

# I·N·F·O·M·A·T

## A W E E K L Y R E V I E W

Friday, April 10, 1987

### OVERVIEW

#### ■ Automotive Sector Exports Support Recovery in February

A substantial gain in the value of exports for the first time since September 1986 and weakening imports combined to produce the largest merchandise trade surplus in five months (\$1.2 billion).

#### ■ Homicide Rate Reaches Lowest Level Since 1971

The 1986 homicide rate of 2.19 per 100,000 population was substantially lower than the average rate for the previous ten years.

#### ■ VCRs and Microwaves More Popular in High Income Groups

In 1986, the fastest growing consumer items – VCRs and microwaves – showed large differences in ownership rates among household income groups.

#### ■ Building Permits Jump to New High

Rising 18.1% in January, the value of building permits amounted to more than two billion dollars for the eighth consecutive month.

#### ■ Productivity Gains in Non-manufacturing Industries

The business sector as a whole registered a 2.3% increase in productivity in 1986, while productivity in manufacturing industries dropped 0.5%.

#### ■ Labour Income Follows Upward Trend

Despite some fluctuations, the year-over-year increase in total labour income has risen to 5.5% in January from 4.9% in August.

#### ■ Also in this issue articles on Pension Plans, Help-wanted and New Housing Price Indexes.

#### Automotive Sector Exports Support Recovery in February

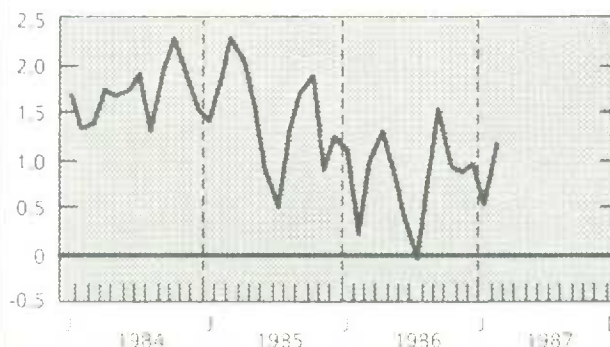
In February, the merchandise trade surplus stood at \$1.2 billion, its highest level in five months. Increasing exports and decreasing imports doubled the value of the surplus recorded in January and reversed the downward trend evident in recent months. Exports registered a substantial gain for the first time since September 1986, while imports continued to weaken.

The total value of exports was \$10.4 billion, up 5.9% from the previous month. This gain offset the decrease of \$541 million recorded in January and pushed the value of exports back up to the levels that prevailed in the last four months of 1986. The automotive sector, which accounted for 28% of total exports in 1986, continued to be the main source of change in the value of exports. Coinciding with a decline in retail automobile sales in the United States, exports of automotive products fell to \$2.6 billion in January. In February, however, exports of passenger

(continued on page 2)

#### Merchandise Trade Balance

(billions of dollars, seasonally adjusted)



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## ... Merchandise Trade

autos and chassis rose by \$297 million, trucks and other motor vehicles gained \$192 million, and motor vehicle parts increased \$94 million. The total value of automotive products exported was \$3.2 billion, the highest level on record. Exports of lumber and woodpulp rose for the third consecutive month, gaining \$70 million in February.

The recovery in automotive product exports primarily affected trade with the United States. The value of exports to the U.S. increased by \$611 million in February to total \$8.1 billion. With this increase, the proportion of total exports going to the United States rose to 77% from 76%.

The value of imports dropped by 0.4% in February, a smaller decrease than that noted in January (-2.1%). Three decreases in the last four months have reduced the value of imports to \$9.2 billion. The February decline was mainly attributable to a decrease of \$247 million in crude petroleum products, which had risen by more than \$200 million in January. The decrease of \$207 million in imports of inedible fabricated materials was attributable, in large

## Merchandise Trade

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
Imports	0.4	-1.9	1.3	-5.2	5.9
Exports	7.2	-1.5	0.4	-2.1	-0.4
	change, previous month				
Balance (millions \$)	-599	-55	92	-342	621

part, to a drop of \$79 million in precious metals. Food imports also contributed to the decline in total imports, falling by \$41 million. The largest increases were in imports of passenger autos, which rose to \$1.1 billion and imports of motor vehicle parts, which rose to \$1.4 billion. Truck imports, which increased slightly in February, remained at the relatively high level of \$345 million.

