Catalogue 11-002E (Français 11-002F) ISSN 0380-0547 C3 Price: Canada, $26.50 a year; Other Countries, $31.80 a year

Statistics Canada Statistique Canada

infomat Weekly Bulletin

July 29, 1983

Economic Analysis Review

Prospects for growth in external and domestic demand remain positive, as indicated by the evolution of economic activity early in the second quarter. Although the growth of consumer demand appears to have softened temporarily, a sharp slowdown in the rate of inventory liquidation by firms and a stabilizing of capital formation have served to sustain domestic demand.

The upturn in export demand also should serve to increase employment and sustain the recovery in consumer demand that began in the summer of 1982. Retail sales had slowed in the first quarter of 1983 under the influence of a significant wage deceleration, before declining sharply in April due to a number of technical factors (notably unusual seasonal patterns associated with an early Easter and bad weather in April). The ongoing upturn in the fundamental determinants of a cyclical recovery of consumer demand, notably job conditions and a measure of confidence in future income prospects, served to bolster the performance of retail sales in May. Strengthening export demand and an end to the process of rapid stock reductions has been reflected in a steady expansion of employment into June. Increased confidence has encouraged households to draw down personal savings to smooth out the effect of the irregular weakness in income flows so far in 1983.

A shift in the sectorial composition of growth has been mirrored in the regional distribution of economic activity. The provinces in Central Canada apparently continue to lead the recovery, as growth in key manufacturing industries has been reinforced by buoyant home construction activity and demand for services. Job creation in British Columbia also has outstripped the national average in 1983, as the cyclical recovery in mining and forestry has been particularly strong. Economic activity in the Prairie provinces, which lagged the downturn into recession in 1981, continues to trail the other major regions of Canada.

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.

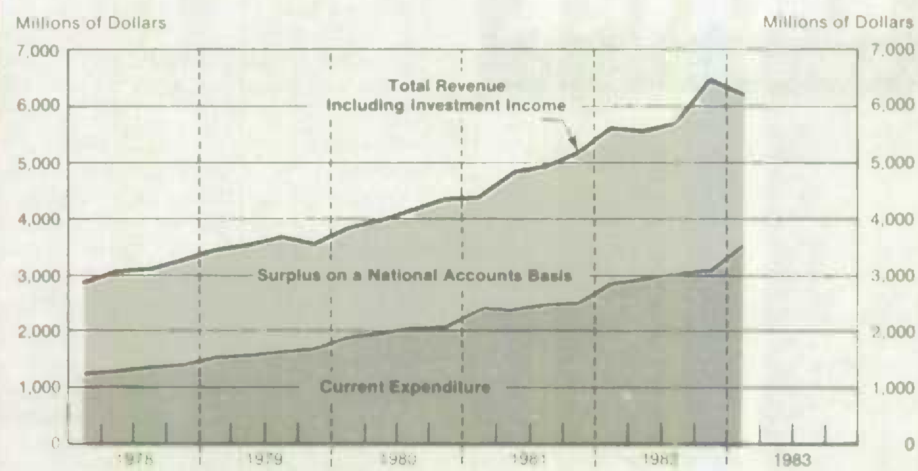
LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings ($)	Mar.	410.85p	407.55p	6.8
Labour Income ($ million)	Mar.	17,499.9p	17,103.9p	2.8
Persons with Jobs (million)	June	10.98	10.69	0.8
Unemployed	June	1,452,000	1,493,000	11.4
INVENTORIES				
Department Store ($ million)	May	3,235.3	3,261.6	3.9
Manufacturers' Owned ($ million)	May	31,423.5p	31,833.4r	-8.1
ORDERS				
Manufacturers' New Orders ($ million)	May	17,000.8p	15,810.5r	11.0
Manufacturers' Unfilled Orders ($ million)	May	17,248.5p	17,253.0r	-6.5
PRICES				
Consumer Price Index (1981=100)	June	117.4	116.1	5.6
New House Price Index (1976=100)	May	129.9	129.8	-2.8
Raw Materials Price Index (1977=100)	May	211.6p	211.3p	5.5
Excl. coal, crude oil, nat. gas	May	153.8p	153.2p	-0.3
Industry Selling Price Index (1971=100)	May	298.5p	297.0p	3.4
CONSTRUCTION			**Year-to-date**	
Building Permits ($ million)	May*	1,266.8p	*5,854.8p*	*16.1*
Housing Starts — Urban Centres (units)	May	22,557	*58,548*	*34.2*
ENERGY				
Coal Production (thousand tonnes)	Apr.	3 430	*14 139*	*-4.2*
Electricity Generation (terawatt hours)	Apr.	31.1	*136.4*	*-2.6*
Natural Gas Production (million cubic metres)	Apr.	7 613.0	*34 475.8*	*-6.9*
Petroleum Refining (million cubic metres)	May	5.1p	*31.6p*	*-12.7*
FOREIGN TRADE				
Exports — Balance of Payments Basis ($ million)	May	7,916p	*35,939p*	*3.0*
Imports — Balance of Payments Basis ($ million)	May	6,159p	*28,739p*	*0.0*
PRODUCTION				
Railway Carloadings (million tonnes)	June	18.7p	*98.5p*	*-8.8*
Steel (ingots — thousand tonnes)	June	1 110.3p	*5 960.0p*	*-13.2*
SALES				
Department Store Sales ($ million)	May	840.3	*3,630.6*	*4.5*
Manufacturers' Shipments ($ million)	May	17,005.3p	*78,015.0p*	*2.5*
New Motor Vehicle Sales ($ million)	May	1,187.2	*4,831.6*	*12.8*
Retail Sales ($ million)	May	8,833.2p	*38,993.1p*	*4.7*

