

I·N·F·O·M·A·T

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

Friday, June 19, 1987

OVERVIEW

■ Current Account Continues to Record Sizeable Deficits

Despite a substantial decline in the current account deficit in the first quarter of 1987, at \$2.2 billion, it was still high by historical standards.

■ Value of Building Permits Edging Down

In April, the residential sector and to a lesser extent the non-residential sector were both responsible for the 15.4% drop in the total value of building permits.

■ New Housing Prices Still Advancing

In April, the new housing price index registered a monthly increase greater than 1% for the third consecutive month. Cities in southwestern Ontario continue to record the largest advances.

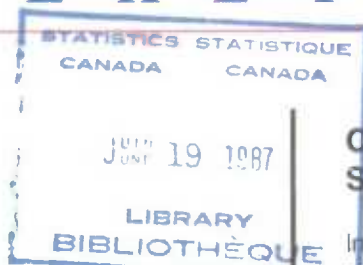
■ More Teachers Recruited

The 1985-86 school year was the first time in five years that there has been an increase in teacher recruitment by the provinces.

■ Help-wanted Index Maintains Upward Momentum

Once again, central Canada was the main source of support for the upward movement of this index in May.

- This issue **also** includes articles on the the **Farm Product Price Index**, **Distribution of Wealth** and the **Small Business Profiles**.



Current Account Continues to Record Sizeable Deficits

In the first quarter of 1987, the deficit in the current account, seasonally adjusted, declined substantially from the record level of the previous quarter. The merchandise and non-merchandise accounts both contributed to this decrease. However, the deficit, at \$2.2 billion, remained high by historical standards.

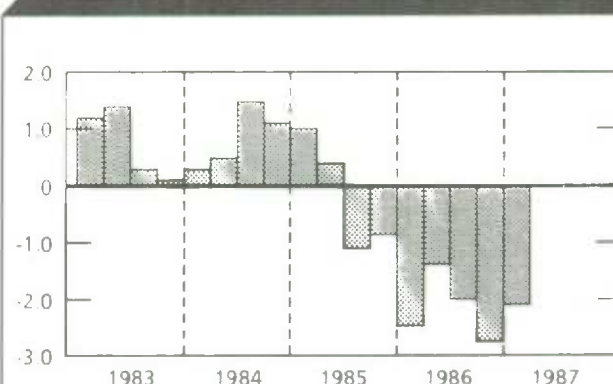
The merchandise trade surplus increased by \$336 million, to \$2.8 billion, the highest surplus since mid-1986. Merchandise imports registered a small decline of 1%, whereas exports rose slightly. Lower imports were recorded for aircraft, precious metals and automotive products. Increases in exports of forest products, trucks and motor vehicle parts were almost offset by declining exports of automobiles, precious metals and industrial machinery.

In the capital account, which is not seasonally adjusted, the largest net movement arose from the near-doubling of international reserve assets to a record U.S. \$7.8 billion at the end of the quarter. Resulting from the purchase of foreign exchange, this movement was in contrast to the previous quarter when the increase was financed out of foreign currency borrowings.

(continued on page 2)

Current Account Balance

(billions of dollars, seasonally adjusted)



Statistics
Canada

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Canada

Canada

... Current Account Continues to Record Sizeable Deficit

A sharp appreciation in the Canadian dollar was partially attributable to record foreign net investments in Canadian portfolio stocks and direct investment. Net foreign portfolio investment in Canadian stocks amounted to \$2.5 billion, larger than the \$1.9 billion recorded for all of 1986. Foreign direct investment totalled \$2.4 billion, with the major portion being invested in the petroleum industry.

Foreign net investment in Canadian bonds (\$2.2 billion) was down significantly from the fourth quarter of 1986. Most of this investment was in outstanding

Government of Canada bonds and the secondary market as Canadian borrowers drastically reduced their new issues of bonds.

