

I·N·F·O·M·A·T

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

Friday, September 25, 1987

STATISTICS CANADA
STATISTIQUE CANADA

SEP 25 1987

OVERVIEW

■ Decline in Non-residential Sector Pushes Down Value of Building Permits

Although the level of construction activity remained high by historical standards, the value of building permits dropped for the fourth consecutive month in July.

■ Financial Position of Property and Casualty Insurers Improves

The after-tax profits of property and casualty insurers continued to improve in the second quarter, with rising earned premiums and an underwriting gain.

■ Retail Sales Edge Down

In contrast with the generally strong sales observed in the first six months of 1987, retail sales were down 0.9% in July.

■ Department Store Sales Continue to Fluctuate

In July, department store sales declined 2.2% from the previous month. Significant monthly fluctuations since January have resulted in little overall growth in cumulative sales.

■ CPI Registers Marginal Increase

In August, both the monthly and annual measures of the rate of price change supplied evidence of an overall decelerating trend in the Consumer Price Index.

■ Wholesale Trade Rises 12.7%

The year-over-year advance in July (12.7%) was slightly lower than the 13.2% increase in year-to-date sales of wholesale merchants.

Decline in Non-residential Sector Pushes Down Value of Building Permits

In July, the seasonally adjusted value of building permits issued by Canadian municipalities was \$2.4 billion, down 4.1% from June. This was the fourth consecutive drop in the value of building permits and it was entirely due to reduced intentions in the non-residential sector.

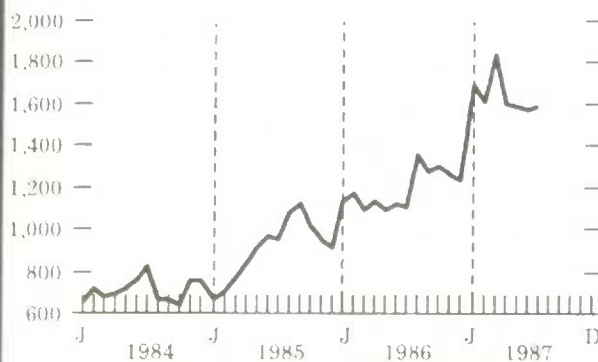
The estimated value of residential building permits rose slightly in July. Despite three consecutive declines from April to June, the value of residential construction authorized has moved in a narrow range in the last four months (between \$1,573 and \$1,599 million). The level of residential construction based on the number of units remains high by historical standards and is close to the peak recorded in the late 1970s.

In July, residential permits issued totalled \$1,586 million. The single-family dwelling sector rose 2.4%

(continued on page 2)

Residential Construction

(millions of dollars, seasonally adjusted)



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Canada

... Decline in Non-residential Sector

over June, while the multi-family dropped 2.2%. Only Ontario and the Prairie provinces reported increases in the number of dwelling units approved during the month.

The value of non-residential permits dropped 12.4% from June, continuing the decline which began in May. The commercial component increased by 7.4%, following a decline in June. Strong decreases were registered in the industrial and governmental sectors. Permits issued for industrial projects fell to \$133 million, a drop of 43.5%. The governmental component fell 21.1% to \$176 million. Ontario was the only province reporting an increase in the value of non-residential permits in July.

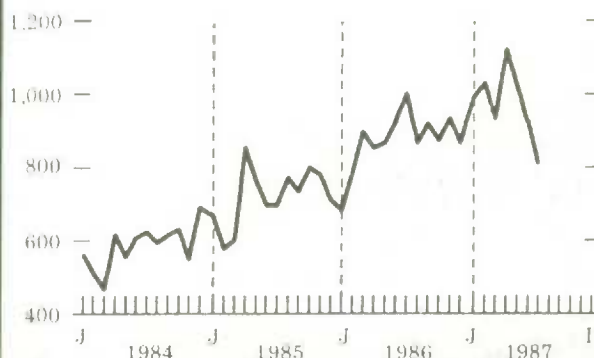
Building Permits

	Mar.	Apr.	May	June	July
	% change, previous month				
Residential	13.9	-12.7	-1.2	-0.4	0.8
Non-residential	-9.5	20.1	-8.5	-9.5	-12.4
Total	4.8	-1.6	-6.0	-10.3	-4.1

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

Non-residential Construction

(millions of dollars, seasonally adjusted)



Financial Position of Property and Casualty Insurers Improves

The after-tax profits of property and casualty insurers continued to improve in the second quarter of 1987. Rising earned premiums and an underwriting gain were main features in the second quarter.