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

Canada Pension Plan

(Data Seasonally Adjusted at Annual Rates)



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

Canada

Unemployment Insurance

Unemployment insurance benefits in May 1983 amounted to $932 million, a decrease of 1% from the previous month but an increase of 39% from the $671 million paid out in May 1982. Payments for the year to date reached $5.066 billion, up 48% from $3.426 billion disbursed in the first five months of 1982.

Claimants qualifying for benefits for the week ending May 21 totalled 1,256,000, down 13% from April 1983. The decline is usual between these two months. Compared with May 1982, the number of beneficiaries rose by 14%.

Claims received in May dropped by 7% to 231,000 from 248,000 in April and were 13% fewer than the 265,000 claims filed in May 1982. Claims for the January to May period totalled 1,390,000, about 6% less than in the same five months of 1982.

For further information, order the March 1983 issue of Statistical Report on the Operation of the Unemployment Insurance Act (73-001, $6.35/$25.40), or contact H. Stiebert (613-995-8445), Labour Division.

Education Prices

In 1982, the Education Price Index (EPI) for the elementary and secondary levels rose by 12.6% to 283.3 (1971=100), its largest increase since 1976. The Consumer Price Index (CPI) climbed by 10.8% for the same period.

The largest increase in 1982 occurred in the wages of the non-teaching staff (20.6%); teachers' salaries rose by 11.3%.

The largest provincial movement of the EPI was observed in British Columbia (17.4%) and the smallest occurred in Quebec (9.6%). In both cases changes reflected the trend of the salaries and wages, the most influential component of the index.

For further information, order the July 1983 service bulletin of Education Statistics (81-002), or contact Louis Pierre (613-995-9795), Education, Science and Culture Division, Statistics Canada, Ottawa K1A 0T6.

infomat
Weekly Bulletin

Published by the Federal and Media Relations Division, Statistics Canada

Senior Editor Greg Thomson (613-593-7444)

Editor Brian Huggins (613-593-6971), 3J, R.H. Coats Building, Tunney's Pasture, Ottawa K1A 0T6.

Catalogue 11-002E. Price: Canada, $26.50 a year; other countries, $31.80 a year. To subscribe: send money order or cheque payable to the Receiver General for Canada to Publication Sales and Services, Statistics Canada, Ottawa K1A 0T6.

Earnings and Hours

The Canada industrial composite index of employment (seasonally adjusted) decreased 0.5% from February to March 1983. Decreases were registered in all industry divisions and in all regions.

Average weekly earnings at the Canada industrial level increased by 0.9% from $405.36 in February to $408.81 in March 1983. With the exception of forestry, all industry divisions increased. All regions contributed to the increase except the Atlantic region.

Average weekly hours increased in mining (including milling) and in manufacturing and decreased in construction. Average hourly earnings increased in mining (including milling), in manufacturing and in construction.

Detailed information for February and March will be published in the March Supplement issue of Employment, Earnings and Hours (72-002, $4/$40), and is also available from R. Ouellette (613-992-5613), Labour Division, Statistics Canada, Ottawa K1A 0T6.

GDP by Industry

Industrial production increased by 1.5% in May 1983 with the index (seasonally adjusted) rising to a level of 127.4 from 125.5 in April. Production levels in May for the mining, manufacturing and electric power, gas and water utilities sectors stood 10.2% above the December 1982 low and 0.9% above the corresponding month in 1981.