Canadian residents continued to increase their direct investment abroad. The manufacturing and financial industries accounted for most of the net investment in the current quarter. However, Canadian residents reduced both their holdings of foreign stocks (after six consecutive quarters of net acquisitions) and their deposits abroad (notably in the United States).

For further information, contact International and Financial Economics Division at (613) 990-9050 or order Quarterly Estimates of the Canadian Balance of International Payments (catalogue number 67-001P).

Value of Building Permits Edging Down

In April, the seasonally adjusted value of building permits issued by Canadian municipalities was \$2.3 billion, down 15.4% from March. Decreases in the value of building permits over the last three months followed an advance in January of 28.7%. In the current month, the residential sector and to a lesser extent the non-residential sector were both responsible for this decrease.

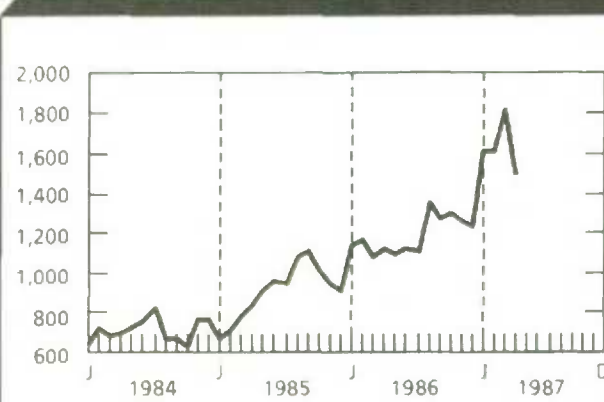
The value of residential permits fell 18.1% in April, to \$1.5 billion. The single-family dwelling sector, which accounted for 68% of total residential permits, dropped 18.1% from the previous month. The multi-family dwelling sector was also down (-18.3%), following a large advance in March. The number of dwelling units authorized in April presented as an annual rate was 246,400. The annual rates for single-detached dwellings and multiple dwellings were 124,800 and 121,600. In March, the number of units approved had been over 300,000 for only the second time since the inception of this data series.

Building Permits

	Dec.	Jan.	Feb.	Mar.	Apr.
	% change, previous month				
Residential	-1.4	38.6	-4.9	12.8	-18.1
Non-residential	-7.2	14.8	3.6	-11.0	-9.9
Total	-3.9	28.7	-1.2	3.5	-15.4

Residential Construction Permits

(millions of dollars, seasonally adjusted)

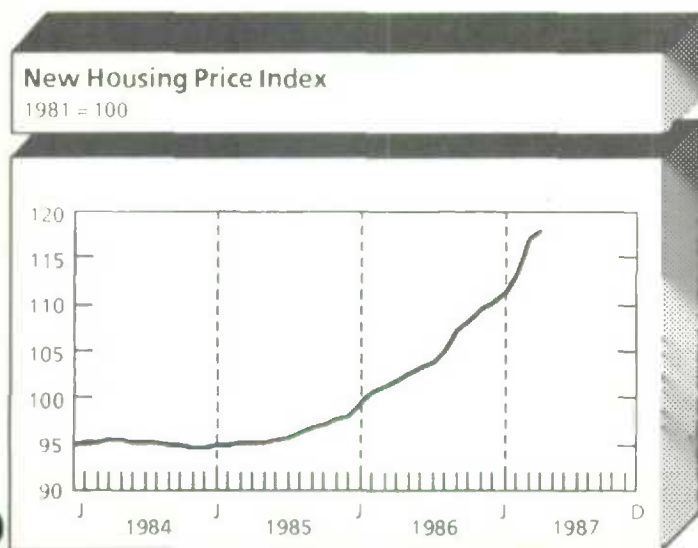


The largest component of non-residential construction, the commercial component, declined (-15.6%) for the third consecutive month and was the main source of the 9.9% decrease in total non-residential construction authorized. The industrial component remained stable as it has for some months and the governmental component was down slightly.

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

New Housing Prices Still Advancing

In April, the new housing price index was up 1.2% over March, continuing the rising trend which became evident in mid-1985. Both the house only and the land only portions of the index registered month-over-month increases. However, the main source of upward pressure came from the house only portion of the index which registered a 1.4% increase from the level posted in March. The land only component increased 0.8% in the same period.