For further information, contact International Trade Division at (613) 990-9787 or order the Preliminary Statement of Canadian International Trade (catalogue number 65-001P) for summary data.

## Homicide Rate Reaches Lowest Level Since 1971

A total of 561 homicide offences (victims) were reported in Canada in 1986, down 20% from 1985. The number of victims in 1986 was the lowest recorded since 1973 and was 15% below the average annual number (663) over the previous ten years. Despite yearly fluctuations, the number of homicides was relatively stable from 1976 to 1985.

When expressed as a rate per 100,000 population, the 1986 homicide rate of 2.19 was substantially lower than the average rate of 2.75 for the previous ten years. In fact, the 1986 rate was the lowest since 1971.

Following the pattern exhibited over the last ten years, the Yukon and Northwest Territories had the highest homicide rates per 100,000 population, while Prince Edward Island and Newfoundland showed the lowest rates.

A companion publication, *Homicide in Canada 1976-1985: An Historical Perspective*, released the same day as the 1986 data, includes the following highlights:

- The likelihood of losing one's life by other unnatural causes such as motor vehicle accident, other accident or suicide is considerably greater than by homicide.
- From 1976 to 1985, the most common methods of committing homicide were shooting (34%), stabbing (25%) and beating (20%). After the introduction of gun control legislation in 1978, the proportion of homicides by shooting decreased and the proportion by stabbing increased.
- Almost 77% of all homicide offences between 1976 and 1985 involved victims and suspects that knew each other.
- Females accounted for 35% of all victims and 13% of all suspects over the ten-year period under study.

For further information, contact the Canadian Centre for Justice Statistics or order *Homicide in Canada 1976-1985: An Historical Perspective* (catalogue number 85-209).

## VCRs and Microwaves More Popular in High Income Groups

In 1986, the fastest growing consumer items – microwave ovens and video cassette recorders (VCRs) – showed large differences in ownership rates among household income groups.

Microwave ovens were found in 12.0% of households with income under \$10,000 compared to 53.8% of households with income of \$55,000 and over. For VCRs, the rates were 10.7% for households with incomes under \$10,000 and 58.0% for those with incomes of \$55,000 or more.

*Household Facilities by Income and Other Characteristics, 1986* is the latest report providing data on ownership and dwelling characteristics and household goods by household income class.

Highlights from the report include:

- In 1986, dwelling ownership rates ranged from 34.1% in the less than \$10,000 income class to 86.9% in the \$55,000 and over income class. The ownership rate for all income groups was 62.6%, little changed from a decade earlier.
- For widely held household items such as bath and toilet facilities, telephones, radios and refrigerators, there was very little difference by income class in the proportion of households having them. For example, in the under \$10,000 income class, 93.0% of households had telephones compared to 99.8% in the \$55,000 and over income class. Comparable data for television sets were 96.7% and 99.2%.

- For household items less widely held, there was generally a strong relationship to income. Automatic dishwashers, found in 13.2% of households with income under \$10,000 were much more predominant (68.2%) in households with incomes of \$55,000 and over. For the same income groups, freezer ownership ranged from 32.1% to 72.9% and gas barbecue ownership from 8.6% to 56.1%.
- The presence of household safety items – smoke detectors and fire extinguishers – was also related to income. In the under \$10,000 group, 61.3% had smoke detectors and 18.7% had portable fire extinguishers while in the \$55,000 and over category, the rates were 85.4% and 51.8% respectively.
- Rent consumed at least 30% of household income for 27.8% of renting households compared to 27.1% in the previous year. The corresponding figure 10 years ago was 23.0%.

This report presents variations in household items and dwelling characteristics by income, region, urbanization, age of household head and household type.

For further information, contact Household Surveys Division at (613) 991-2211 or order *Household Facilities by Income and Other Characteristics, 1986* (catalogue number 13-218).

## Trusteed Pension Funds

The book value of assets held in trustee pension funds at the end of the third quarter of 1986 amounted to \$121.5 billion, up 2.9% from the previous quarter and 14.3% from the amount held one year earlier. Year-over-year increases in the third quarter have ranged between 14% and 21% since 1975, resulting in overall growth of just over 500%. Converted to 1971 constant dollars (i.e. eliminating the effects of price changes), assets grew 170% between 1975 and 1986.