Property and casualty insurance firms reported an underwriting gain of \$28 million for the second quarter of 1987, a significant improvement on the \$74 million loss reported for the same quarter of 1986. This improvement resulted from an increase in earned premiums of 15% (to \$2.8 billion), while claims only rose 10% (to \$1.9 billion). Net investment income totalled \$412 million for the second quarter of 1987, up \$36 million from the same period of 1986.

For the first six months of 1987, property and casualty insurers reported after-tax income of \$765 million, a sharp increase from the \$502 million reported for the same period of 1986.

Canadian sales of investment funds continued to soar in the second quarter of 1987. Following sales of \$5.0 billion in the first quarter, sales in the second quarter totalled \$4.3 billion. In the second quarter of 1986, sales amounted to \$2.9 billion. Net sales, after redemptions, totalled \$2.3 billion in the quarter, up from \$1.7 billion in the second quarter of 1986 and \$1.6 billion in the first quarter of 1987.

Total assets of investment funds at market value were \$30.8 billion in the second quarter of 1987, compared with \$20.8 billion in the second quarter of 1986 and \$28.1 billion in the first quarter of 1987.

For further information, contact Industrial Organization and Finance Division at (613) 991-2512 or order Financial Institutions (catalogue number 61-006).

Retail Sales Edge Down

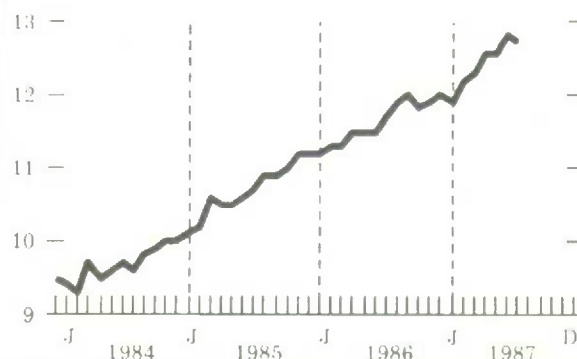
- Adjusted for seasonal fluctuations and the number of trading days, preliminary estimates indicate that retail sales totalled \$12.8 billion in July, down 0.9% from the previous month.
- This decline contrasts with the generally strong sales observed during the first six months of the year, especially in the second quarter.
- The overall decline in July was primarily attributable to decreases reported by the three largest sales groups: motor vehicle dealers (-2.8%), combination stores (-3.4%) and department stores (-2.2%).
- The decrease registered by motor vehicle dealers followed an increase of 6.1% in June, while combination store sales declined following five consecutive monthly increases.

Retail Trade

	Mar.	Apr.	May	June	July
	% change, previous month				
Grocery & meat stores	0.8	0.6	1.4	2.0	-3.4
Department stores	-0.3	1.1	-2.6	2.9	-2.2
Motor vehicle dealers	1.6	3.4	-2.8	6.1	-2.8
All stores	0.7	1.9	-0.2	2.6	-0.9
All stores excl. motor	0.5	1.5	0.5	1.6	-0.4

Retail Trade

(billions of dollars, seasonally adjusted)



- Excluding new and used motor vehicle dealers, retail trade slipped 0.4% in July, following an increase of 1.6% in June.
- Actual sales for the first seven months of the year totalled \$84.8 billion, an increase of 9.1% over the corresponding period of 1986.

For further information contact Industry Division at (613) 991-3549 or order Retail Trade (catalogue number 63-005).

Department Store Sales Continue to Fluctuate

Adjusted for seasonal fluctuations and the number of trading days, department store sales totalled \$1,063 million in July, a decrease of 2.2% from the previous month. Department store sales have fluctuated significantly during the first seven months of 1987 and overall growth has been weak.

Cumulative sales for the year (unadjusted) totalled \$6.4 billion, up by only 1.2% over the same period of 1986. Sales by major department stores were down slightly on the year, while junior department stores, commonly described as discount operations, reported an increase of 4.5% in their year-to-date sales.

Seasonally adjusted department store stocks stood at \$4.5 billion in July, up 0.9% from June. This moderate increase followed a 0.2% decrease in June and a 2.4% increase in May. The ratio of inventories to sales was 4.21:1, up from the average ratio of 4.12:1 observed in the six previous months.

