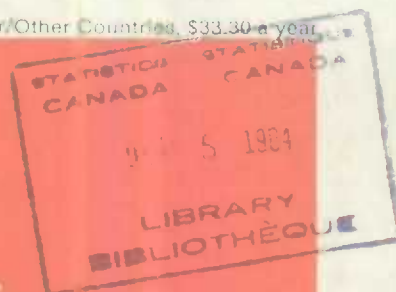


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Weekly Bulletin



October 5, 1984

## Gross Domestic Product

Gross Domestic Product (GDP) showed a strong 1.4% increase in July; most of the rise can be attributed to an extraordinary 3.4% increase in goods-producing industries. Increases in industries which export a substantial part of their production, as well as an improvement in construction were other major factors in the increase. Consumer demand for goods appeared weak in July, based on the weakness of retail trade.

In the demand groupings, the major strengths were in capital goods and services (2.3%) and intermediate inputs (2.7%). Industries contributing to the July GDP growth were: manufacturing, mining, goods, transportation services, construction, forestry, and public utilities. The July gain in manufacturing (+3.9%) marks the first month in which manufacturers' output has climbed above the pre-recession peak set in June 1981. Increases in manufacturing activity were fairly widespread, with 17 of the 20 major industry groups reporting growth.

Mining output advanced 7.1% in July, the strongest monthly output gain since September 1983. Increased production levels of iron, copper, nickel, lead and zinc ores, crude petroleum, natural gas and potash accounted for the gain. Most of the increase within metal ores may be attributed to improved levels of export demand in recent months.

For further information, order the July 1984 issue of *Gross Domestic Product by Industry* (61-005, \$3.85/\$38.50), or contact Ron Kennedy (613-990-9145), Industry Product Division, Statistics Canada, Ottawa K1A 0T6.

## Financial Activity in Canada

Funds raised on conventional credit markets by the non-financial domestic sectors of the Canadian economy remained restrained in April-June 1984, in line with the moderate growth in the production of goods and services. These sectors raised \$16.5 billion during the period, representing 16% of Gross National Expenditure (GNE). This was virtually the same proportion as recorded in the previous quarter and in the second quarter of 1983.

General government (including federal, provincial and local governments and hos-  
(continued on page 2, col. 1)

## LATEST MONTHLY STATISTICS

### EMPLOYMENT, INCOME

Average Weekly Earnings (\$)	July	405.12	406.84	4.1
Labour Income (\$ million)	June	19,968.3	19,373.1	5.0
Persons with Jobs (million)	Aug.	11.52	11.56	2.2
Unemployed	Aug.	1,347,000	1,326,000	-2.0

### INVENTORIES

Department Store (\$ million)	July	3,304.7	3,146.7	5.3
Manufacturers' Owned (\$ million)	July	32,426.3	32,368.5	10.0

### ORDERS

Manufacturers' New Orders (\$ million)	July	17,246.0	20,443.1	12.5
Manufacturers' Unfilled Orders (\$ million)	July	22,178.9	22,284.0	36.8

### PRICES

Consumer Price Index (1981=100)	Aug.	122.9	122.9	3.7
New House Price Index (1981=100)	July	95.2	95.3	0.6
Raw Materials Price Index (1977=100)	Aug.	215.0	217.1	1.3
Excl. coal, crude oil, nat. gas	Aug.	159.1	162.5	2.6
Industry Selling Price Index (1971=100)	Aug.	312.2	312.5	3.6

### CONSTRUCTION

Building Permits (\$ million)	July*	1,320.7	8,556.4	2.6
Housing Starts — Urban Centres (units)	Aug.*	11,029	75,027	-20.7

### ENERGY

Coal Production (thousand tonnes)	June	4,666	27,702	28.4
Electricity Generation (terawatt hours)	June	31.1	214.1	9.5
Natural Gas Production (million cubic metres)	June	6,187	45,062	7.6
Petroleum Refining (million cubic metres)	July	8.0	49.1	8.5

### FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	July	9,401	65,074	28.2
Imports — Balance of Payments Basis (\$ million)	July	7,550	53,954	33.1

### PRODUCTION

Railway Carloadings (million tonnes)	Aug.*	20.9	158.3	20.4
Steel (ingots — thousand tonnes)	July	1,117	8,696	24.6

### SALES

Department Store Sales (\$ million)	July	806.3	5,633.5	5.0
Manufacturers' Shipments (\$ million)	July	17,351.1	129,780.7	16.1
New Motor Vehicle Sales (\$ million)	Aug.*	1,186.5	10,749.9	34.5
Retail Sales (\$ million)	July	9,473.9	63,711.9	9.6

Statistics are in current dollars and are not seasonally adjusted.

\* - new this week.

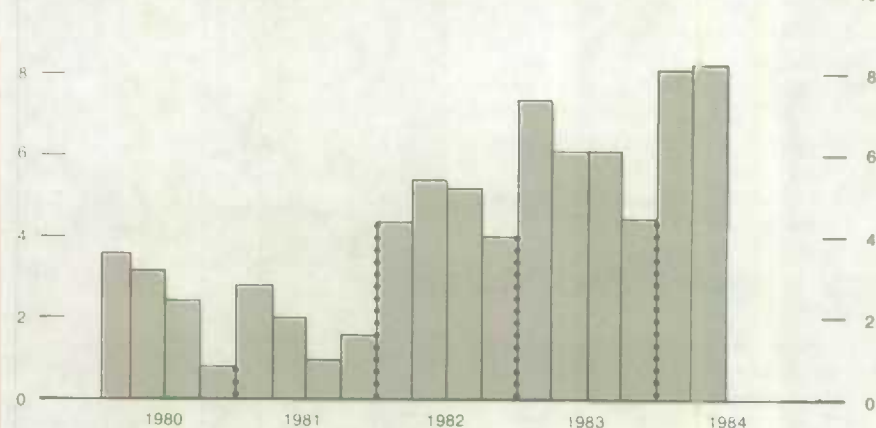
## Federal Government Borrowings

\$ Billions

10 —

\$ Billions

10 —



Source: Statistics Canada, Financial Flow Accounts (13-002)

Canada

### ... Financial Activity

pitals) remained the principal borrowers, raising almost half the funds, reflecting the continuing need to finance the deficits. Households were also important borrowers; consumer credit rose somewhat in line with seasonal factors.

The federal government's financing requirement continued to rise in the second quarter of 1984, reaching \$8.2 billion. Treasury bills were the major instrument used, raising \$5 billion in net new funds, up from \$2.7 billion in the previous quarter and \$4.2 billion in the same period in 1983. These funds were partly used to finance the redemptions of Canada Savings which reached a record \$2.4 billion, despite a 75-basis point increase in the coupon rate for the period June 1 to October 31. The federal government also raised \$1.2 billion in funds denominated in foreign currency to bolster Canada's international reserves. Even so, the reserves fell \$900 million due to strong downward pressure on the currency which reached a record low of 75.77 cents U.S.

In addition to borrowing, households are also the major provider of savings to the economy. Discretionary funds tended to be placed in deposits payable at a fixed date at banks, term deposits at near banks, and short-term paper and Treasury bills (partly from redeeming Canada Savings Bonds). As well, financial institutions have made it easier for individuals to acquire Treasury bills.

The drop in net new funds raised by non-financial private corporations from \$5 billion in the first quarter to \$2 billion in the second appeared to be related to the drop in inventory accumulation; this more than fully offset the modest increase in fixed capital formation.

For further information, contact John Joice, Gerard Gravel or Christian Lajule (613-990-9043), Financial Flows Section, International and Financial Economics Division, Statistics Canada, Ottawa K1A 0T6.

### Women in the Work World

In 1981, 4.5 million Canadian women or more than 50% of women aged 15 and older, were working or looking for work. Today, marriage and motherhood no longer preclude activity in the labour force: 56% of mothers with children aged two to five years were working in 1981.