For further information, contact Prices Division at (613) 990-9607 or order *Construction Price Statistics* (catalogue number 62-007).

Housing Price Indexes

	Dec.	Jan.	Feb.	Mar.	Apr.
	% change, previous month				
New Housing	0.5	0.9	1.7	3.0	1.2
land only	0.0	0.3	0.5	3.3	0.8
house only	0.7	1.1	2.2	3.1	1.4

Changes in contractors' selling prices have shown a distinct regional element. Large monthly and yearly gains have generally prevailed in southwestern Ontario cities where lower interest rates and the strong performance of the local economy has stimulated the demand for residential housing. Montreal has also registered substantial increases, but outside of Central Canada advances have been more modest.

The largest monthly increase in new housing prices in April was recorded for Kitchener-Waterloo where prices rose by 2.7%. Both Toronto and London registered monthly increases of 2.0%.

Toronto also recorded a year-over-year increase of 33.6%, making it the largest 12-month change recorded for any city since June 1974. Southwestern Ontario cities and Montreal recorded yearly gains in excess of 10% for the third consecutive month.

More Teachers Recruited

Educators in public elementary and secondary schools are more experienced, older and better educated than the teaching staff of 10 years ago. For example, in 1985-86, 81% of the teachers had degrees. In 1975-76, this figure was 61%.

Declining enrolment of students has been a major factor underlying these changes. The drop in enrolment (10% over the 10-year period) has been matched by the number of teachers recruited. Between 1975-79 and 1985-86, the number of teachers recruited by the provinces dropped by 16%. However, 1985-86 marks the first time in five years that recruitment increased (11%). With fewer young teachers entering the profession, the average age and experience has advanced. The reduced demand for teachers has also enabled the provinces to be more

selective when hiring, allowing them to favour applicants with university degrees.

The demographics within the teaching profession are also of interest. Approximately 48% of elementary and secondary teachers were 40 years of age or older in 1985-86. Among teachers between the ages of 35 and 54, there were generally more men in each age category. Women predominated in all other age groups, but the proportion was much larger for the under 35 age group.

For further information, contact Education, Culture and Tourism Division at (613) 991-1500 or order *Characteristics of Teachers in Public Elementary and Secondary Schools* (catalogue number 81-202).

Help-wanted Index Maintains Upward Momentum

- In May, the seasonally adjusted Help-wanted Index Canada (1981=100) advanced to 111, continuing the general upward trend evident since December 1986.
- The index for Ontario stood at 151, up 10 points from last month.
- The index for Quebec held steady at 119, following advances in three of the four preceding months.
- The index for the Atlantic provinces was 140.
- Following an increase in April, the index for British Columbia advanced another 3 points in May and reached its highest level since March 1982.
- The index for the Prairie provinces hovered around 47 for the first four months of 1987, before climbing to 51 in May. This was the first time the index has been over 50 in five years.
- Results from the Labour Force Survey have also shown positive changes in labour market conditions in Western Canada.

Help-wanted Index (1981 = 100)

	Jan.	Feb.	Mar.	Apr.	May
	seasonally adjusted				
Canada	104	108	109	106	111
Atlantic Region	138	142	129	130	140
Quebec	105	118	128	119	119
Ontario	145	144	140	141	151
Prairie Region	48	47	47	46	51
British Columbia	39	40	39	44	47

- Employment in British Columbia has risen for four consecutive months, with a total gain of 47,000 jobs. In Alberta, rising employment for three months and a relatively stable labour force have resulted in the lowest unemployment rate since March 1986.

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

Farm Product Prices Rise in April

In April, the Farm Product Price Index (1981=100) experienced its first increase in five months, up 1.4% from the level posted in March. Both the livestock and crops components increased at the Canada level.

The total livestock and animal products index increased 1.6% from the level posted in March. Hog, cattle and poultry prices rose, while those for eggs decreased. Prices for milk showed little change.

