

I·N·F·O·M·A·T

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

Friday, May 20, 1988

OVERVIEW

■ Merchandise Trade Surplus Rises

In the first quarter of 1988, the balance of international trade registered a surplus of \$2.7 billion, up sharply from the fourth quarter. Prior to the current quarter, the surplus had declined for three consecutive quarters, with the largest decrease occurring in the fourth quarter of 1987.

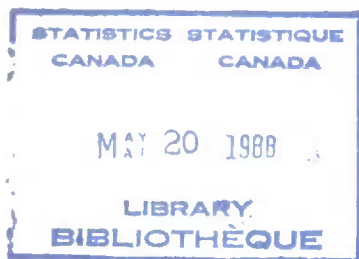
■ National Wealth Up Significantly

In 1987, national wealth rose 8.4% over the preceding year, the largest yearly increase in the current economic expansion. Purchases of homes and consumer durables continued to account for much of the growth.

■ 7.9% Absentee Rate in 1986

Nearly one million people were absent from their jobs for two weeks or longer due to illness, accident or pregnancy in 1986. They accounted for 7.9% of all persons who held a paid job during the year.

This issue **also** includes information on **Department Store Sales, Canadian Social Trends, Travel-log and the Canadian Economic Observer.**



Merchandise Trade Surplus Rises

In the first quarter of 1988, the value of goods exported from Canada exceeded the value of goods imported by \$2.7 billion, rising from \$1.4 billion in the fourth quarter of 1987. Prior to the current quarter, the merchandise trade balance had declined for three consecutive quarters, with the largest decrease occurring in the fourth quarter of 1987. During the first quarter, exports rose and imports dropped slightly.

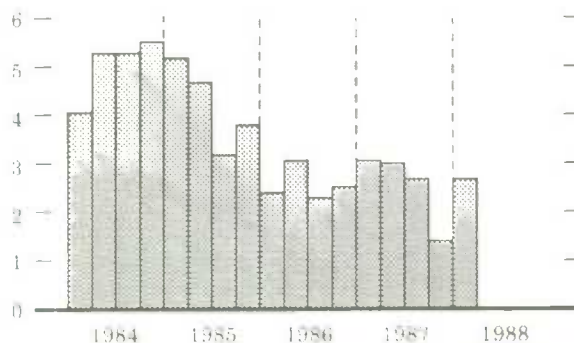
Exports totalled \$34.1 billion in the first quarter, \$865 million higher than the value of exports in the fourth quarter. Except for a marginal decline in the second quarter of 1987, exports have been following an upward trend for almost two years. In the current quarter, exports of cars and agricultural and fishing products registered the largest increases. The largest decreases were noted for exports of motor vehicle parts and lumber, both of which were affected by softening markets.

Imports amounted to \$31.4 billion in the first quarter of this year, down \$410 million from the fourth quarter of 1987. This decline follows two quarters of growth in the value of imports. However, imports rose sharply in March, almost offsetting the downward movements recorded in January and February.

(continued on page 2)

Merchandise Trade Balance

(billions of dollars, seasonally adjusted)



Statistics
Canada

Statistique
Canada

Canada

... Merchandise Trade Surplus Rises

The drop in total imports in the first quarter was mainly the result of a continuing downturn in imports of automotive products. Imports of automotive products fell by more than \$1.6 billion. Parts alone accounted for \$954 million of the decrease, falling in each month of the quarter. Imports of cars had risen in February, but in March they resumed the downturn noted since October.

Imports of energy products also posted a large decline, falling \$344 million from the previous quarter. Weakening prices for crude oil made a significant contribution to this decline. Consistent with the expected increase in capital expenditures and the strengthening of the Canadian dollar relative to the U.S. currency, imports of office machines and equipment rose to \$1.4 billion in the quarter.

Following reconciliation of the statistics for international merchandise trade between Canada and the United States, the cumulative value of Canadian exports to the U.S. on a customs basis totalled \$25.6 billion for the first three months of 1988. This was an

Merchandise Trade

	Q1 '87	Q2'87	Q3'87	Q4'87	Q1'88
% change, previous quarter					
Imports	-0.9	-1.5	3.0	12.3	-1.3
Exports	1.4	-1.8	1.9	7.0	2.6
change, previous quarter					
Balance (\$ millions)	664	-142	-265	-1,305	1,275

increase of 8% over the same period of 1987. Imports totalled \$21.3 billion, up 11% over the first quarter of 1987. As a result of these movements, the officially recognized balance of trade between the two countries was \$4.3 billion in Canada's favour.

For further information, contact International Trade Division at (613) 951-1711 or order the Preliminary Statement of Canadian International Trade (catalogue number 65-001P).

