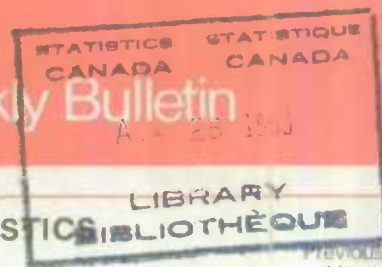


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Weekly Bulletin



April 29, 1983

Current Economic Analysis

The coincident indicators of economic activity advanced sharply early in 1983, following a gradual upturn late in 1982. Output posted a record gain in January, led by a surge in industrial production, while employment continued to recover steadily into March. Although activity appears to be on an improving trend in most of the major industrial nations, the relative strength of the recovery in Canada accounts for the downturn in the merchandise trade surplus to date in the first quarter. Price increases have remained subdued in spite of the increase in demand and this has lent additional strength to the recovery.

The firming of production late in 1982 originated in household demand, notably for housing and durable goods. The financial position of households has improved significantly since mid-1982. Income available for discretionary purchases has increased over that time due to the steady roll-over of mortgages at sharply lower rates, to lower prices for food and energy, and to increased financial wealth held in the form of stocks and bonds. There has been some faltering of consumer demand early in 1983, which was to be expected in view of the slackening in disposable incomes due to increased unemployment insurance premiums commencing in January and to wage rollbacks in the Quebec public sector in the first quarter. Nevertheless, a firming of employment and lower inflation have encouraged consumer confidence, and this may have reduced savings from the record highs attained in 1982, indicating that the slack in demand will be transitory.

The initial response of firms to the upturn in final demand late in 1982 was an accelerated rundown of inventories, with only a marginal upturn in production. The sharp acceleration of production early in the first quarter coincided with a sharply reduced rate of inventory liquidation. The improved demand and the better financial position of firms also was evident in a steady if gradual increase in employment and in signs of a bottoming-out in some of the leading indicators of business investment in plant and equipment, although the coincident indicators remain strongly negative. The financial position of firms has continued to improve, as the upturn in final sales coupled with strong gains in output-per-person

(continued on next page)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Jan.	402.63p	398.64p	6.6
Labour Income (\$ million)	Jan.*	16,173.3p	16,479.5p	1.5
Persons with Jobs (million)	Mar.	10.24	10.14	-2.1
Unemployed	Mar.	1,658,000	1,585,000	35.0

INVENTORIES

Department Store (\$ million)	Feb.	2,686.8	2,724.4	2.6
Manufacturers' Owned (\$ million)	Feb.	32,156.9p	32,030.2r	-7.1

ORDERS

Manufacturers' New Orders (\$ million)	Feb.	14,905.3p	14,274.0r	2.2
Manufacturers' Unfilled Orders (\$ million)	Feb.	17,188.4p	16,897.0r	-9.1

PRICES

Consumer Price Index (1981=100)	Mar.	115.8	114.6	7.2
New House Price Index (1976=100)	Feb.	129.5	129.5	-4.4
Raw Materials Price Index (1977=100)	Mar.*	208.5p	208.6p	5.9
Excl. coal, crude oil, nat. gas	Mar.*	148.8p	149.1p	0.1
Industry Selling Price Index (1971=100)	Mar.*	295.6p	293.4p	3.8

CONSTRUCTION

Building Permits (\$ million)	Jan.	581.9p	581.9p	-23.5
Housing Starts — Urban Centres (units)	Feb.	6,661	15,175	-19.8

ENERGY

Coal Production (thousand tonnes)	Feb.	3,223	7,219	4.4
Electricity Generation (terawatt hours)	Jan.	36.7	36.7	-7.8
Natural Gas Production (million cubic metres)	Jan.*	9,902	9,902	-6.4
Petroleum Refining (million cubic metres)	Feb.	6.8p	14.2p	-8.5

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Feb.	6,661p	13,099p	2.2
Imports — Balance of Payments Basis (\$ million)	Feb.	5,234p	10,367p	-1.2