Department Store Sales

(millions of dollars, seasonally adjusted)



For further information, contact Industry Division at (613) 991-3549 or order Department Store Sales and Stocks (catalogue number 63-002).

CPI Registers Marginal Increase

The all-items consumer price index (1981=100) advanced by 0.1% between July and August, attaining a level of 139.3. This was the smallest monthly increase since December 1986. Measures of the annual rate of price change also support an overall decelerating trend. The year-over-year change between August 1986 and 1987 was 4.5%, down somewhat from the rate of 4.7% posted for the 12-month period ending in July. Even more notable was the slowing of the compound annual rate of change to 4.7% for the May to August period from 6.6% in the April to July period. This rate is based on seasonally adjusted levels over the latest three-month period.

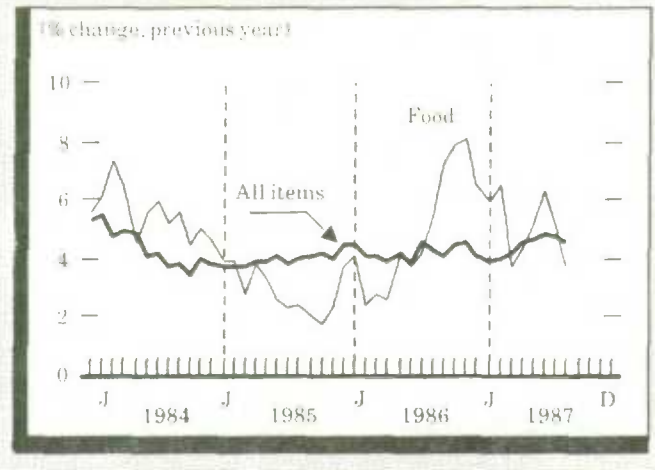
Five of the seven major component indexes advanced in August, with the largest impact coming from the clothing index. A decrease in the food index moderated the affect of rising clothing prices on the overall index.

The clothing index posted a gain of 1.5% with the arrival of new fall lines and the discontinuation of July promotions. Increases included women's dresses, slacks, skirts, blouses and footwear, and men's suits, shirts, socks and briefs.

Consumer Price Index

	Apr.	May	June	July	Aug.
	% change, previous month				
All-items	0.4	0.6	0.3	0.7	0.1
Food	0.0	0.9	1.1	0.2	-1.0
All-items, excl. food	0.5	0.5	0.1	0.9	0.3

Consumer Price Index



The food index continued to moderate in August, dropping 1.0%. This index had posted an increase of 0.2% in July, following much larger advances in the preceding two months. Fresh vegetable prices recorded a drop of 27.8% and fresh fruit a smaller decline of 3.5%. August is normally the peak domestic supply period for fresh vegetables, but the very large price decrease was the result of a particularly good harvest. Together the decline in prices for vegetables and fruit more than offset increases in prices of fresh meats, fish, dairy products, pasta and non-alcoholic beverages.

For further information, contact Prices Division at (613) 990-9606 or order *The Consumer Price Index* (catalogue number 62-001).

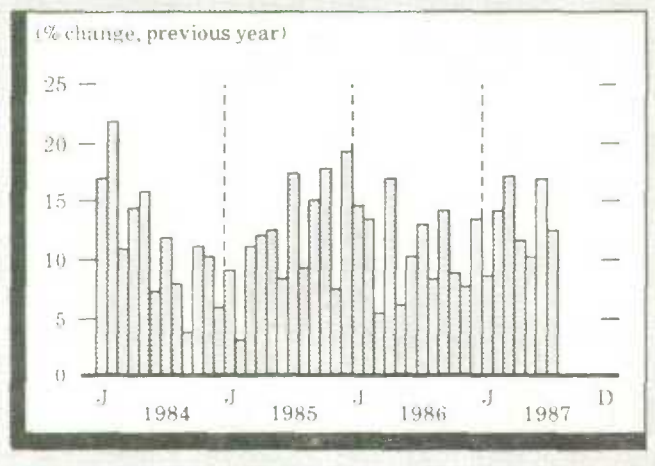
Wholesale Trade Rises 12.7%

In July, wholesale merchants' sales were up 12.7% over the same month a year earlier. The advance in the current month was slightly lower than the change in year-to-date sales. Cumulative sales for the first seven months of 1987 were 13.2% higher than in 1986.

