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Weekly Bulletin

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Industrial Corporations

Third quarter 1984 preliminary survey results show seasonally adjusted pre-tax profits of industrial corporations in Canada rose 3.2% over the second quarter 1984 to a level of \$9.0 billion. This follows similar growth rates of 3.6% and 3.4% for the first two quarters of 1984, and represents the ninth consecutive quarter of growth in seasonally adjusted pre-tax profits. The current profit figure is the second highest level recorded. In all, 25 of the 44 industries reflected quarterly increases in seasonally adjusted profits.

The operating margin, which relates operating income to sales, declined marginally during the quarter to 4.4%. This follows seven consecutive quarterly increases in the ratio from the low of 1.9% in the recessionary third quarter of 1982 to the recent high of 4.7% in second quarter 1984.

The interest coverage ratio, which measures the ability of corporations to meet interest charges out of current profits, declined slightly to 3.16 times from 3.20 times in second quarter and 3.23 times in first quarter 1984. Interest expense, after peaking at \$4.7 billion in second quarter 1982 and then declining steadily for several quarters, has been edging upward throughout 1984 to the current level of \$4.2 billion, reflecting the rise in interest rates earlier this year.

(continued page 2, col. 1)

Consumer Price Index

The Consumer Price Index (CPI) for Canada (1981=100) rose 0.2% to a level of 123.2 in October, thereby further extending the trend of moderate increases which has generally been observed during the course of 1984. This rise largely resulted from a 0.7% increase in the housing index and a 1.5% increase in the tobacco and alcohol index, these increases having been only partially offset by a 1.1% decrease in the transportation index. The food index was unchanged overall in October while the all-items excluding food index rose by 0.2%.

The year-to-year increase in the CPI was 3.4%, down from the 3.8% increase in September and represented the lowest year-over-year rise registered since August and September 1971 when it also stood at 3.4%. This decline in the year-over-year change was largely the result of the food index

(continued page 2, col. 2)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Aug	403.35	403.77	3.2
Labour Income (\$ million)	Aug	19,619.2	19,734.7	5.5
Persons with Jobs (million)	Oct.	11.15	11.16	2.3
Unemployed	Oct.	1,305.000	1,363.000	4.2

INVENTORIES

Department Store (\$ million)	Sept.	3,325.5	3,434.7	0.5
Manufacturers' Owned (\$ million)	Sept.	32,685.4	32,644.6	8.6

ORDERS

Manufacturers' New Orders (\$ million)	Sept.	18,939.9	19,073.2	-12.8
Manufacturers' Unfilled Orders (\$ million)	Sept.	22,077.0	22,265.2	8.7

PRICES

Consumer Price Index (1981=100)	Oct.*	123.2	123.0	3.4
New House Price Index (1981=100)	Sept.	94.8	95.1	-0.1
Raw Materials Price Index (1977=100)	Sept.	212.7	214.1	0.8
Excl. coal, crude oil, nat. gas	Sept.	156.1	158.4	2.0
Industry Selling Price Index (1971=100)	Sept.	312.0	312.5	3.6

CONSTRUCTION

Building Permits (\$ million)	Aug.	1,275.4	10,059.2	4.2
Housing Starts — Urban Centres (units)	Sept.	9,545	84,572	-19.1

ENERGY

Coal Production (thousand tonnes)	Aug.	4,711	36,821	32.4
Electricity Generation (terawatt hours)	Aug.	33.7	279.3	9.2
Natural Gas Production (million cubic metres)	Aug.	6,271	57,470	8.5
Petroleum Refining (million cubic metres)	Aug.	8.0	59.4	7.3

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Sept.	9,430	83,521	27.4
Imports — Balance of Payments Basis (\$ million)	Sept.	7,238	69,243	31.0

PRODUCTION

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

SALES

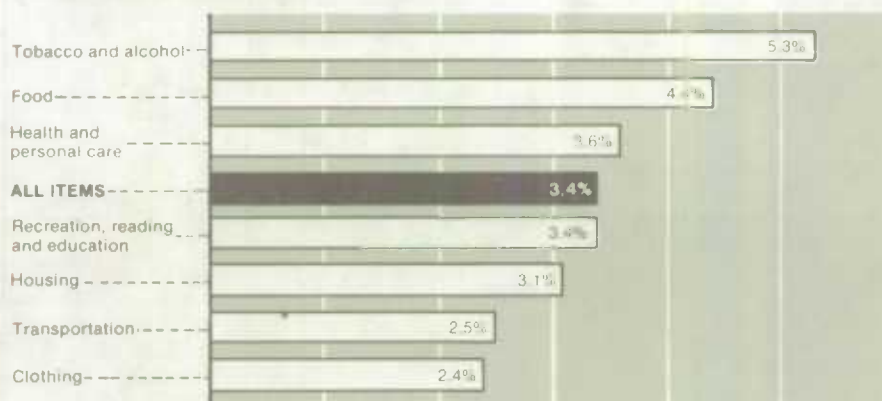
Department Store Sales (\$ million)	Sept.	947.9	7,454.4	4.4
Manufacturers' Shipments (\$ million)	Sept.	19,128.1	167,986.3	14.7
New Motor Vehicle Sales (\$ million)	Sept.	1,013.2	11,808.1	32.2
Retail Sales (\$ million)	Sept.	9,281.7	82,738.0	8.8