PRODUCTION

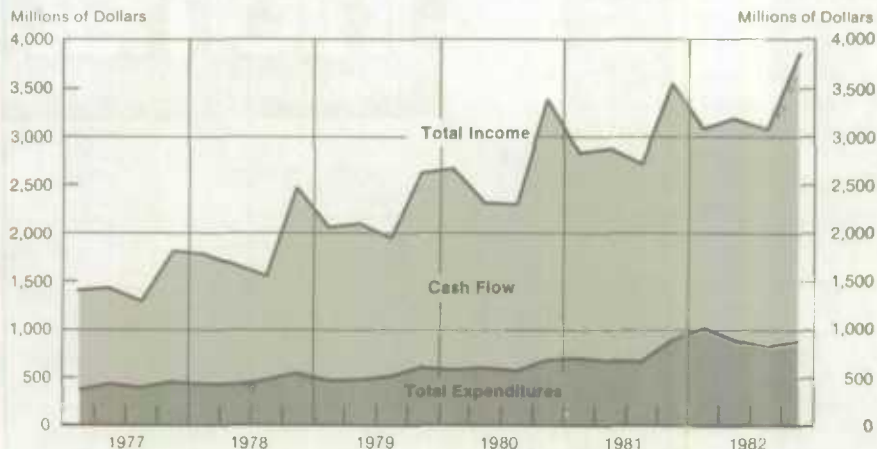
Railway Carloadings (million tonnes)	Mar.	17.5p	45.3p	-10.0
Steel (ingots — thousand tonnes)	Mar.	1,079.7p	2,659.6p	-27.3

SALES

Department Store Sales (\$ million)	Feb.	609.7	1,233.1	4.7
Manufacturers' Shipments (\$ million)	Feb.	14,613.9p	28,443.8p	0.6
New Motor Vehicle Sales (\$ million)	Feb.	681.0	1,261.3	-5.2
Retail Sales (\$ million)	Feb.	6,760.2p	13,642.5p	3.6

Statistics are in current dollars and are not seasonally adjusted.
p - preliminary, r - revised, * - new this week.

Quarterly Estimates of Income and Expenditures of Trusteed Pension Funds



Source: Statistics Canada, Quarterly Estimates of Trusteed Pension Funds (74-001)

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employed have been parlayed into improved cash flow.

Overall, price increases have been subdued early in 1983, as there is little evidence that the increase in economic activity has been accompanied by an increase in inflation. The most obvious examples of demand-led price increases have been in international commodity markets, notably for wood products, and construction-related products. For the moment, it appears that firms are rebuilding profits more through a reliance on the cyclical upturn in output-per-person employed that has been evident since mid-1982 than through an outright increase in prices. It is too early to ascertain, however, whether the recent improvements in productivity reflect solely a cyclical upturn as typically occurs early in a recovery or a secular improvement.

- Following a marginal strengthening in November and December, **real domestic product** gained 1.6% in January, led by a record 5.0% jump in industrial output. Production increased most rapidly in the automotive, forestry, and metal mining industries in a continuation of the rapid recovery from the very depressed levels of activity in these industries attained in the recession.

- The gradual improvement in **labour market** conditions in the first quarter encouraged a substantial recovery in consumer confidence in the quarter. Firms have been cautious in new hiring, however, as the 0.3% increase in employment in March was the first of the recent increases to include a gain in full-time employment.

- The recent pick-up of industrial activity in the major industrialized nations was reflected in a further strengthening of the indicators of **external demand**. Merchandise exports increased 3.5% as exports to the United States increased for the third straight month. Merchandise imports rose 0.7% in February, the fourth straight gain, led by higher imports of consumer goods as well as industrial demand for fabricated materials.

- The 5.0% jump in industrial output in Canada in January was the largest of the diffuse gains in output in the **seven major industrial nations**. Other notable advances included a 1.3% increase in the United States and a 1.7% gain in West Germany following large drops in the fourth quarter, while there were small increases in Japan, Britain and France. The sharp rebound of activity appeared to lose some speed in February in most nations, although the accentuated drop in world oil prices in the first quarter should foster a strengthening upward trend.

*For the detailed analysis as well as a news summary of major domestic and international developments and extensive analytical charts and tables, order **Current Economic Analysis** (13-004E, Canada: \$2.65/\$26.50; other countries: \$3.20/\$31.80). For further information contact D. Rhoades (613-992-4441), **Current Economic Analysis Division, Statistics Canada, Ottawa K1A 0T6**.*

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Raw Materials Price Index

The Raw Materials Price Index (1977=100), stood at a preliminary 208.5 in March 1983, little changed from its revised February level of 208.6. This left the index 5.9% higher than in March 1982. The index excluding coal, crude oil and natural gas decreased 0.2% in the latest month and was only 0.1% above its level of a year earlier.

The non-ferrous materials component index declined 7.1% from February to March but still remained 10.4% above its March 1982 level. The main contributors to the monthly change were sharp declines in the prices of gold and silver; however, gold and silver prices still remained well above prices of one year ago. Marked increases were posted in March for other metals and non-ferrous scrap (the index for non-ferrous scrap has risen 27.3% in the latest three months).