The publication *Women in the Work World* examines such demographic and socio-economic characteristics of the working woman as age, marital status, education and province of residence.

For further information, order *Women in the Work World* (99-940, \$5.50), or contact P. Grainger (613-990-9452), Economic Characteristics Division, Statistics Canada, Ottawa K1A 0T6.

### Industrial Corporations

Second quarter 1984 final survey results show seasonally-adjusted pre-tax profits of Canadian industrial corporations rose 3.1% to \$8.7 billion from the previous quarter. This follows growth rates of 3.9% and 6.0% for first quarter 1984 and fourth quarter 1983 respectively. In spite of the milder performance, however, the current level of pre-tax profits is the highest since second quarter 1981 when an equivalent \$8.7 billion was registered.

On a year-to-year basis, pre-tax profits increased 30.2% to \$8.9 billion from second quarter 1983, compared to 46.1% for the first quarter, year-over-year. Sales of industrial corporations rose 12.3% from the second quarter 1983 to a current level of \$153.4 billion.

Balance sheet data (available for corporations with assets exceeding \$10 million) show that the working capital ratio, an indicator of short-term liquidity, remained basically flat at 1.44 times for the ninth quarter in a row. The actual level of working capital rose to \$36.9 billion in the second quarter.

Long-term corporate liquidity, as measured by long-term debt (excluding affiliated debt) to equity, continued to improve. The ratio, which indicates the extent to which corporations make use of borrowed funds compared to shareholders equity, stood at 52.3% in second quarter 1984. This compared to 53.6% last quarter and a high of 57.9% in fourth quarter 1982.

Annualized return on shareholders equity (using seasonally adjusted profit after taxes but before extraordinary items) declined slightly to 10.4% in second quarter 1984 from 10.5% last quarter and 10.7% in fourth quarter 1983.

Dividends paid by corporations in second quarter 1984 totalled \$1,885 million, compared to \$1,637 million last quarter and \$1,361 million in second quarter 1983.

For further information, order *Industrial Corporations: Financial Statistics* (61-003, \$11.10/\$44.40), or contact Tom Maxwell or Bill Potter (613-990-9843), Business Finance Division, Statistics Canada, Ottawa K1A 0T6.



### Energy Products

Preliminary figures for July 1984 show that Canadian production of crude oil reached 7 884 million litres, a 5.7% increase over July 1983. Canada's oil exports totalled 1 581 million litres, an increase of 9.2% over the same period last year. Imports were down 20.5% in July, amounting to 1 272 million litres. The production of refined petroleum products by Canadian refineries rose 5.2% to 8 072 million litres, while the sales of these products in Canada were up 1.9%.

In July 1984, natural gas production increased 14.3% to 6 320 million cubic metres. Exports during this period were 11.8% higher than in July 1983; sales in Canada increased 11.6%.

Canadian coal mines produced 4 442 kilotonnes of bituminous coal, sub-bituminous coal and lignite in July, an increase of 56.5% from a year earlier. Exports of coal products rose 42.7% to 2 024 kilotonnes.

Electricity generation in Canada rose 7.8% in July 1984.

For further information, contact Richard Godin (613-990-9823), Energy Section, Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0T6.

### New Motor Vehicle Sales

Following three successive months of strong growth, unadjusted retail sales of all new motor vehicles sold in Canada rose at a more moderate pace (+8.7%) in August 1984 over the same month last year, with a total number of 97,471 units sold. By comparison, increases in May were +26.8%, June, +17.9%, and July, +25.8%. Sales of passenger cars and commercial vehicles manufactured in North America increased to 54,115 (+14.2%) and 18,949 (+13.0%) units respectively from a year earlier. Sales of passenger cars manufactured overseas totalled 20,464 units, a 3.4% drop from August 1983. This was due principally to the 18.3% drop in Japanese passenger car sales to 14,385 units. Conversely, sales of passenger cars manufactured in other countries posted a 69.8% rise, with 6,079 models sold. Sales of commercial vehicles made overseas (including Japanese models) decreased 7.9% over August of last year, to 3,943 units.

