controlled corporations reported sales of \$172.5 billion, an increase of 6.1% over 1979, while Canadian-controlled corporations had sales totalling \$374.3 billion, up 15.4% from 1979.

Profits

- The share of profits of foreign-controlled corporations, at 38.4% in 1980, was down by 0.4 percentage points from 1979. Profits earned by foreign-controlled corporations rose by 9.4% to \$16.2 billion, while profits of corporations identified as Canadian-controlled rose by 11.5% to \$26.0 billion.

Taxable Income

- The share of total taxable income of non-financial industries generated by foreign-controlled corporations amounted to 44.7% in 1980, down 1.6 percentage points from 1979. The effective tax rate on book profits increased to 29.8% from 25.7% for foreign-controlled corporations with assets greater than \$10 million and to 17.6% from 17.3% for their Canadian-controlled counterparts.

Payments to Non-residents

- Payments to non-residents, totalling \$7,310 million in 1980, were \$1,482 million higher than in 1979.

Within the Foreign Sector

- Within the foreign sector, corporations classified to United States control have had a dominant position, particularly in terms of profits. In 1980 such corporations accounted for 73.9% of the assets, 76.1% of the sales and 78.5% of the profits of foreign-controlled, non-financial firms.

For further information, order Corporations and Labour Unions Returns Act, Part I, Corporations (61-210, \$15), or contact Roy St. Germain (613-995-9804).

Foreign Ownership/Control

Preliminary estimates indicate that at the end of 1981 foreign control of long-term capital employed in non-financial industries in Canada stood at 26%. This represented a decrease of two percentage points since 1978 year-end, the last year for which data are finalized. The declines during this period stemmed from decreases in the primary resources and manufacturing industries.

The book value of both equity and long-term debt (defined as capital employed in this text) in non-financial industries rose by 13% to \$208.9 billion at 1978 year-end. Of this total, non-residents controlled only 28%, although they owned 33%. This is due to the fact that Canadian-controlled companies have borrowed heavily in the foreign bond market.

Of the \$24.1 billion expansion in long-term capital employed in non-financial industries in 1978, about one-fifth or \$5.0 billion was provided by non-residents, with \$3.9 billion by United States residents and \$1.1 billion by investors in other foreign countries. Much of this additional capital from non-residents represented undistributed earnings, which had been reinvested in Canadian enterprises, and new placements of bonds and debentures with foreign investors.

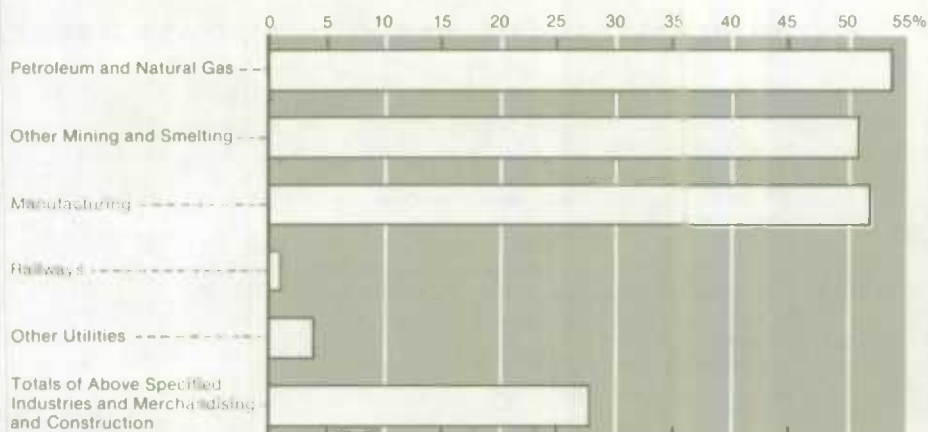
By Industrial Category

Among the five broad industrial categories, during 1978 decreases in the percentage of foreign-owned capital were recorded for petroleum and natural gas, other utilities and other mining and smelting. There was an increase in the railways sector while manufacturing remained unchanged. In the control series, decreases in the proportion of foreign-controlled capital were registered in petroleum and natural gas, manufacturing and other mining and smelting. Foreign control in railways and other utilities remained unchanged from 1977 year-end.