The trade groups having the most significant impact on the overall advance in sales included wholesalers of electrical and non-electrical machinery, equipment and supplies who recorded a sales increase of 27.6% from July 1986. Food wholesalers (13.6%) and lumber and building materials merchants (8.9%) also registered significant year-over-year advances. However, the advance reported for lumber and building materials was the smallest increase in 1987. The increase recorded by motor vehicle and accessories wholesalers (2.9%) was also the lowest to date in 1987.

Increases in wholesale trade were posted in all regions in July, ranging from 20.7% in the Prairies to 8.8% in Quebec. The advance in the Prairies was the largest year-over-year advance recorded since prior to the recession. This advance was widespread, with many of the major trade groups reporting increases.

Wholesale Merchants' Sales



For further information, contact Industry Division at (613) 991-3541 or order *Wholesale Trade* (catalogue number 63-008).

PUBLICATIONS RELEASED FROM SEPTEMBER 18 - 24

EDUCATION, CULTURE AND TOURISM

Government Expenditures on Culture in Canada, 1985-86. Catalogue number 87-001 (Canada: \$4/\$40; Other Countries: \$5/\$50).

International Travel - Advance Information, July 1987. Catalogue number 66-001P (Canada: \$5/\$50; Other Countries: \$6/\$60).

INDUSTRY

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

Canned and Frozen Fruits and Vegetables, June 1987. Catalogue number 32-011 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Cement, July 1987. Catalogue number 44-001 (Canada: \$4/\$40; Other Countries: \$5/\$50).

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

Footwear Statistics, July 1987. Catalogue number 33-002 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Monthly Production of Soft Drinks, August 1987. Catalogue number 32-001 (Canada: \$2/\$20; Other Countries: \$3/\$30).

Production and Disposition of Tobacco Products, August 1987. Catalogue number 32-022 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Production and Inventories of Process Cheese and Instant Skim Milk Powder, July 1987. Catalogue number 32-024 (Canada: \$4/\$40; Other Countries: \$5/\$50).

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

Quarterly Shipments of Office Furniture Products, Quarter Ended June 30, 1987. Catalogue number 35-006 (Canada: \$5/\$20; Other Countries: \$6/\$24).

Specified Domestic Electrical Appliances, July 1987. Catalogue number 43-003 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Textile Products Industries - Canvas and Related Products Industry, 1985 Census of Manufactures. Catalogue number 34-251B 1931 (Canada: \$4; Other Countries: \$5).

Textile Products Industries - Household Products of Textile Materials Industry, 1985 Census of Manufactures. Catalogue number 34-251B 1993 (Canada: \$4; Other Countries: \$5).

Wood Industries - Other Millwork Industries, 1985 Census of Manufactures. Catalogue number 35-250B 2549 (Canada: \$4; Other Countries: \$5).

HOUSING, FAMILY AND SOCIAL STATISTICS

Canadian Social Trends, Autumn 1987. Catalogue number 11-008E (Canada: \$12.50/\$44; Other Countries: \$15/\$50).

INTERNATIONAL AND FINANCIAL ECONOMICS

Composite Leading Indicator - Vol. 3, No. 8, September 1987. Catalogue number 13-005 (Canada: \$10/\$100; Other Countries: \$11/\$110).

LABOUR

The Labour Force, August 1987. Catalogue number 71-001 (Canada: \$20/\$200; Other Countries: \$21.50/\$215).

Unemployment Insurance Statistics, June 1987. Catalogue number 73-001 (Canada: \$12/\$120; Other Countries: \$13/\$130).

SMALL BUSINESS

Small Business Profiles - Canada, 1984. Catalogue number 61-601 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Newfoundland, 1984. Catalogue number 61-602 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Prince Edward Island, 1984. Catalogue number 61-603 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Nova Scotia, 1984. Catalogue number 61-604 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - New Brunswick, 1984. Catalogue number 61-605 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Quebec, 1984. Catalogue number 61-606 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Ontario, 1984. Catalogue number 61-607 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Manitoba, 1984. Catalogue number 61-608 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Saskatchewan, 1984. Catalogue number 61-609 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Alberta, 1984. Catalogue number 61-610 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - British Columbia, 1984. Catalogue number 61-611 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Yukon, 1984. Catalogue number 61-612 (Canada: \$31; Other Countries: \$35).

Small Business Profiles - Northwest Territories, 1984. Catalogue number 61-613 (Canada: \$31; Other Countries: \$35).