Most of the increase in industrial output in May was attributable to durable goods manufacturing which advanced by 3.1% from the April level; non-durable goods manufacturing remained unchanged from April. Production of electric power, gas and water utilities rose 2.3%, and mining output level remained unchanged in May.

For further information, order the May 1983 issue of Gross Domestic Product by Industry (61-005, $3.70/$37), or contact Erika Young (613-995-0568), Industry Product Division, Statistics Canada, Ottawa K1A 9Z9.

Railway Operating Statistics

Canada's seven major railways reported a net loss from operations of $175.3 million in December 1982. Operating revenues of $553.3 million were up 4.8% from the 1981 figure.

Revenue freight tonne-kilometres were down by 4.6% in December 1982, freight train-kilometres showed a decrease of 11.4% and freight car-kilometres decreased by 6.7% from a year earlier. Average revenue per tonne-kilometre of freight was 2.176 cents. Revenue passenger-kilometres decreased by 2.0% to 190.9 million.

For further information, order the December 1982 issue of Railway Operating Statistics (52-003, $2.65/$26.50), or contact A. MacLean (613-996-9271), Transportation and Communications Division, Statistics Canada, Ottawa K1A 0V1.

Manufacturing Conditions

Manufacturers expect production during the third quarter to be maintained at approximately the level observed in the previous quarter. Results of the July Business Conditions Survey show that 41% of the weighted response expect production to be about the same, with 30% expecting it to be higher and 29% lower. This levelling off of production is probably expected as part of the general slowdown of production activities in the summer months.

The level of new orders, on balance, was reported to continue to rise. New orders were reported by 35% of respondents to be rising and to be declining by 20%. In April, 38% reported orders rising and 23% declining.

The proportion reporting a higher than normal backlog of unfilled orders increased to 20% in July from 9% in April and those reporting lower than normal backlog decreased to 36% from 41%.

The latest results showed a continuing decline in the level of finished products inventory. The proportion indicating that finished products inventory was too high dropped to 19% in July, from 22% in April, and the proportion citing finished products inventory as too low increased slightly to 6% from 5%.

Regarding production difficulties, a shortage of working capital was noted by 3% of the weighted response. However, 83% indicated that no difficulties were being experienced.

When results are classified by economic use or type of market served by the manufacturers, the greatest quarter-to-quarter changes occurred in the "Other Intermediate Goods" and export-based industries. Industries in both groups expect lower output in the third quarter. Furthermore, the proportion indicating rising new orders was much lower in July than it was in April for the "Other Intermediate Group" and the proportion citing higher than normal backlog of unfilled orders increased sharply for the export-based industries.

Historical data from the Business Conditions Survey are available. For further information, contact T. Newton (613-996-7008), Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0T6.

Prices of Farm Products

The Canada index number of farm prices of agricultural products (1971=100) stood at 288.1 in May 1983, up 1.1% from the April index of 285.1 but 6.2% lower than the year-earlier level of 307.2.

The index, which measures (as closely as can be determined) prices received by producers at the farm gate, is available on CANSIM (matrix 176) or in the publication Index Numbers of Farm Prices of Agricultural Products (62-003, $1.55/$15.50). Sub-indexes for livestock, crops and their components and further information are available from Phil Jensen (613-995-4895), Farm Income and Prices Section, Agriculture Statistics Division, Statistics Canada, Ottawa K1A 0T6.

Capital Spending, 1983

A mid-year review of the estimates of intended capital expenditures in Canada during 1983 has resulted in an upward revision of 1.4% from the earlier release of March 15, 1983. **Capital spending** for 1983 is now expected to be $73,798 million, a gain of $1,032 million over the $72,766 million estimate from the preceding survey. The new total for 1983 is still 1.7% below the $75,079 million figure for 1982, which, in turn, was also down by 5.7% from the 1981 level of $79,604 million. (All the amounts shown here are in current dollars without any adjustment for price changes during the years covered.)

Most of the capital spending increase indicated at mid-1983 may be attributed to an upward revision for **residential construction** to $11,988 million, which is 11.8% above the $10,727 million projected earlier for this year and 21.2% over the 1982 level. The totals for 1982 and 1981 were $9,891 million and $13,135 million. These estimates were based on 158,100 housing starts for 1983 (up from the 145,000 used earlier for 1983), 125,900 for 1982 and 178,000 for 1981. In contrast, the **non-residential construction** program for 1983 is expected to decrease marginally to $34,652 million from the $34,678 million estimated earlier, for a resultant 4.6% decline from 1982. Last year's total of $36,317 million represented a 4.6% increase from $34,724 million in 1981. Combining the residential and non-residential categories, **total construction** spending is now expected to be $46,640 million in 1983 — compared with $45,405 million estimated earlier, $46,208 million in 1982 and $47,860 million in 1981. The increase in 1983 is currently at 0.9% compared with a decrease of 3.5% last year. **Machinery and equipment** expenditures are now shown at $27,158 million or 0.7% below the earlier $27,361 million estimate for 1983, and 5.9% lower than the $28,871 million in 1982. The 1981 total was at the peak level of $31,744 million.