- Hog prices rose 5.0%. The hog index remained 26.0% below the record high set in August 1986.
- The cattle index experienced its third consecutive increase, rising 1.9%, due to generally higher prices in most provinces for slaughter and feeder cattle and calves. This is the highest recorded level for this index since its inception 16 years earlier.
- The egg index dropped 1.5% due to a decline in the price for eggs as set by the Canadian Egg Marketing Agency.

The crops index increased 0.9% in April. This index has been relatively steady since August of last year. Cereal, oilseed and potato prices increased during the month.

- Slightly higher wheat prices, caused by a larger proportion of high quality wheat delivered to the Canadian Wheat Board, led to a 0.9% increase in the cereals index. Since August 1986, when the Canadian Wheat Board substantially reduced the prices paid for wheat, barley and oats, this index has remained at a low level similar to the one in July 1978.
- The oilseeds index experienced its first increase in five months, rising 2.4% in April. During the past 12 months, the index has fallen 21.9% and was about the same level as the low experienced in April 1976. Canola, flaxseed and soybean prices all increased.
- The potato index rose 4.3% due to higher prices in several provinces for table, seed and processing potatoes.

For further information, contact Agriculture Division at (613) 991-2437 or order the Farm Product Price Index (catalogue number 62-003).

Composition and Distribution of Wealth Slowly Changing

Data on the wealth distribution in Canada originate from household sample surveys conducted occasionally by Statistics Canada. More specifically, comparable wealth data exist back to 1970, based on three surveys taken in 1970, 1977, and 1984. These data were assembled for a paper, *Changes in the Distribution of Wealth in Canada, 1970-1984*, in order to draw conclusions about the degree of inequality present in the distribution of wealth in this country and how this distribution has changed.

Wealth was found to be more unequally distributed than income, with substantial variations in the degree of inequality in the wealth distribution of distinct groups of families and unattached individuals. Wealth was more unequally distributed among the young than among the old, and among unattached individuals than among families. These typical patterns remained quite stable throughout the 1970s and early 1980s.

Wealth composition changed somewhat over the same period of time, with non-liquid financial assets becoming more important and home ownership

showing some signs of leveling off or even declining. Still, equity in owner-occupied homes remains the most important component of wealth for Canadian families.

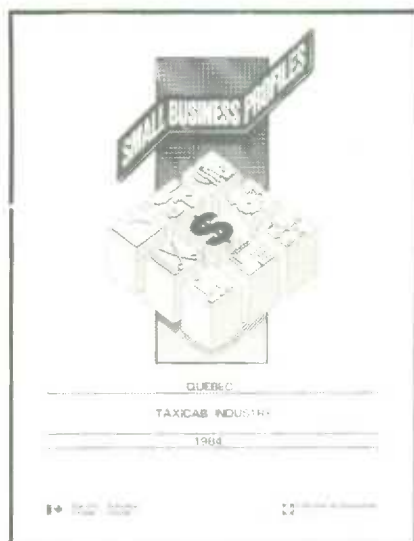
Wealth inequality, measured over all families and unattached individuals, showed a significant drop between 1970 and 1977, and very little change between 1977 and 1984.

Over the 1970-1984 period, growth in average wealth was more prominent than changes in the wealth distribution. Even though the second half of the period must be labelled "hard times" (because of a period of high employment in conjunction with little growth in average real income), Canadians continued to save at an impressive rate. This resulted in a near-doubling of average wealth, in real terms, over the 14-year period.

For further information, contact Labour and Household Surveys Division at (613) 991-6901 or order *Changes in the Distribution of Wealth in Canada, 1970-1984* (catalogue number 13-588).

NEW FROM STATISTICS CANADA

Small Business Profiles



The *Small Business Profiles* are a series of publications covering 16 kinds of small business in Canada. Each three-page module contains four tables – selected expense ratios, financial ratios, a balance sheet profile, and a statement of changes of financial positions – for one industry in one province or territory.