Investment patterns of these funds have remained relatively unchanged over the past few years. Bonds and stocks continue to be the two most prominent investment vehicles, accounting for 47.4% and 27% of total assets. Since 1980, the percentage of total funds invested in bonds has dropped slightly, while the percentage invested in stocks has risen from 19%. Cash, deposits, short-term securities plus some accruals and receivables represented 11.5% of

total assets in the third quarter of 1986, while mortgage holdings accounted for another 5.5%. Mortgage holdings have dropped from a peak of 13.4% in 1978.

Total income of these funds amounted to \$4.9 billion, while total expenditures were nearly \$1.6 billion. Net cash flow, the difference between income and expenditure, was up 8.4% over the same quarter of 1985. Net cash flow fluctuates significantly from one year to the next in the third quarter.

The most notable change in income in the last two years has been in the profit on the sale of securities. In the third quarter, these profits constituted 19.5% of total income, compared to a high of 7.9% prior to 1985.

For further information, contact Labour Division at (613) 991-4034 or order *Quarterly Estimates of Trusteed Pension Funds* (catalogue number 74-001).

## Building Permits Jump to New High

In January, the seasonally adjusted value of building permits issued by Canadian municipalities was more than \$2 billion for the eighth consecutive month. These estimates are based on permits issued by 24 metropolitan areas which account for 70% of total permits. Increases in both the residential and non-residential sectors contributed to the month-over-month advance of 18.1% in January.

Although relatively high levels were recorded throughout the latter part of 1986, the value of residential permits decreased slightly from August to December. In January though, the seasonally adjusted value of residential permits rose 16.4%, to total \$1.4 billion. A monthly increase of 8.1% in the single family dwelling sector and 43.3% in the multi-family dwelling sector contributed to this advance. The strength in the multi-family sector was attributable to activity in Ontario and Quebec. The number of units approved was up from December, reaching an annual rate of 256,700.

### Building Permits

	Sept.	Oct.	Nov.	Dec.	Jan.
	% change, previous month				
Residential	-6.6	2.5	-3.3	-1.4	16.4
Non-residential	6.1	-5.5	8.2	-8.5	20.6
Total	-1.7	-0.9	1.3	-4.4	18.1

*For further information, contact Science, Technology and Capital Stock Division at (613) 991-2583 or order Building Permits (catalogue number 64-001).*

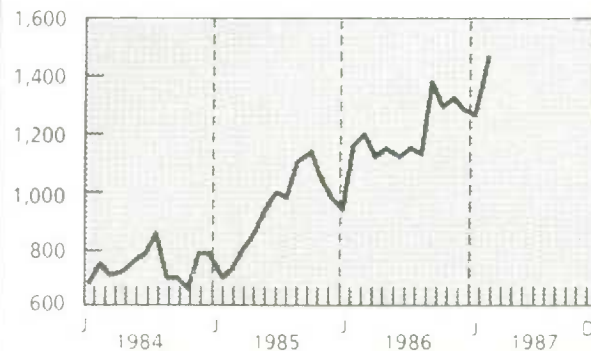
## Productivity Gains in Non-manufacturing Industries

The year 1986 was the fourth year of recovery after a very marked drop of output and labour input in 1982. The growth of productivity in this business cycle is very similar to the growth of productivity in the previous cycle (i.e. for the period 1974 to 1979). However, it is low when compared to all other postwar business cycles.

Preliminary estimates of output per person-hour for the business sector industries showed an increase of 2.3% in 1986. The business sector includes all transactors who operate for gain, including corporations, unincorporated business enterprises, independent professional practitioners and government business enterprises. Over the three preceding years, the increase in output per person-hour dropped from 5.9% in 1983, to 0.6% in 1985. Productivity in the

### Residential Construction

(millions of dollars, seasonally adjusted)



The value of non-residential building permits has generally been following an uptrend since January 1986. The value of projects in this sector tends to be higher than in the residential sector, so large month-to-month swings in total value are common. However, the advance of 20.6% in January was the largest monthly increase since April 1985. All three components registered substantial gains in January. The industrial component jumped 40.2% over December, while the commercial component rose 18.0% and the public component gained 10.7%. The rise in the value of non-residential permits was observed in all parts of the country except the Prairies where the level remained stable.

manufacturing industries, which account for 24% of total output in the business sector, declined by 0.5% in 1986. The annual rate of increase in output per person-hour in these industries also slowed between 1983 and 1985.