Utilities Down

Business capital spending for 1983 does not show any improvement over the level estimated earlier: the new total of $50,077 million is down by 0.6% from the earlier estimate for 1983 and down 7.4% from the $54,050 million recorded in 1982. The decrease last year was 4.1% from 1981. **Social capital** expenditures of governments and institutions show a small upward mid-year revision of 0.4% to $11,733 million compared with the first estimate of $11,681 million for 1983. The new total is 5.3% above the $11,138 million level of 1982, which was, in turn, 10.0% higher than the 1981 figure.

Further decreases in business capital spending estimates were most in evidence in the manufacturing and utilities groupings. **Manufacturing** expenditures were revised downward by a further $393 million or 4.3% to a total of $8,709 million. The resultant drop from 1982 is now 21.7% compared with the 12.7% decrease shown last year from 1981.

Downward revisions for **utilities** amount to $370 million (-2.2%) for a new total of $16,707 million for 1983. This transportation-communications-miscellaneous utilities group is now 6.7% below 1982 compared with an increase of 10.2% last year over 1981. The **trade-finance-commercial** group is revised up by $510 million (5.9%) for 1983 to a level of $9,145 million; however, the new total is still 5.6% below the 1982 figure which was, in turn, 11.1% below 1981.

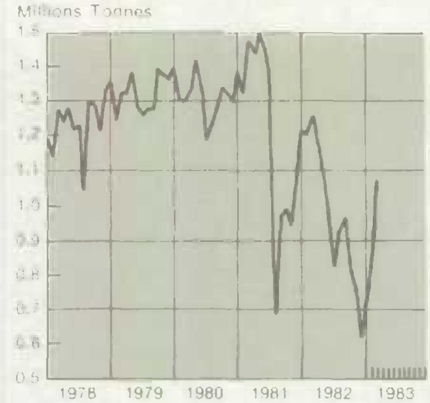
Institutions Up

Capital spending by the **institutions and governments** sector, at $11,733 million is revised upward by 0.4% from the earlier estimate of $11,681 million. The new total includes the following 1983 amounts for the three levels of government with 1982 totals in parentheses: $1,621 million for **federal governments** ($1,268 million), $3,356 million for **provincial governments** ($3,345 million), and $3,800 million for **municipal administrations** ($3,777 million). Expenditures of the **institutions** group are now forecast at $2,957 million or 7.6% above the $2,747 million level of 1982. The total for 1981 was $2,488 million.

Provincially, the following are the revised year-over-year changes for 1983, with the mid-year revisions in parentheses: Nova Scotia 22.3% (11.6%), Newfoundland 12.5% (-3.0%), Prince Edward Island 6.2% (21.0%), Manitoba 4.6% (4.2%), Quebec 2.6% (3.9%), Ontario 1.8% (3.2%), Saskatchewan 1.1% (4.0%), British Columbia -5.5% (1.2%), Alberta -9.5% (-4.2%), Yukon and Northwest Territories -15.4% (-4.4%), New Brunswick -18.0% (1.1%).

Further information can be obtained by contacting Duncan Lusick (613-995-9013), Construction Division, Statistics Canada, Ottawa K1A 9Z9. Regional offices of Statistics Canada may also be contacted.

Steel Ingot Production Canada



Source: **Statistics Canada,** Primary Iron and Steel (41-001)

Building Permits

Proposed construction reported by municipalities dropped 23.3% in May to a preliminary $1,088.8 million from a revised $1,420.1 million in April. The decline reflects a sharp drop of residential permits following the termination of the Canadian Homeownership Stimulation Plan (CHSP) on May 5. In spite of this drop, the May 1983 total was 17.5% higher than in May 1982, when $926.4 million of construction work was authorized.

Residential permits were issued for a value of $649.4 million in May, off 38.8% from a revised $1,060.8 million in April but 57.0% higher than in May 1982 ($413.7 million). Builders' applications were approved for 12,066 new dwellings (6,097 single-detached and 5,969 multiple units) compared to 19,614 dwellings in April (13,483 singles and 6,131 multiples). Translated into annual terms, the May approvals represent a seasonally-adjusted rate of 144,800 units compared to 235,400 a month earlier. Permits for single-detached homes decreased in all provinces. Permits for multiple dwellings increased in all but three provinces — New Brunswick, Quebec and Ontario.