This new data base on small business in Canada is unique in North America. Developed by Statistics Canada, in cooperation with the Department of Regional Industrial Expansion and the provincial and territorial Ministries Responsible for Small Business, the data base is derived from administrative records submitted to other government departments and its development imposed no additional paper burden on small business.

Single copies of the profiles are now available free of charge, in a three-page modular format. Contact Shawn Brennan at (613) 990-9047 or John Skelton at (613) 991-3751 for a list of distribution points. Compendia volumes, that is, profiles for all 16 industries in a given province, or all 13 geographical areas for a given industry will be available for \$31 from Statistics Canada.

PUBLICATIONS RELEASED FROM JUNE 12 - 18

AGRICULTURE

Apparent Per Capita Food Consumption in Canada - Part I, 1986. Catalogue number 32-229 (Canada: \$25; Other Countries: \$26).

EDUCATION, CULTURE AND TOURISM

Characteristics of Teachers in Public Elementary and Secondary Schools, 1985-86. Catalogue number 81-202 (Canada: \$20; Other Countries: \$21).

HEALTH

Quarterly Hospital Information System - Hospital Indicators, April 1986-December 1986. Catalogue number 83-002 (Canada: \$15/\$60; Other Countries: \$16/\$64).

HOUSEHOLD SURVEYS

Changes in the Distribution of Wealth in Canada, 1970-1984. Catalogue number 13-588 (Canada: \$12; Other Countries: \$13).

Income After Tax, Distributions by Size in Canada, 1985. Catalogue number 13-210 (Canada: \$20; Other Countries: \$21).

INDUSTRY

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

Canada's Mineral Production: Preliminary Estimates, 1986. Catalogue number 26-202 (Canada: \$20; Other Countries: \$21).

Canned and Frozen Fruits and Vegetables, December 1986. Catalogue number 32-011 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Coal and Coke Statistics, January 1987. Catalogue number 45-002 (Canada: \$8/\$80; Other Countries: \$9/\$90).

Department Store Sales and Stocks, February 1987. Catalogue number 63-002 (Canada: \$13/\$130; Other Countries: \$14/\$140).

Electrical and Electronic Products Industries - Electric Lamp and Shade Industry (Except Bulb and Tube), 1985 Census of Manufactures. Catalogue number 43-250B 3332 (Canada: \$4; Other Countries: \$5).

Electrical and Electronic Products Industries - Record Player, Radio and Television Receiver Industry, 1985 Census of Manufactures. Catalogue number 43-250B 3341 (Canada: \$4; Other Countries: \$5).

Electricity Bills, For Domestic, Commercial and Small Power Service, 1987. Catalogue number 57-203 (Canada: \$20; Other Countries: \$21).

Fabricated Metal Products Industries - Metal Closure and Container Industry, 1985 Census of Manufactures. Catalogue number 41-251B 3042 (Canada: \$4; Other Countries: \$5).

Gypsum Products, April 1987. Catalogue number 44-003 (Canada: \$4/\$40; Other Countries: \$5/\$50).

INDUSTRY - Continued

Other Manufacturing Industries - Jewellery and Silverware Industry, 1985 Census of Manufactures. Catalogue number 47-250B 3921 (Canada: \$4; Other Countries: \$5).

Printing, Publishing and Allied Industries - Newspaper, Magazine and Periodical (Combined Publishing and Printing) Industry, 1985 Census of Manufactures. Catalogue number 36-251B 2841 (Canada: \$4; Other Countries: \$5).

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

Refined Petroleum Products, February 1987. Catalogue number 45-004 (Canada: \$15/\$150; Other Countries: \$16/\$160).

Rigid Insulating Board, April 1987. Catalogue number 36-002 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Transportation Equipment Industries - Aircraft and Aircraft Parts Industry, 1985 Census of Manufactures. Catalogue number 42-251B 3211 (Canada: \$4; Other Countries: \$5).