Adjusted for seasonal fluctuations and the number of trading days, unit sales of passenger cars built in North America decreased 6.4% in August 1984 from the previous month, totalling 58,834 units. Seasonally adjusted sales of passenger cars made overseas (20,132 units) dropped 13.2% from July 1984, while total commercial vehicles (24,327 units) were 5.9% lower.

For further information, order the August 1984 issue of *New Motor Vehicle Sales* (63-007, \$2.75/\$27.50), or contact Jean-Pierre Simard (613-990-9665), Retail Trade Section, Merchandising and Services Division, Statistics Canada, Ottawa K1A 0T6.



## Building Permits

The recovery of the construction sector continued in July 1984 as building intentions increased 6.6% to a preliminary total of \$1,461.9 million. This follows the 13.2% increase in June to a seasonally adjusted level of \$1,371.3 million. The July rise was the result of a substantial strengthening in the residential construction component, large enough to offset the slowdown of the non-residential component.

The value of residential construction authorized rose to a level of \$858.8 million in July, a 16.2% increase over the \$739.0 million reached in June. On a seasonally adjusted basis, 14,330 units were approved in July compared to 12,096 units in June, a rise of 18.5%. With the exception of the Atlantic provinces which remained stable, all provinces experienced growth in the residential sector.

The non-residential sector did not repeat its June performance; in July, the value of non-residential permits issued slipped 4.6% to a level of \$602.9 million, compared to \$632.3 million in June. The decline in the value of non-residential projects is wholly attributable to slowdowns noted in the provinces of Quebec and Saskatchewan.

For additional information, order the July issue of *Building Permits* (64-001, \$3.85/\$38.50), or contact R. Couillard (613-990-9689), Construction Division, Statistics Canada, Ottawa K1A 0T6.

## Raw Materials Price Index

The Raw Materials Price Index (1977=100) declined to a preliminary level of 215.0 in August, down 1.0% from the revised July level of 217.1. Excluding coal, crude oil, and natural gas, the Raw Materials Price Index decreased 2.1% from July to August.

Between August 1983 and August 1984, the Raw Materials Price Index has risen 1.3%. With the exclusion of coal, crude oil, and natural gas, the Raw Materials Price Index has risen 2.6% since August 1983, down from annual increases of 7.3% in July and 6.7% in June.

The most significant change was registered by the vegetable products index, which fell 4.5% in August to a level 4.0% lower than a year earlier. The monthly downturn in the vegetable products index was broadly-based and led by a 14.4% decline in fresh vegetable prices.

Despite a 1.9% decrease over the month, the animal and animal products index stood 7.9% higher than its level of a year ago. The decrease in August resulted primarily from a 4.7% drop in prices for cattle and calves.

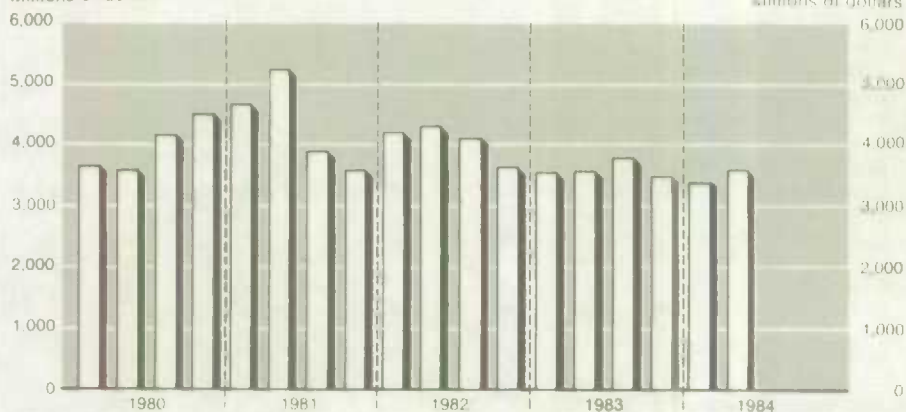
The wood index posted a decrease of 2.1% in August mainly resulting from a decline of 3.0% in log and bolt prices. The index now stands 2.0% above its level of August 1983.