Non-residential permit values, which had steadily decreased since January, recovered in May, reaching a level of $439.4 million, up 22.3% from $359.3 million in April. All categories recorded increases: industrial projects consisting mainly of plants and factories rose 15.2% to $71.5 million ($62.1 million in April). Commercial projects comprising warehouses, shopping complexes, office buildings, hotels, motels and recreational facilities rose 5.8% to $219.9 million($207.9 million). Publicly-initiated projects consisting of schools, hospitals, churches, welfare and government administration buildings rose 65.8% to $148.0 million from $89.3 million in April. Non-residential permit values rose in all but three provinces — New Brunswick, Quebec and Saskatchewan.

Partial returns for June announce a continuing decline of permits for single-detached homes, but an increase in the number of authorized multiple dwellings, particularly in the Halifax, Quebec, Oshawa, Toronto and Winnipeg areas.

For additional information, order the May issue of Building Permits (64-001, $3.70/$37), or contact J.P. Delisle (613-995-8213), Construction Division, Statistics Canada, Ottawa K1A 9Z9.

Farm Input Prices

The Farm Input Price Index (1971=100) for Canada stood at a level of 304.7 in the second quarter of 1983, up 1.6% from its revised first quarter level of 299.9. The index registered a decrease of 1.3% between the first quarter 1982 and the first quarter 1983, because of the impact of declines recorded in the three previous quarters.

The most significant increases were registered in those major groups that include energy related inputs.

THESE PUBLICATIONS RELEASED JULY 22 — 28

	Catalogue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
AGRICULTURE			
Farm Cash Receipts, January-May 1983	21-001	$1.55/$15.50	$1.85/$18.60
Index Numbers of Farm Prices of Agricultural Products, May 1983	62-003	$1.55/$15.50	$1.85/$18.60
Index of Farm Production, 1982	21-203	$4.75	$5.70
Livestock and Animal Products Statistics, 1982	23-203	$7.40	$8.90
CENSUS			
Federal Electoral Districts: Population, Occupied Private Dwellings, Private Households and Census and Economic Families in Private Households, Selected Social and Economic Characteristics, 1981 Census of Canada	95-941	$18	$21.60
CONSTRUCTION			
Building Permits, April 1983	64-001	$3.70/$37	$4.45/$44.40
Housing Starts and Completions, May 1983	64-002	$3.15/$31.50	$3.80/$37.80
EDUCATION, SCIENCE AND CULTURE SERVICE BULLETIN			
Education Statistics — Vol. 5, No. 4, Education Price Index — Selected Inputs, Elementary and Secondary Levels	81-002	$1.55/$15.50	$1.85/$18.60
FINANCIAL FLOWS AND MULTINATIONAL ENTERPRISES			
Concentration and Foreign Control in Retail and Wholesale Trade in Canada, 1979	63-539	$6.35	$7.60
MANUFACTURING AND PRIMARY INDUSTRIES			
Canned and Frozen Fruits and Vegetables — Monthly, May 1983	32-011	$1.55/$15.50	$1.85/$18.60
Consumption, Production and Inventories of Rubber, May 1983	33-003	$1.55/$15.50	$1.85/$18.60
Electric Power Statistics, April 1983	57-001	$2.65/$26.50	$3.20/$31.80
Factory Shipments of High Pressure Decorative Laminate Sheet, Quarter Ended June 1983	47-005	$2.65/$10.60	$3.20/$12.70
Men's Clothing Industries, 1981	34-216	$4.75	$5.70
Particleboard, Waferboard and Hardboard, May 1983	36-003	$1.55/$15.50	$1.85/$18.60
Production and Inventories of Process Cheese and Instant Skim Milk Powder, June 1983	32-024	$1.55/$15.50	$1.85/$18.60
Pulpwood and Wood Residue Statistics, May 1983	25-001	$1.55/$15.50	$1.85/$18.60
Refined Petroleum and Coal Products, 1981	45-209	$4.75	$5.70
Refined Petroleum Products, April 1983	45-004	$3.70/$37	$4.45/$44.40
MERCHANDISE TRADE			
Wholesale Trade, May 1983	63-008	$1.55/$15.50	$1.85/$18.60
PUBLIC FINANCE			
Federal Government Employment, January-March 1983	72-004	$5.30/$21.20	$6.35/$25.45
Federal Government Finance, 1981	68-211	$6.35	$7.60
TRANSPORTATION AND COMMUNICATION			
Telephone Statistics, May 1983	56-002	$1.55/$15.50	$1.85/$18.60