INTERNATIONAL AND FINANCIAL ECONOMICS

Quarterly Estimates of the Canadian Balance of International Payments, First Quarter 1987. Catalogue number 67-001P (Canada: \$8/\$32; Other Countries: \$9/\$36).

LABOUR

Estimates of Labour Income, October-December 1986. Catalogue number 72-005 (Canada: \$15/\$60; Other Countries: \$16/\$64).

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Building Permits, February 1987. Catalogue number 64-001 (Canada: \$20/\$200; Other Countries: \$21/\$210).

SERVICES

Restaurant, Caterer and Tavern Statistics, March 1987. Catalogue number 63-011 (Canada: \$5/\$50; Other Countries: \$6/\$60).

TRANSPORTATION

Air Carrier Traffic at Canadian Airports, First Quarter 1986. Catalogue number 51-005 (Canada: \$38/\$152; Other Countries: \$39/\$156).

Aviation Statistics Centre (Vol. 19, No. 6), March 1986-87. Catalogue number 51-004 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

Passenger Bus and Urban Transit Statistics, March 1987. Catalogue number 53-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).

Railway Carloadings, 7-day Period Ending May 21, 1987. Catalogue number 52-005 (Canada: \$75; Other Countries: \$100).

Regional Reference Centres

Statistics Canada's regional reference centres provide a full range of the bureau's products and services. Each reference centre is equipped with a library and a sales counter where users can consult or purchase our publications, microcomputer diskettes, microfiche, maps and more.

Each centre has facilities to retrieve information from Statistics Canada's computerized data retrieval systems CANSIM and Telichart. A telephone inquiry service is also available with toll free numbers for regional clients outside local calling areas. Many other valuable services – from seminars to consultations – are offered. Call or write your regional reference centre for information.

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LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	Mar.	437.56	438.02	2.1
Labour Income (\$ million)	Feb.	22,466	22,466	5.9
Persons with Jobs (million)	May	12.02	11.64	2.8
Unemployed (million)	May	1.2	1.3	-4.1
INVENTORIES				
Department Store (\$ million)	Mar.	4,649	3,907	11.2
Manufacturers' Owned (\$ million)	Mar.	33,996	34,077	-1.7
ORDERS				
Manufacturers' New Orders (\$ million)	Mar.	22,022	20,504	3.7
Manufacturers' Unfilled Orders (\$ million)	Mar.	23,995	23,886	-3.3
PRICES				
Consumer Price Index (1981 = 100)	Apr.	137.0	136.4	4.5
New House Price Index (1981 = 100)	Apr.	118.0	116.6	15.8
Raw Materials Price Index (1981 = 100)	Apr.	99.0	98.4	8.9
Excl. mineral fuels	Apr.	105.6	104.0	3.2
Industrial Product Price Index (1981 = 100)	Apr.	120.8	120.4	1.3
CONSTRUCTION				
			Year-to-date	
Building Permits (\$ million)	Apr.*	1,485	8,532	32.1
Housing Starts - Urban Centres (units)	Apr.*	19,425	57,365	37.0
ENERGY				
Coal Production (thousand tonnes)	Mar.	4,955	14,410	-4.3
Electricity Generation (gigawatt hours)	Mar.*	44,123	134,545	5.7
Natural Gas Production (million cubic metres)	Feb.*	9,304	20,057	-3.5
FOREIGN TRADE				
Exports - Balance of Payments Basis (\$ million)	Apr.	10,248	40,294	1.0
Imports - Balance of Payments Basis (\$ million)	Apr.	9,340	36,788	-1.0
SALES				
Department Store Sales (\$ million)	Mar.	898	2,384	-.05
Manufacturers' Shipments (\$ million)	Mar.	21,913	61,632	0.6
New Motor Vehicle Sales (\$ million)	Apr.	2,561	7,606	1.1
Refined Petroleum Products (thousand cubic metres)	Mar.	6,524	19,041	0.0
Retail Sales (\$ million)	Mar.	11,454	31,745	7.2

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

INFOMAT**A WEEKLY REVIEW**

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