Statistics are in current dollars and are not seasonally adjusted.

* - new this week.

Percentage Change in the Consumer Price Index and its Major Components

October 1983 to October 1984



Source: Statistics Canada, The Consumer Price Index (62-001)

Canada

... Industrial Corporations

On a year-over-year basis, unadjusted for seasonal variations, pre-tax profits rose 18.6% from third quarter 1983 to the third quarter 1984 figure of \$8.7 billion. This yearly increase is significantly below the 63.9%, 46.1% and 30.2% jumps of the prior three consecutive quarters which were affected by the low base of 1983. Year-over-year sales rose 10.0% to \$152.4 billion in third quarter 1984.

Order *Industrial Corporations: Financial Statistics* (61-003, \$11.10/\$44.40) or contact Yvette Mondesir or Bill Potter (613-990-9843), Business Finance Division.

Wholesale Trade

For the second consecutive month, wholesale merchants' sales rose at a moderate pace, advancing 6.6% in September 1984 from the same month a year earlier. Sales for August 1984 were up 7.5% from the August 1983 level.

In September 1984, all major trade groups except farm machinery and equipment (-17.5%) and lumber and building material (-5.3%) registered sales increases from a year earlier. The most notable gains were reported by the following major trade groups: motor vehicles and accessories (+16.9%), tobacco, drugs and toilet preparation (+16.5%), and other machinery, equipment and supplies (+10.8%). All regions except the prairie provinces (-3.4%) posted sales increases from September 1983.

Cumulative sales by wholesale merchants for the first nine months of 1984 were up 12.4% over the January-September 1983 period. Exceptional gains were reported by wholesalers of motor vehicles and accessories (+26.1%), and metals, hardware, plumbing and heating equipment (+20.1%).

Wholesale inventories in September 1984 increased 7.5% from the corresponding period in 1983. Revised inventories for August 1984 were up 8.0% from the August 1983 level.

The ratio of inventories to sales at the end of September 1984 was 1.61:1, up slightly from 1.59:1 a year earlier.

Order the *September 1984 issue of Wholesale Trade* (63-008, \$1.60/\$16), or contact the Wholesale Trade Section (613-990-9679).

Security Transactions

Foreign investment in outstanding Canadian securities rose \$348 million in September 1984, up from a \$266 million increase recorded in August. Net sales of Canadian bonds to non-residents amounted to \$289 million in September, an amount similar to the previous month. The bulk of the secondary market activity in bonds continued to be in Government of Canada issues, coming principally from European and Japanese investors. Japanese investors were net buyers of long-term high coupon Government of Canada issues, while reducing their holdings of lower coupon bonds. Investment from Europe, however, included sizeable net purchases of various coupons and maturities.

... Consumer Price Index

having remained unchanged overall this October whereas it had risen by 1.1% in October 1983.

The food index registered no overall change between September and October, as a 0.2% decrease in the index for food purchased from stores was offset by a 0.4% increase in the index for food purchased from restaurants. In the food purchased from stores index, decreases in fruit prices, notably for apples, combined with lower prices for poultry, primarily turkeys, completely offset increases in the prices of beef, milk and vegetables.

The 0.2% increase in the all-items excluding food index was largely attributable to higher property taxes and increased prices for tobacco and alcohol products. Property taxes, adjusted once a year, advanced on average 5.6% in 1984. (The education component of property taxes for urban centres in the province of Quebec can only be determined later in the year and as a result will only be reflected in early 1985.)

Order the *October 1984 issue of The Consumer Price Index* (62-001, \$2.75/\$27.50), or contact Sandra Shadlock or Suzanne Gratton (613-990-9606), Prices Division.

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Manufacturing Industries

Preliminary estimates show the seasonally adjusted value of shipments in all Canadian manufacturing industries in September 1984 decreased 4.8% to \$18,802.9 million from the revised August estimate of \$19,741.5 million. Shipments of durable goods were down 9.3% to \$8,369.8 million from \$9,225.7 million. In non-durable goods industries, shipments were down 0.8% to \$10,433.1 million from \$10,515.8 million.