Foreign-owned capital in the petroleum and natural gas industry, as a percentage of long-term capital employed in this industry, declined to 48% from 52% at the end of 1977. The decrease occurred in the percentage of United States ownership, falling to 38% from 42%, while investors in other countries maintained their 10% ownership. Foreign control in this extractive industry fell sharply to 54% at 1978 year-end from 64%. United States control accounted for the drop of 10 percentage points mostly as a result of the purchase of Phillips Petroleum Company's holding in Pacific Petroleum Ltd. by Petro-Canada and the subsequent reclassification of two other enterprises to Canadian control as a result of this acquisition.

Foreign control in the petroleum and natural gas industry is projected to drop to 53% at 1979 year-end and then to fall during 1980 by two percentage points to 51% at the end of that year. With the tabling in Parliament of the National Energy Program in October 1980, the reduction in

Foreign-Controlled Share of Capital Employed in Canadian Non-Financial Industries, 1978



control by non-residents in this industry is projected to accelerate to 44% at 1981 year-end.

The proportion of long-term capital owned by non-residents in mining and smelting decreased to 51% from 52% at 1977 year-end as a drop of three percentage points in United States-owned capital to 37% was offset partially by an increase in capital owned by residents of other countries to 14% from 12%. Following a decline of two percentage points in the previous year, foreign-controlled capital recorded another two percentage point drop to 51% at 1978 year-end. The percentage of foreign control in this extractive industry is projected to drop to 47% at 1980 year-end and then to fall to 46% at the end of 1981.

Foreign-owned capital in the railways category rose to 24% at 1978 year-end from 21% while foreign-controlled investment remained unchanged at 1%. Foreign control in this industry is projected to remain at this level through to the end of 1981. The proportion of foreign-owned capital in other utilities declined to 25% from 28% at the end of 1977. Foreign-controlled capital in the utilities industry, excluding railways, remained at 4% at 1978 year-end. This proportion will decrease during 1980 by one percentage point and will be at 3% at the year-ends 1980 and 1981.

Foreign-owned investment in manufacturing comprised 48% of the \$55.5 billion in long-term capital employed in this industry at 1978 year-end, unchanged from the previous year. However, United States ownership had risen by one percentage point to 40% while ownership by investors in other countries narrowed to 8% from 9%. During 1978 foreign-controlled capital in manufacturing fell to 52% from 54% at 1977 year-end. Foreign control in manufacturing, remaining the same in 1979, is projected to fall by one percentage point each in 1980 and 1981 to 51% and 50%, respectively.

For further information, contact F. Chow (613-996-2545).

Hospital Statistics

Gross operating expenditures of public hospitals have almost doubled in the last six years, climbing to \$10.5 billion in 1981-82 from \$5.6 billion in 1976. Average operating cost per patient-day increased by 72.6% over the period to \$217.14 in 1981-82 from \$125.79 in 1976. Salary and wage costs per patient-day went up by 67.7% at the Canada level during the period.

For further information, order *Hospital Statistics — Preliminary Annual Report, 1981-82* (83-217, \$3.15).

New Housing Price Indexes

The Canada composite new housing price index (1976=100) edged down 0.1% to 129.6 in December 1982 from 129.7 in November, the 12th consecutive monthly decline for the index which stood 3.9% below the year-earlier level of 134.8.

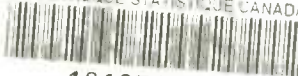
Compared with the preceding month, the largest increases in December in new housing prices were noted in Victoria (3.0%) and St. Catharines-Niagara (1.8%); minor advances of 0.2% were registered in Ottawa-Hull, Hamilton and Windsor, and 0.1% in Quebec City. Eight cities showed marginal price declines, ranging from -0.2% in Montreal, London, Regina and Edmonton to -0.6% in Toronto and Calgary.

On a year-over-year basis, the largest advance in new housing prices was recorded in Hamilton (11.4%); other increases ranged from 1.3% in Thunder Bay to 5.6% in Winnipeg. The largest declines were posted in Vancouver (-17.7%) and Victoria (-15.2%); other decreases ranged from -0.7% in London to -8.5% in Calgary.

For further information, contact Prices Division (613-996-3744), Statistics Canada.

Domestic Refrigerators/Freezers

Domestic production of refrigerators in December 1982 was 26,054 units. Home freezer production amounted to 14,240 units.



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