For more information, order the August 1984 issue of *Industry Price Indexes* (62-011, \$3.85/\$38.50), or contact the Information Unit (613-990-9615), Industrial Prices Section, Prices Division, Statistics Canada, Ottawa K1A 0T6.

## Accrued Net Income of Farm Operators from Farm Production

Data Seasonally Adjusted at Annual Rates

Millions of dollars



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

## Wholesale Trade

Wholesale merchants' sales in July 1984 continued to show considerable strength, advancing 12.7% over the same period last year. (Revised sales for June 1984 were up 8.4% from the June 1983 level.)

In July 1984, all major trade groups except farm machinery and equipment (-12.6%) and lumber and building materials (-4.8%) registered sales increases from a year earlier. The most notable gains were reported by wholesalers of "other machinery and equipment" (+24.9%), motor vehicles and accessories (+24.1%), and metals, hardware, plumbing and heating equipment (+22.6%).

Cumulative sales by wholesale merchants for the first seven months of 1984 were up 14.1% over the January-July 1983 period.

For further information, order the July 1984 issue of *Wholesale Trade* (63-008, \$1.60/\$16), or contact the Wholesale Trade Section (613-990-9679), Merchandising and Services Division, Statistics Canada, Ottawa K1A 0T6.

## New Housing Price Index

The New Housing Price Index (1981=100) stood at 95.1 in August 1984, down 0.1% from the level of 95.2 recorded the previous month. This index of Canadian housing contractors' selling prices now stands 0.2% higher than its year-ago level of 94.9. The August level marks the 29th consecutive month for which the index has been below 100. During the month, the estimated House Only Index decreased 0.2% to 97.4, while the estimated Land Only Index increased 0.1% to 91.1.

Between July and August 1984, the largest decrease in the New Housing Price Index was observed for Victoria (-1.6%), followed by Regina (-0.8%) and Vancouver (-0.5%). The largest increase in the price index was recorded for Quebec (1.2%) while smaller advances were registered for Montreal (0.4%), St. John's (0.3%), Winnipeg (0.3%), Ottawa (0.2%) and Hamilton (0.2%).

For further information, order *Construction Price Statistics* (62-007, \$3.30/\$33), or contact Prices Division (613-990-9601), Statistics Canada, Ottawa K1A 0T6.

## Industry Selling Price Index

Preliminary estimates show the Industry Selling Price Index (ISPI) for manufacturing (1971=100) stood at 312.2 in August 1984, down 0.1% from the revised July level of 312.5. With this decrease, the year-over-year advance decelerated to 3.6%, a continuation of the downward trend evident since March 1984. The 0.1% decrease for the month reflected divergent price movements; declines in the components for paper and allied industries (-0.8%), the petroleum and coal products industry (-0.6%) and the primary metals industry (-0.7%) were largely offset by increases in the wood (1.4%) and food and beverage (0.2%) industries.

For further information, order the August 1984 issue of *Industry Price Indexes* (62-011, \$3.85/\$38.50), or contact the Information Unit (613-990-9615), Industrial Prices Section, Prices Division, Statistics Canada, Ottawa.

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Production and Disposition of Tobacco Products, August 1984	32-022	\$1.60/\$16	\$1.90/\$19
Production and Inventories of Process Cheese and Instant Skim Milk Powder, August 1984	32-024	\$1.60/\$16	\$1.90/\$19
Production and Shipments of Floor Tiles, August 1984	47-001	\$1.60/\$16	\$1.90/\$19
<b>MERCHANDISING AND SERVICES</b>			
Department Store Sales and Stocks, July 1984	63-002	\$3.30/\$33	\$3.95/\$39.50
New Motor Vehicle Sales, July 1984	63-007	\$2.75/\$27.50	\$3.30/\$33
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