National Wealth Up Significantly

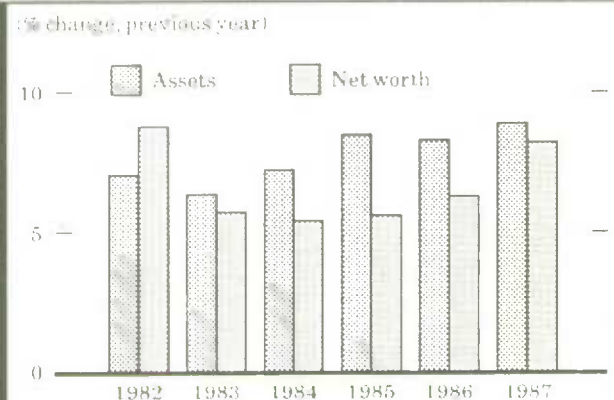
In 1987, national wealth - the value of all tangible assets - reached \$2.2 trillion, up 8.4% from 1986. This was the largest yearly increase in national wealth in the current expansion. Home acquisitions and purchases of consumer durables continued to account for much of the increase.

The growth in tangible assets in 1987 was matched by greater indebtedness of households. Consumer credit and mortgage borrowing advanced sharply in 1987, pushing their ratios to personal disposable income close to pre-recession levels. Total assets in the household sector increased 10.6% in 1987. Reflecting higher spending levels, tangible assets rose faster than financial assets.

Debt of the non-financial corporate sector grew at a somewhat faster pace than in recent years, consistent with the firming of capital expenditure in 1987. Nonetheless, the debt to equity ratio for non-financial corporations continued to improve, as profits strengthened.

Total liabilities of the government sector increased by 10.2%, compared to an increase of 7.4% in the sector's assets. The federal government liabilities rose 11.8% for the second consecutive year. The annual increase in the four preceding years was approximately 20%. Growth of the provincial governments' liabilities also slowed, dropping to 6.3% from 13.1% in 1986.

National Assets and Net Worth



The growth of Canada's net foreign liabilities continued to decelerate. Liabilities were up 10.3% in 1987, down marginally from the rates recorded in the two preceding years. Relative to national wealth, net foreign liabilities have been trending upward for the past six years.

For further information, contact International and Financial Economics Division at (613) 951-9043.

7.9% Absentee Rate in 1986

A prolonged absence from work, caused by an illness or an accident, can lead to severe financial loss. How common are long absences? How well protected are the earnings of absent workers? For over a decade Statistics Canada has conducted an annual survey, sponsored by Employment and Immigration, to answer questions such as these. The survey looks at paid workers absent for at least two consecutive weeks because of illness, accident or pregnancy. The latest issue of *The Labour Force* contains an article that analyses the survey results for the period 1979-1986.

Highlights from the article include:

- In 1986, nearly one million people were absent from their job due to illness, accident or pregnancy for at least two consecutive weeks. They accounted for 7.9% of all persons who held a paid job at sometime during the year. This proportion ranged between 7.5% and 8.3% during the study period.
- Illness accounted for nearly one-half of the absences, accident accounted for one-third, and pregnancy one-fifth.
- More than four out of five workers absent due to illness or accident received some form of compensation. This proportion rose slightly from 80% in 1979 to 84% in 1986.
- The most prevalent source of compensation throughout the entire study period was pay from the employer (for example, sick leave). In 1986, over one-third of workers absent because of illness or accident received full or partial pay from their employers.
- Workers' compensation was reported as the second most common source of compensation in 1986, slightly ahead of workers being paid by group insurance plans (25%). Workers' compensation was received by a much higher proportion of men than women (39% vs 11%).
- Although unemployment insurance was a less common form of compensation for illness or accident, it was the predominant source of compensation for pregnancy absences. An estimated 194,000 women were absent from their jobs for child-bearing. Of the 173,000 receiving some form of compensation, 92% reported that they received unemployment insurance benefits.

For further information, contact Labour and Household Surveys Analysis Division at (613) 951-9732 or order the April issue of *The Labour Force* (catalogue number 71-001).

Department Store Sales

Department stores in Canada reported sales totalling \$937 million in March, up 6.6% from the same month a year earlier. Adjusted to remove the effect of the sale of Woodward Stores Ltd.'s food department to Canada Safeway Ltd., sales rose 10.3% over the March 1987 level.

Cumulative sales for the first three months of 1988 amounted to \$2,376 million, a modest increase of 0.2% over the same period of 1987. However, when adjusted to account for the change in Woodward's, sales were up 4.9%.