The value of new orders received in September 1984, seasonally adjusted, decreased 7.1% to \$18,556.8 million from the revised estimate of \$19,972.6 million. In durable goods industries, new orders with an estimated value of \$8,162.1 million were 13.6% lower than the August value of \$9,449.8 million. In non-durable goods industries, new orders received were valued at \$10,394.7 million, down 1.2% from the revised estimate of \$10,522.8 million for August.

The seasonally adjusted unfilled orders backlog at the end of September was \$22,135.1 million, down 1.1% from the revised August estimate of \$22,381.2 million. Unfilled orders decreased 1.0% in durable goods industries to \$19,904.7 million from \$20,112.4 million at the end of August; in non-durable goods industries, the estimate was down 1.7% to \$2,230.4 million from \$2,268.8 million.

Seasonally adjusted inventories owned by manufacturers at the end of September were \$33,030.3 million, up 0.8% from the previous month's revised value of \$32,774.9 million. Total inventory held increased 0.9% to \$34,145.1 million from \$33,839.2 million in August, with increases of 1.4% in goods in process, 1.0% in finished products and 0.5% in raw materials.

The seasonally adjusted ratio of total inventory owned to shipments at the end of September was 1.76:1, up from 1.66:1 in August. The ratio of finished products inventory to shipments went from 0.60:1 in August to 0.63:1 in September.

Order the *September 1984 issue of Inventories, Shipments and Orders in Manufacturing Industries* (31-001, \$3.85/\$38.50), or contact J. Lepage (613-990-9832).

Farm Cash Receipts

Farm cash receipts for the period January-September 1984 are presently estimated at \$14,625.8 million, up 7.3% from the revised 1983 January-September total of \$13,634.7 million.

Receipts from the sale of field crops during the nine-month period are estimated at \$7,076.8 million, 8.7% higher than last year's estimate of \$6,509.0 million. Preliminary cash receipts from the sale of livestock and livestock products reached \$7,143.3 million, a 4.9% increase from the revised 1983 level of \$6,808.0 million. Other receipts were up 27.7% to \$405.7 million from the previous year's revised total of \$317.7 million.

Order the *January-September 1984 issue of Farm Cash Receipts* (21-001, \$1.60/\$16), or contact John Lanthier (613-990-8706), Agriculture Statistics Division.

Trading with non-residents in outstanding Canadian equities gave rise to a net capital inflow of \$59 million.

Residents of Canada reduced their holdings of outstanding foreign securities in September, producing a net capital inflow of \$27 million. This reflected a reduction in foreign bonds of \$37 million, partially offset by a small increase in holdings of foreign equities. The gross value of resident trading activity on foreign markets returned to normal levels in September, following the record level registered in August.

Order the *September 1984 issue of Security Transactions with Non-residents* (67-002, \$2.75/\$27.50), or contact John Motala (613-990-9051), International and Financial Economics Division.

Refined Petroleum Products and Natural Gas

Preliminary figures show sales of refined petroleum products in Canada in September 1984 decreased 8.2% from a year earlier, while sales of natural gas rose 5.8%. Cumulative figures for the first nine months of 1984 indicate sales of petroleum products rose 0.7% from the 1983 level, while sales of natural gas were up 10.1%.

Refined Petroleum Products

During September 1984, sales of petroleum products by Canadian refiners and major distributors amounted to 6 109 600 cubic metres. Production of petroleum products by Canadian refiners totalled 6 100 000 cubic metres, a 25.0% decline from September 1983.

For the first nine months of 1984, sales of refined petroleum products amounted to 58 202 905 cubic metres. Year-to-date production of petroleum products by Canadian refiners amounted to 65 509 330 cubic metres, up 3.3% from the same period in 1983.

Natural Gas

Sales of natural gas by main distributors amounted to 2 634 139 000 cubic metres during September 1984. Sales of natural gas during the first nine months of 1983 amounted to 33 852 658 000 cubic metres.

Order the September 1984 issue of *Refined Petroleum Products* (45-004, \$3.85/\$38.50), and *Gas Utilities* (55-002, \$2.75/\$27.50), or contact Richard Godin (613-990-9823), Energy Section, Manufacturing and Primary Industries Division.

Building Construction Activity

The leading indicator of construction activity in Canada (1971=100) continued to progress in July, rising 1.6% from June to a level of 93.7. The upward movement of the total index is attributable to a sustained pace of construction intentions in the non-residential sector coupled with a marginal increase in the residential side.