Unit labour cost increased 1.5% in business sector industries and 3.8% in manufacturing industries in 1986. Better performance by the non-manufacturing industries in controlling unit labour cost stemmed essentially from higher productivity since the increase in compensation per person-hour was larger in these industries than in manufacturing.

*For further information, contact Input-Output Division at (613) 991-3647 or order Aggregate Productivity Measures (catalogue number 15-204).*

## Labour Income Follows Upward Trend

The preliminary estimate of total labour income in January 1987 was up 5.5% from the same month a year earlier. Despite some fluctuations, year-over-year increases in total labour income have been rising since August 1986 when the growth rate was 4.9%. Labour income from the service-producing industries continues to expand at a steady pace, while the growth rate in the goods-producing industries has improved in the last two months.

Overall, the growth rate of wages and salaries in the service-producing industries, which account for approximately 60% of total labour income, was relatively stable throughout 1986. The year-over-year increase in January was 6.1%. The industries within this group experienced only marginal changes in growth rates in January.

The year-over-year growth rate of wages and salaries in the goods-producing industries rose for the second consecutive month in January, increasing to 3.8%. From January to November 1986, these industries registered progressively smaller increases in wages and salaries, dropping from 8.4% to 1.7%. In

### Labour Income

(% change, previous year)



January, increases in wages and salaries were noted in all industries except mines, quarries and oil wells which declined for the ninth consecutive month.

For further information, contact Labour Division at (613) 991-4051 or order *Estimates of Labour Income* (catalogue number 72-005).

## New Housing Price Index

In February, the new housing price index was up 1.7% over January, continuing the rising trend evident since mid-1985. The main source of upward pressure has been the house only portion of the index. In the current month, it rose an estimated 2.2%, while the land only index advanced 0.5%.

There has been a distinct regional element to the changes in contractors' selling prices. Large monthly and yearly gains have generally prevailed in

### Housing Price Indexes

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
New Housing	0.9	1.4	0.5	0.9	1.7
land only	0.0	0.9	0.0	0.3	0.5
house only	1.3	1.7	0.7	1.1	2.2

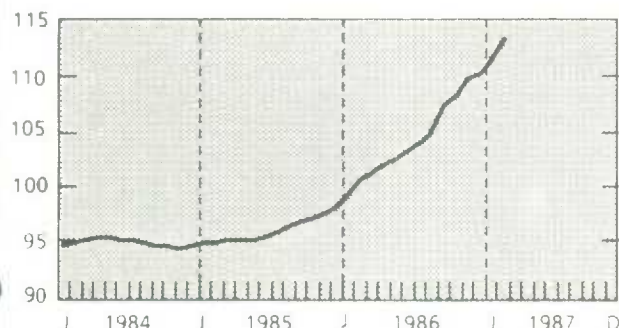
southwestern Ontario cities where lower interest rates and the strong performance of the local economy has stimulated the demand for residential housing. Major cities in Quebec have also registered substantial increases, but outside of Central Canada advances have been more modest.

However, the largest monthly increase in new housing prices in February was recorded for Saint John-Moncton. The rise of 4.4% was the first advance in this region since August 1986. Most builders surveyed attributed the increase to higher costs of construction materials and serviced lots.

For further information, contact Prices Division at (613) 990-9601 or order *Construction Price Statistics* (catalogue number 62-007).

### New Housing Price Index

1981 = 100



## Help-wanted Index

- In March, the seasonally adjusted Help-wanted Index for Canada (1981 = 100) advanced to 109, the highest level for this index since September 1974.
- Over the last 12 months, the indexes have generally increased in Central Canada and remained relatively stable in the West.
- The index for Quebec continued to advance, rising substantially for the third consecutive month in March.
- The demand for labour in Ontario, as measured by this index was down slightly for the second month, following four consecutive advances.
- The index for the Prairie provinces stood at 47, unchanged from February.