The animals and animal products component rose 1.1% in March and stood 2.1% above its level of March 1982. The impact of a 4% increase in cattle and calves prices was largely offset by declines in hog prices. A substantial rise in fur prices was sparked by increases for beaver and weasel pelts. Fish prices were up 3%.

The ferrous materials component rose 3.4% in March, but still remained 1.0% lower than a year ago. The rise was attributable to steel scrap prices, which rose sharply in the month and stood 13.4% higher than in January 1983.

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Labour Income

Labour income for the month of January 1983 was estimated at \$16,173.3 million, an increase of \$237.2 million or 1.5% from January 1982.

Adjusted for seasonal variation, wages and salaries decreased by \$312.8 million between December 1982 and January 1983 to \$15,291.1 million.

*The estimates will be published in the January-March 1983 issue of **Estimates of Labour Income** (72-005, \$5.30/\$21.20). For further information, contact G. Gauthier (613-995-8431), **Labour Income Section, Labour Division, Statistics Canada, Ottawa K1A 0T6**.*

Working Wives Report

Now available is **Wealth of Families with Working Wives 1977**, a study that examines the impact of working wives on the wealth holdings of their families. Wealth is defined as assets (consisting of owner-occupied homes, other real estate, farms, businesses, etc. as well as financial assets) less debts.

Only husband-wife families with wives under 65 years of age were included in the study. A little over half (53.2%) of wives in these families worked in 1976. When the two groups of families were compared, it was found that the average wealth holdings for families with and without working wives were, respectively, \$58,995 and \$58,029, a difference of less than \$1,000. However, when families were divided into comparable groups, based on age and income, important differences emerged. For example, comparisons within equivalent age groups showed that in four out of five age groups, families with working wives had larger wealth holdings. Similarly, average wealth of families with working wives was greater when compared within equivalent income groups (using the size of husband's income for grouping families). Since working-wife families were generally younger and incomes of husbands in these families were also lower, it was concluded that the average wealth of these families would have been about \$18,000 less if the wives had not worked.

Although the report deals primarily with the above wealth comparison, it also discusses differences in home ownership, value of owner-occupied homes, mortgage debt, and equities in business, farm and professional practices between families with and without working wives. For example, the estimated market value of homes owned and occupied by working-wife families as well as the mortgages owed by them were larger than those of families where wives were not working.

*For further information, order **Wealth of Families with Working Wives, 1977** (13-578, Canada: \$8.45; Other Countries: \$10.15), or contact the **Data Dissemination Unit** (613-996-5294), **Consumer Income and Expenditure Division, Statistics Canada, Ottawa K1A 0T6**.*

Industry Selling Price Index

The Industry Selling Price Index (ISPI) for manufacturing (1971=100) reached a preliminary level of 295.6 in March 1983, up 0.7% from the revised February index of 293.4. The year-over-year increase was 3.8%, the third consecutive month in which it has stood at less than 4%.

The petroleum and coal products industries price index climbed an estimated 9.8% in March reflecting the combined result of the lagged impact of January's \$4 per barrel increase in crude oil prices and the subsidizing of gasoline price wars. (Had there been no change in this index in March, the total ISPI would have actually decreased slightly.)

The wood industries index rose 1.3% in March and was 9.3% higher than a year earlier as prices for construction materials strengthened. Spruce, pine, cedar and Douglas fir lumber prices were all up as the sawmills and planing mills index advanced 1.4%. Non-wood construction materials also increased in price: gypsum wallboard was up 2.7% and other gypsum products were up over 10%.

The primary metal industries index decreased 1.2% over the month and stood at a level 0.9% higher than 12 months earlier. A drop of 3.5% in the smelting and refining industry was the main reason for the lower group index; precious metals were also down 16.1% in March, while base metals showed a mix of increases and decreases.

For further information, order the March 1983 issue of *Industry Price Indexes* (62-011, \$3.70/\$37).

Wholesale Trade

Sales of Canadian wholesale merchants increased in February 1983 by 1.9% from the year-earlier level. The largest percentage increases were recorded by wholesalers of electrical machinery, equipment and supplies (+38.7%), tobacco products (+15.8%), lumber and building materials (+12.5%) and household furniture and house furnishings (+11.4%). The most significant sales decrease was reported by wholesalers of metal and metal products (-30.2%). An increase in wholesalers' sales of 32.6% in Prince Edward Island was attributable to food wholesaling.