The leading indicator of residential construction showed a slight rise in July (0.8%) from the preceding month, to 93.7. The growth rate of the residential index decelerated for a second month due to a sharp slackening of the building intentions recorded in August and September in the multi-family sector. The sharp decrease of residential intentions in August did not slow down the July trend-cycle of Building Permits in Quebec and Ontario.

The leading indicator of non-residential construction continued to progress in July, increasing 2.8% from June to 93.1. Compared to June 1983 when this sector was just recovering, a growth of 23.8% has been observed. Gains were recorded in the industrial (8.6%) and commercial (2.3%) sectors while the governmental component slipped slightly (-1.3%).

Order the August 1984 issue of *Building Permits* (64-001, \$3.85/\$38.50), or contact Lizette Gervais-Simard (613-990-9689), Construction Division.

Market Research Handbook

The 1984 edition of the *Market Research Handbook* is now available. This year's 880 page edition, complete with 272 tables and 49 charts, features a larger selection of cross-classified demographic data from the 1981 Census.

Key data series include the consumption of Canadian goods and services, prices, employment, incomes and the merchandising and service trades. For local market analysis, many of these series as well as population and household data are available for 59 major urban markets, representing more than 60 per cent of Canada's population. Projections of population, family and household growth, as well as international comparisons are also included.

The publication is invaluable in assessing such dynamics of the market place as population growth, demographic trends, income distribution and changes in consumption patterns.

Order *Market Research Handbook, 1984* (63-224, Canada: \$33.35; other countries: \$40).



Department Store Sales

Unadjusted Sales

Canadian department stores reported total sales of \$947.9 million in current dollars (not adjusted for inflation) in September 1984, up 2.8% from the September 1983 level. Sales were higher in 23 of the 40 departments with the largest increases registered by furs (+30.1%); toys and games (+21.2%); and girls' and teenage girls' wear (+19.6%). The most notable decreases were recorded in gasoline, oil, auto accessories, repairs and supplies (-14.7%), plumbing, heating and building materials (-11.9%) and piece goods (-10.2%).

At the provincial level, declines were reported in British Columbia (-4.4%), Alberta (-2.2%) and Prince Edward Island (-0.8%); the remaining provinces reported increased department store sales.

Department store sales constituted 10.2% of total retail trade in Canada in September 1984, a slight decrease from the 10.3% share held in September 1983.

Seasonally Adjusted Sales

Adjusted for seasonal variations and the number of trading days, total department store sales in September 1984 increased by 3.9% to \$961.7 million from the revised August 1984 level of \$925.6 million. Among the 30 departments recording higher sales, the largest gains were reported in furs (+26.0%); women's and misses' coats and suits (+18.8%) and toys and games (+15.4%). The most notable decreases were registered in hardware, paints, wallpaper, etc. (-8.2%), women's and misses' dresses, housedresses, aprons and uniforms (-7.1%) and gasoline, oil, auto accessories, repairs and supplies (-6.9%).

Order the September 1984 issue of *Department Store Sales and Stocks* (63-002, \$3.30/\$33), or contact Jean-Pierre Simard (613-990-9665), Retail Trade Section, Merchandising and Services Division.

Persons Not in the Labour Force

Each March since 1979, Statistics Canada has undertaken a survey of people not in the labour force in order to identify persons who declare that they want to work although they are not actively seeking it. This survey, which is conducted as a supplement to the Labour Force Survey, complements a related data series which is produced on a monthly basis.

While the results of the March supplementary surveys have made a major contribution to the understanding of Canadian labour markets and their dynamics, they suffer from the limitation of representing only one point in time. In an attempt to remedy this situation, this supplementary survey, usually conducted only in March, was repeated in September 1981 and again in September 1984.

An article entitled "Persons not in the Labour Force — Job Search Activities and the Desire for Employment — September 1984", appearing in the October 1984 issue of *The Labour Force*, provides an overview of the September 1984 results, relating them to the estimates derived from the March 1984 supplementary survey. The March-September differences of this year are also selectively compared to the corresponding pairs of observations obtained in 1981.

While it would be unwise to draw firm conclusions from just two observations, certain patterns appear to have emerged. The number of persons not in the labour force who want work but are not actively seeking it varies according to both the business cycle and the seasonal level of economic activity.

For additional information about this report, or about the Survey of Job Opportunities in general, contact Ian Macredie (613-990-9456), Economic Characteristics Division.



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Publications can also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Sturgeon Falls, Toronto, Winnipeg, Regina, Edmonton and Vancouver, or from bookstore agents or other booksellers.

Current Demographic Analysis

Users ordering the publication entitled *Report on the Demographic Situation in Canada, 1983* should note the following: the catalogue number to be quoted in all requests for this report is 91-209E rather than 91-201E as previously reported.