## Help-wanted Index (1981 = 100)

	Nov	Dec	Jan	Feb	Mar
	seasonally adjusted				
<b>Canada</b>	<b>103</b>	<b>93</b>	<b>104</b>	<b>108</b>	<b>109</b>
Atlantic Region	119	108	138	142	129
Quebec	121	97	105	118	128
Ontario	128	130	145	144	140
Prairie Region	46	44	48	47	47
British Columbia	40	37	39	40	39

- The index for British Columbia continued to hover around 40, as it has for the past 16 months.

*For further information, contact Labour Division at (613) 991-4045 or order the Help-wanted Index (71-204) for detailed data.*

## PUBLICATIONS RELEASED FROM APRIL 3 - 9

### AGRICULTURE AND NATURAL RESOURCES

**Cereals and Oilseeds Review**, January 1987. Catalogue number 22-007 (Canada: \$10/\$100; Other Countries: \$11/\$110).

**Production and Stocks of Eggs and Poultry**, January 1987. Catalogue number 23-003 (Canada: \$10/\$100; Other Countries: \$11/\$110).

### CANSIM

**Canadian Statistical Review**, March 1987. Catalogue number 11-003E (Canada: \$20/\$200; Other Countries: \$21.50/\$215).

### CENSUS

**Census Products and Services - Preliminary Edition**, 1986. Catalogue number 99-102E (Canada: \$10; Other Countries: \$11).

### CENTRE FOR JUSTICE STATISTICS

**Homicide in Canada**, An Historical Perspective, 1976-1985. Catalogue number 85-209 (Canada: \$40; Other Countries: \$41.50).

### EDUCATION, CULTURE AND TOURISM

**Culture Statistics - Book Publishing Industry**, 1984. Catalogue number 87-525 (Canada: \$10; Other Countries: \$11).

**Education Statistics Bulletin**, Vol. 9, No. 2, Trends in University Graduations, 1970-1985. Catalogue number 81-002 (Canada: \$4/\$40; Other Countries: \$5/\$50).

### HOUSEHOLD SURVEYS

**Household Facilities by Income and Other Characteristics**, 1986. Catalogue number 13-218 (Canada: \$30; Other Countries: \$31.50).

### INDUSTRY

**Asphalt Roofing**, February 1987. Catalogue number 45-001 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Corrugated Boxes and Wrappers**, February 1987. Catalogue number 36-004 (Canada: \$4/\$40; Other Countries: \$5/\$50).

## PUBLICATIONS RELEASED FROM APRIL 3 - 9

### INDUSTRY - ~~Concluded~~

**Fruit and Vegetable Preservation**, Vol. 14, No. 23, Pack of Apples and Apple Products, 1985. Catalogue number 32-023 (Canada: \$6/\$100; Other Countries: \$7/\$110).

**Fruit and Vegetable Preservation**, Vol. 15, No. 7, Pack of Canned Tomatoes and Tomato Products, 1986. Catalogue number 32-023 (Canada: \$6/\$100; Other Countries: \$7/\$110).

**Fruit and Vegetable Preservation**, Vol. 15, No. 8, Pack of Processed Beans, Green and Wax, 1986. Catalogue number 32-023 (Canada: \$6/\$100; Other Countries: \$7/\$110).

**Fruit and Vegetable Preservation**, Vol. 15, No. 17, Pack of Processed Broccoli, 1986. Catalogue number 32-023 (Canada: \$6/\$100; Other Countries: \$7/\$110).

**Mineral Wool Including Fibrous Glass Insulation**, February 1987. Catalogue number 44-004 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Oils and Fats**, December 1986. Catalogue number 32-006 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Primary Textile Industries - Wool Yarn and Woven Cloth Industry**, 1985 Census of Manufactures. Catalogue number 34-250B 1821 (Canada: \$4; Other Countries: \$5).

**Production, Sales and Stocks of Major Appliances**, February 1987. Catalogue number 43-010 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Production and Shipments of Steel Pipe and Tubing**, January 1987. Catalogue number 41-011 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**Special Trade Contractors**, 1984. Catalogue number 64-210 (Canada: \$20; Other Countries: \$21).

**Steel Wire and Specified Wire Products**, December 1986. Catalogue number 41-006 (Canada: \$4/\$40; Other Countries: \$5/\$50).