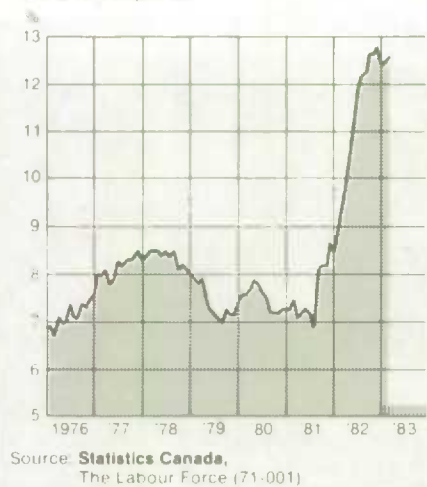
Inventories

Wholesale inventories were down 9.0% in February 1983 from the corresponding period of the previous year. Major contributions to this downward inventory trend came from wholesalers of metal and metal products (-33.8%), apparel and dry goods (-14.5%) and lumber and building materials (-14.4%). Lower inventory levels were reported in all provinces except Prince Edward Island (+11.0%) and the Territories (+7.3%).

For further information, order the February 1983 issue of *Wholesale Trade* (63-008, \$1.55/\$15.50).

Unemployment Rate, Canada

(Seasonally Adjusted)



Crude Petroleum Production

Canadian production of crude petroleum and equivalent hydrocarbons in January 1983 amounted to 6 760 100 cubic metres, up 2.4% from 6 596 100 cubic metres a year earlier. Alberta was the main producer with 84.0% of the Canadian total. Imported crude and equivalents for the same month amounted to 1 763 900 cubic metres.

Canadian refineries received 7 234 000 cubic metres of crude petroleum and equivalents in January 1983. Exported crude and equivalents to the United States amounted to 1 318 400 cubic metres.

Net new production of natural gas in January 1983 amounted to 9 902.0 million cubic metres, down 6.4% from 10 573.7 million cubic metres in January 1982. Alberta was the main producer with 88.6% of the Canadian total.

On the disposition side: exports to the United States in the latest month were 2 428.3 million cubic metres; 5 191.8 million cubic metres were sold to ultimate customers in Canada; and 1 711.6 million cubic metres were used in fields and processing plants.

For further information, order the January 1983 issue of *Crude Petroleum and Natural Gas Production* (26-006, \$2.65/\$26.50).

Industrial Production

Preliminary data indicate industrial production increased 1.8% in February 1983 with the index (1971=100) rising to 124.5 from 122.4 in January. However, in February the index still remained 3.3% below the level of a year earlier.

The main contributors to the February increase in industrial production included manufacturers of office and store machinery, communications equipment, pulp and paper mills and electric power utilities; an output decrease was recorded in the miscellaneous machinery industry.

For further information, order the February 1983 issue of *Gross Domestic Product by Industry* (61-005, \$3.15/\$31.50), or contact R. Kennedy (613-995-0568).

Department Store Sales

Department store sales were \$604.1 million in February 1983, up 4.5% over February 1982. Sales were higher in 28 of the 40 departments with the largest increases in repairs and services (+29.7%), plumbing, heating and building materials (+20.9%) and TV, radio and music (+19.6%). The most notable decreases were reported in hardware, paints, wallpaper, etc. (-19.0%), and gasoline and oil, auto accessories, repairs and supplies (-13.1%).

All provinces and territories except the Yukon and Northwest Territories (-8.6%) showed department store sales increases from a year earlier with gains ranging from +2.4% in Ontario to +13.5% in Saskatchewan. Of the 10 metropolitan areas covered by this survey, the largest sales increase was in Halifax-Dartmouth (+14.4%), while the largest decrease was in Calgary (-2.9%).

Sales by major department store organizations in February 1983 totalled \$400.1 million, up 3.5% from February 1982, while junior department store organizations had sales of \$204.0 million, an increase of 6.6%.

Department stores took 8.9% of the total retail trade market in February 1983, identical to the share recorded in February 1982.

For further information, order the February 1983 issue of *Department Store Sales and Stocks* (63-002, \$3.15/\$31.50).

1981 Census 20% Sample Database — Phase 2

The second group of advance data compiled from information collected from one in five Canadian households in the June 1981 Census is now available. This group of data includes highlight information on ethnicity, language, place of birth, immigration, citizenship and religion of the population, on income of persons and families as well as information on value of dwellings and shelter costs. Some tables provide historical comparisons while others refer only to 1981. Geographical areas covered differ from table to table.

Single copies of the tables can be obtained, free of charge, by writing to Statistics Canada's regional offices or Central Inquiries.

A limited amount of sub-provincial data can also be purchased at these locations. Requests for special tabulations should be addressed to the Customer Services Section, Statistics Canada, Jean Talon Building, 2-D2, Ottawa K1A 0T6.

Complete tabulations will be released in printed bulletins, and on tape and microfiche throughout the coming year.



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