TRANSPORT

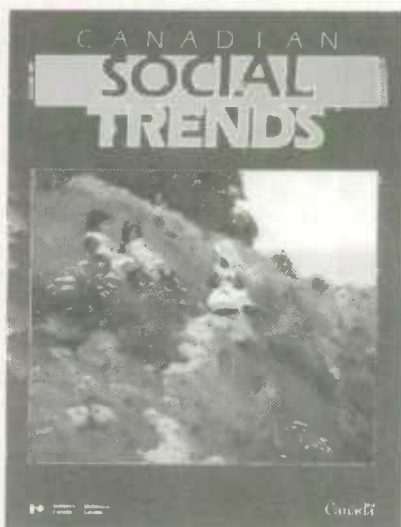
Aviation Statistics Centre Service Bulletin (Vol. 19, No. 9). Catalogue number 51-004 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

KEY RELEASE CALENDAR: October 1987*

Monday	Tuesday	Wednesday	Thursday	Friday
			1	2 Capacity Utilization Rates, Second quarter
5 International Travel, August	6 Labour Income, July	7 New Housing Price Index, August	8 Help-wanted Index, September	9 Labour Force Survey, September International Trade, August Farm Product Price Index, August
12	13 New Motor Vehicle Sales, August Department Store Sales, August	14 Composite Leading Indicator, July	15 Housing Starts, August	16 Consumer Price Index, September
19 Sales of Refined Petroleum Products, August	20 Retail Trade, August	21 Department Store Sales and Stocks, August	22 Building Permits, August	23 Inventories, Shipments and Orders, August Wholesale Trade, August
26 Gross Domestic Product, August	27 Security Transactions, August	28 Unemployment Insurance Statistics, August	29 Employment, Earnings and Hours, August	30 Raw Materials Price Index, September Industrial Product Price Index, September

* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may vary slightly.

NEW FROM STATISTICS CANADA



Canadian Social Trends

With the release of this sixth quarterly issue, Canadian Social Trends continues to interpret the major social and demographic trends affecting Canadian society.

The autumn 1987 issue features articles on marriage rates, employment patterns of elderly Canadians, religious affiliation, interregional migration of the population, involuntary part-time employment, unemployment rates for the full-time and part-time labour forces, the decline in stroke mortality, and the labour force experience of postsecondary graduates.

For further information, contact the editors at (613) 991-2560 or order Canadian Social Trends from Publication Sales at (613) 993-7276.

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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 (\$)	June	442.56	439.86	3.1
Labour Income (\$ million)	June	24,776	24,169	6.5
Persons with Jobs (million)	Aug.	12.43	12.42	2.9
Unemployed (million)	Aug.	1.1	1.2	-8.2
INVENTORIES				
Department Store (\$ million)	July*	4,292	4,179	9.1
Manufacturers' Owned (\$ million)	June	33,641	33,903	0.4
ORDERS				
Manufacturers' New Orders (\$ million)	June	23,168	22,134	7.7
Manufacturers' Unfilled Orders (\$ million)	June	24,311	24,291	-0.7
PRICES				
Consumer Price Index (1981 = 100)	July	139.2	138.2	4.7
New House Price Index (1981 = 100)	July	120.1	119.6	15.6
Raw Materials Price Index (1981 = 100)	July	105.1	103.9	16.4
Excl. minerals fuels	July	110.0	110.7	5.6
Industrial Product Price Index (1981 = 100)	July	122.8	122.3	3.4
CONSTRUCTION				
			Year-to-date	
Building Permits (\$ million)	July*	2,398	17,985	32.3
Housing Starts - Urban Centres (units)	July*	21,529	127,900	36.6
ENERGY				
Coal Production (thousand tonnes)	June	4,963	28,569	-1.8
Electricity Generation (gigawatt hours)	June	36,174	246,122	6.9
Natural Gas Production (million cubic metres)	June*	7,363	54,709	2.6
FOREIGN TRADE				
Exports - Balance of Payments Basis (\$ million)	July	9,513	71,253	1.7
Imports - Balance of Payments Basis (\$ million)	July	9,582	66,402	1.2
SALES				
Department Store Sales (\$ million)	July*	937	6,391	1.2
Manufacturers' Shipments (\$ million)	June	23,147	128,304	1.4
New Motor Vehicle Sales (\$ million)	July	1,896	14,376	8.4
Refined Petroleum Products (thousand cubic metres)	July*	7,032	45,510	3.2
Retail Sales (\$ million)	July*	13,208	84,818	9.1

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

I.N.F.O.M.A.T

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