**The Sugar Situation**, February 1987. Catalogue number 32-013 (Canada: \$4/\$40; Other Countries: \$5/\$50).

### INTERNATIONAL TRADE

**Exports by Commodity**, January 1987. Catalogue number 65-004 (Canada: \$50/\$500; Other Countries: \$60/\$600).

**Preliminary Statement of Canadian International Trade**, February 1987. Catalogue number 65-001P (Canada: \$5/\$50; Other Countries: \$6/\$60).

### LABOUR

**Work Injuries**, 1983-1985. Catalogue number 72-208 (Canada: \$17; Other Countries: \$18).

### LIBRARY SERVICES

**Listing of Supplementary Documents**, 1986. Catalogue number 11-207 (Canada: \$25; Other Countries: \$26).

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

**Capacity Utilization Rates in Canadian Manufacturing**, Fourth Quarter 1986. Catalogue number 31-003 (Canada: \$20/\$80; Other Countries: \$21/\$84).

**Science Statistics**, Vol. 11, No. 3, The Investment Tax Credit for Research and Development, 1977 - 1984. Catalogue number 88-001 (Canada: \$6/\$60; Other Countries: \$7/\$70).

### SERVICES

**Communications Service Bulletin - Telecommunication Statistics**, Vol. 17, No. 1, Fourth Quarter of 1986. Catalogue number 56-001 (Canada: \$6.50/\$39; Other Countries: \$7.50/\$45).

**Telephone Statistics**, January 1987. Catalogue number 56-002 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85).

### TRANSPORTATION

**Railway Carloadings**, 7-day Period Ending March 14, 1987. Catalogue number 52-005 (Canada: \$75; Other Countries: \$100).

**Railway Operating Statistics**, November 1986. Catalogue number 52-003 (Canada: \$9.50/\$95; Other Countries: \$10.50/\$105).



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**LATEST MONTHLY STATISTICS**

			Previous Month	% Change From Year Ago
<b>EMPLOYMENT, INCOME</b>				
Average Weekly Earnings (\$)	Jan.	436.23	435.35	1.7
Labour Income (\$ million)	Jan.*	22,423	22,571	5.5
Persons with Jobs (million)	Mar.*	11.51	11.43	1.8
Unemployed (million)	Mar.*	1.4	1.3	1.2
<b>INVENTORIES</b>				
Department Store (\$ million)	Jan.	3,641	4,282	1.8
Manufacturers' Owned (\$ million)	Jan.	33,831	33,470	-1.7
<b>ORDERS</b>				
Manufacturers' New Orders (\$ million)	Jan.	19,728	19,804	-4.2
Manufacturers' Unfilled Orders (\$ million)	Jan.	23,710	23,555	-2.0
<b>PRICES</b>				
Consumer Price Index (1981 = 100)	Feb.	135.8	134.9	4.0
New House Price Index (1981 = 100)	Feb.*	113.2	111.3	12.5
Raw Materials Price Index (1981 = 100)	Feb.	99.4	97.7	-7.9
Excl. mineral fuels	Feb.	104.1	105.0	1.5
Industrial Product Price Index (1981 = 100)	Feb.	119.8	119.9	-0.8
<b>CONSTRUCTION</b>				
			Year-to-date	
Building Permits (\$ million)	Jan.*	1,263	1,263	26.4
Housing Starts - Urban Centres (units)	Feb.*	9,850	24,151	38.2
<b>ENERGY</b>				
Coal Production (thousand tonnes)	Dec.	4,994	56,508	-6.9
Electricity Generation (gigawatt hours)	Jan.*	46,977	46,977	3.4
Natural Gas Production (million cubic metres)	Dec.	10,651	104,979	-3.3
<b>FOREIGN TRADE</b>				
Exports - Balance of Payments Basis (\$ million)	Feb.*	9,907	19,180	-2.5
Imports - Balance of Payments Basis (\$ million)	Feb.*	9,041	17,699	-4.4
<b>SALES</b>				
Department Store Sales (\$ million)	Jan.	768	768	0.8
Manufacturers' Shipments (\$ million)	Jan.	19,573	19,573	-2.6
New Motor Vehicle Sales (\$ million)	Feb.*	1,553	2,836	-1.6
Refined Petroleum Products (thousand cubic metres)	Jan.	6,254	6,254	-5.7
Retail Sales (\$ million)	Jan.	10,366	10,366	6.9

Statistics are in current dollars and are not seasonally adjusted.  
\* new this week.

**Infomat****A Weekly Review**

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