Department Store Sales By Province

Province	Millions of dollars	% change, previous year
Newfoundland	10.7	13.5
Prince Edward Island	5.6	13.2
Nova Scotia	29.9	16.8
New Brunswick	20.0	18.3
Quebec	183.4	7.8
Ontario	379.1	11.8
Manitoba	41.5	-2.3
Saskatchewan	28.5	9.1
Alberta	108.5	-0.9
British Columbia	129.8	-3.7

Department Store Sales By Metropolitan Area

Metropolitan Area	Millions of dollars	% change, previous year
Calgary	42.4	1.9
Edmonton	48.0	-0.3
Halifax-Dartmouth	16.6	13.9
Hamilton	28.4	19.9
Montreal	104.7	5.3
Ottawa-Hull	43.9	11.0
Quebec City	26.3	12.1
Toronto	154.4	11.2
Vancouver	77.4	-3.3
Winnipeg	37.9	-0.5

For further information, contact Industry Division at (613) 951-3548 or order Department Store Sales and Stocks (catalogue number 63-002).

PUBLICATIONS RELEASED FROM MAY 13 - 19

EDUCATION, CULTURE AND TOURISM

International Travel, March 1988. Catalogue number 66-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

Travel-log, Touriscope, Vol. 7, No. 1. Catalogue number 87-003 (Canada: \$10/\$40; Other Countries: \$11/\$44).

INDUSTRIAL ORGANIZATION AND FINANCE

Corporation Taxation Statistics: Preliminary Data for Income Taxes and Provincial Allocation of Taxable Income, 1986. Catalogue number 61-208P (Canada: \$11; Other Countries: \$12).

INDUSTRY

Chemical and Chemical Products Industries - Other Agricultural Chemical Industries, 1986 Census of Manufactures. Catalogue number 46-250B 3729 (Canada: \$4; Other Countries: \$5).

Crude Petroleum and Natural Gas Production, January 1988. Catalogue number 26-006 (Canada: \$9/\$90; Other Countries: \$10/\$100).

Fruit and Vegetable Preservation Service Bulletin, Vol. 16, No. 13, Pack of Processed Pumpkin and Squash, 1987. Catalogue number 32-023 (Canada: \$7/\$115; Other Countries: \$8/\$125).

Oils and Fats, January 1988. Catalogue number 32-006 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Particleboard, Waferboard and Hardboard, January 1988. Catalogue number 36-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Particleboard, Waferboard and Hardboard, February 1988. Catalogue number 36-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Production, Sales and Stocks of Major Appliances, March 1988. Catalogue number 43-010 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Production, Shipments and Stocks on Hand of Sawmills East of the Rockies, February 1988. Catalogue number 35-002 (Canada: \$9/\$90; Other Countries: \$10/\$100).

Production, Shipments and Stocks on Hand of Sawmills in British Columbia, February 1988. Catalogue number 35-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).

Pulpwood and Wood Residue Statistics, January 1988. Catalogue number 25-001 (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

Production and Sales of Phonograph Records and Pre-recorded Tapes, February 1988. Catalogue number 47-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Shipments of Solid Fuel-burning Heating Products, Quarter Ended March 1988. Catalogue number 25-002 (Canada: \$4.25/\$17; Other Countries: \$5.25/\$21).

Specified Domestic Electrical Appliances, February 1988. Catalogue number 43-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Specified Domestic Electrical Appliances, March 1988. Catalogue number 43-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

INTERNATIONAL AND FINANCIAL ECONOMICS

Canadian Economic Observer, May 1988. Catalogue number 11-010 (Canada: \$20/\$200; Other Countries: \$22.50/\$225).

Financial Institutions - Financial Statistics, Fourth Quarter 1987. Catalogue number 61-006 (Canada: \$40/\$160; Other Countries: \$41.50/\$166).

Security Transactions with Non-residents, February 1988. Catalogue number 67-002 (Canada: \$15/\$150; Other Countries: \$16/\$160).

INTERNATIONAL TRADE

Exports by Country, January-December 1987. Catalogue number 65-003 (Canada: \$75/\$300; Other Countries: \$85/\$340).

Preliminary Statement of Canadian International Trade, March 1988. Catalogue number 65-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

LABOUR

The Labour Force, April 1988. Catalogue number 71-001 (Canada: \$22/\$220; Other Countries: \$24/\$240).

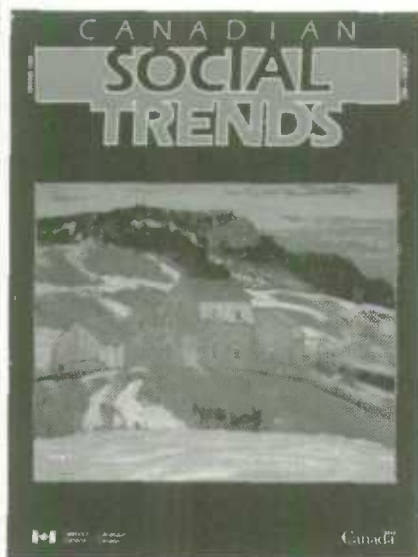
SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Science Statistics Service Bulletin, Vol. 12, No. 3, International Trade in "R&D-intensive" Products 1978-1987. Catalogue number 88-001 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).

TRANSPORT

Surface and Marine Transport, Service Bulletin, Vol. 4, No. 4, 1985 and 1986. Catalogue number 50-002 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

NEW FROM STATISTICS CANADA



Canadian Social Trends, Spring 1988

Canadian Social Trends, Statistics Canada's flagship quarterly publication, continues to interpret the major social and demographic trends affecting Canadian society with the release of its spring 1988 issue.

This issue features articles on therapeutic abortions, workers experiencing permanent job loss, unionization, women who are victims of violence at home, the Help Wanted Index, and commercial passenger flights in Canada. As well it studies the recent release of the 1986 Census data on the marital status of Canadians.

Order Canadian Social Trends (catalogue number 11-008E), from Publication Sales at 1-800-267-6677. Further information is available from the editors at (613) 951-2560.



Canadian Economic Observer, May 1988

Statistics Canada has just released the May issue of the Canadian Economic Observer (CEO), its monthly review of economic statistics.

The May issue comments on several provincial budgets, on plans to privatize Air Canada, and on the final release of Census data. It features a study of trends in international travel in the last 15 years.

Each month, the CEO incorporates the best and most widely used features from the Canadian Statistical Review, Current Economic Indicators, Quarterly Economic Survey and its Supplement.

Order the Canadian Economic Observer (catalogue number 11-010) from Publication Sales at 1-800-267-6677. Further information is available from the editors at (613) 951-9162.



Travel-log, May 1988

Travel-log, a quarterly publication, covers trends in tourism, changing tourism markets, and implications of economic and demographic changes. The following are excerpts from the May issue:

"Canadians over 55 are one of the fastest growing tourism markets."

"Japanese tourists have been increasing their journeys to Canada faster than any other overseas nation."

"Since 1985, Canadians travelling overseas have undoubtedly found that their travel dollars do not go as far."

Order Travel-log (catalogue number 87-003) from Publication Sales at 1-800-267-6677. Further information is available from the editor at (613) 951-9169.



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LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	Feb.	455.73	454.50	4.4
Labour Income (\$ million)	Feb.	24,221	24,217	6.6
Persons with Jobs (million)	Apr.	12.08	12.00	3.8
Unemployed (thousand)	Apr.	1,085	1,181	14.6
INVENTORIES				
Department Store (\$ million)	Feb.	4,208	3,749	4.8
Manufacturers' Owned (\$ million)	Feb.	35,371	34,911	5.2
ORDERS				
Manufacturers' New Orders (\$ million)	Feb.	22,408	21,518	9.2
Manufacturers' Unfilled Orders (\$ million)	Feb.	25,013	24,747	4.7
PRICES				
Consumer Price Index (1981=100)	Mar.	142.0	141.3	4.1
New House Price Index (1981=100)	Mar.	126.0	124.9	8.1
Raw Materials Price Index (1981=100)	Mar.	98.3	98.9	0.8
Excl. minerals fuels	Mar.	113.0	112.1	8.5
Industrial Product Price Index (1981=100)	Mar.	125.9	125.5	4.6
CONSTRUCTION				
Building Permits (\$ million)	Dec.	2,409	30,437	23.3
Housing Starts - Urban Centres (units)	Feb.	9,173	20,860	-13.6
ENERGY				
Coal Production (thousand tonnes)	Feb.*	5,749	11,941	26.3
Electricity Generation (gigawatt hours)	Feb.*	45,937	94,884	4.9
Natural Gas Production (million cubic metres)	Jan.	12,462	12,462	2.9
FOREIGN TRADE				
Exports - Balance of Payments Basis (\$ million)	Mar.*	12,013	33,347	10.2
Imports - Balance of Payments Basis (\$ million)	Mar.*	11,718	31,581	15.0
SALES				
Department Store Sales (\$ million)	Feb.	715	1,445	2.1
Manufacturers' Shipments (\$ million)	Feb.	22,143	43,300	8.5
New Motor Vehicle Sales (\$ million)	Feb.	1,730	3,223	13.9
Refined Petroleum Products (thousand cubic metres)	Mar.*	6,888	20,076	7.0
Retail Sales (\$ million)	Feb.	11,100	22,300	9.9

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

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