

# I·N·F·O·M·A·T

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

Friday, June 3, 1988

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### OVERVIEW

#### ■ GDP Strengthened in March

Gross Domestic Product grew 0.9% in March, following a two-month period of slower growth.

#### ■ New Motor Vehicle Sales Recover

Sales jumped 7.1% in March, completely offsetting a decline that had taken place from November to February.

#### ■ Accelerated Growth in Average Weekly Earnings

Average weekly earnings rose 5.2% in March, the highest year-over-year increase registered since 1983.

#### ■ Strong Foreign Investment in Canadian Bonds

Net foreign investment in outstanding Canadian bonds totalled \$608 million in March, continuing the strong investment trend which began in November 1987.

#### ■ Industrial Product Prices Edge Up

In April, the IPPI rose 0.2% over the previous month, continuing the gently rising trend evident for the past year.

#### ■ Direct Payments Boost Farm Cash Receipts.

In the first quarter of 1988, farm cash receipts rose 13% over the same period last year. Direct program payments accounted for 70% of this increase.

This issue also includes information on the **Raw Materials Price Index** and on **Farm Net Income**.

### GDP Strengthened in March

In March, gross domestic product at factor cost in 1981 prices increased 0.9%. This follows a decrease of 0.2% in February and a 0.1% gain in January. About 75% of the March output gain originated among the services-producing industries which advanced 1.2%; output of goods-producing industries increased 0.6%.

The March increase among services-producing industries was the largest since February 1987. Particularly strong growth was recorded in retail trade, finance, insurance and real estate services, wholesale trade, and transportation and storage industries.

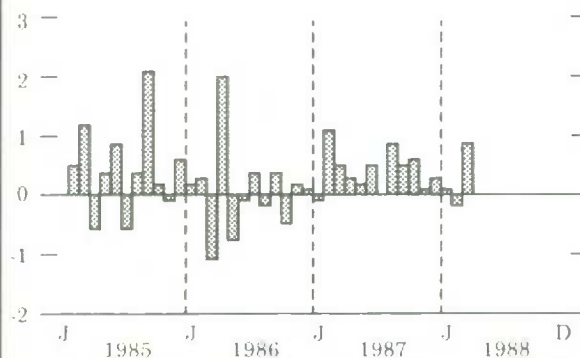
The output of retail trade increased 3.1% in March, mostly due to a substantial gain by new motor vehicle dealers. This increase followed declines of 1% in January and February.

Finance, insurance and real estate industries reported an output increase of 1.3% in March. Most of the growth occurred in real estate agencies, where output accelerated in both February and March, coinciding with lower mortgage rates and an active resale housing market.

(continued on page 2)

### Gross Domestic Product at Factor Cost

(% change, previous month)



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### ... GDP strengthened in March

Wholesale trade advanced 2.6% in March, partially the result of output gains by wholesalers of industrial machinery and equipment. Transportation services increased 2.3%, following a 1.7% decline in February.

The 0.6% increase in the output of the goods-producing industries in March followed a 0.4% decline in February. Most of the increase occurred among the mining, construction and manufacturing industries.

Following a 2.9% gain the previous month, mining output advanced 1.4% in March, resulting in a level of mining output which was 12% above the level a year earlier. The growth in March, as in February, reflected increased crude petroleum and natural gas production. Exports of natural gas rose substantially in March. Metal mines also reported a significant output advance.

Following three consecutive monthly declines, output of the construction industry increased 1.1% in March. Gains were recorded in both residential and non-residential construction activity.

The 0.4% increase in manufacturing output in March followed a decline in February and no growth in January. Two-thirds of the March advance originated among manufacturers of durable goods, mainly motor vehicle parts and accessories, primary metals, wood products and machinery.

### GDP Goods- and Services-Producing Industries

(Index, 1981 = 100)



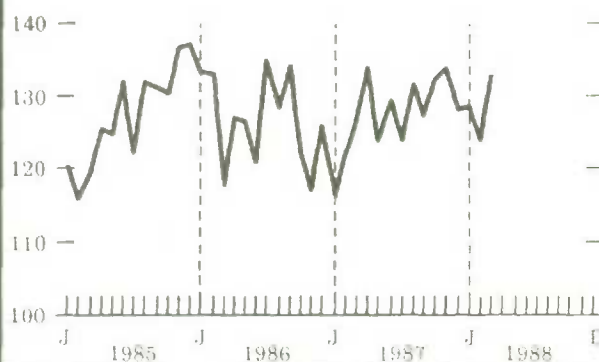
For further information contact Industry Measures and Analysis Division at (613) 951-9145 or order Gross Domestic Product by Industry (catalogue number 15-001).

### New Motor Vehicle Sales Recover

- Adjusted for seasonal fluctuations and the number of trading days, preliminary estimates indicate that sales of all new motor vehicles totalled 133,000 units in March 1988, a sharp increase (7.1%) from the revised February level of 124,000 units. This increase completely offsets the overall decline that had taken place since November 1987.
- In March, higher sales were posted for both passenger cars (3.6%) and commercial vehicles (14.8%). The increase in sales of commercial vehicles more than counterbalances the downturn in sales observed since November 1987.
- On an origin basis, sales of North American passenger cars recorded an increase of 6.6% in March, while imported passenger cars were off 2.2%. The increase for North American passenger car sales followed three consecutive monthly declines, whereas imported passenger car sales decreased for the second consecutive month. Sales of imported cars have generally followed a decreasing trend since April 1987.

### New Motor Vehicle Sales

(thousands of units, seasonally adjusted)



For further information, contact Industry Division at (613) 951-3549 or order New Motor Vehicle Sales (catalogue number 63-007).





### ... Strong Foreign Investment in Canadian Bonds

Prior to October, investment was exceptionally high, averaging \$620 million per month from January to October. The major investors group during this period was U.S. residents. They have since reduced their holdings for six consecutive months, although the size of the disinvestment in March was minimal.

In contrast to small declines in the two preceding months, Canadian residents increased their holdings of foreign stocks by \$128 million in March.

For further information, contact *International and Financial Economics Division* at (613) 951-9052 or order *Security Transactions with Non-residents* (catalogue number 67-002).

## Net Farm Income Rises 12% in 1987

Realized net farm income increased 12% in 1987, reaching a record \$5.5 billion. Higher farm cash receipts combined with lower operating expenses and depreciation charges were responsible for the increase. The rise in 1987 follows a slight 2% advance in 1986 and a sharp 28% increase in 1985.

Farm cash receipts were up 2% in 1987 to \$20.9 billion, largely due to higher direct program payments and higher livestock and animal product receipts. Direct program payments were up \$920 million from the previous year, to a record \$3.2 billion. Livestock and animal product receipts rose 3% to \$10.5 billion. Crop receipts, down 5% in 1987, fell for the fourth consecutive year and stood at \$8.8 billion, \$1 billion below the record set in 1984.

Farm operating expenses and depreciation charges were \$15.6 billion in 1987, down 1% from 1986. Lower farm rent, fertilizer, interest and feed costs contributed to the decline in 1987, the second consecutive annual decrease. Expenses for wages, feeder cattle and machinery operating costs all increased in 1987.

The value of inventory change was -\$93 million in 1987 compared to +\$618 million in the previous year. The \$92 million increase in inventories of livestock and poultry was more than offset by a \$185 million reduction in inventories of crops, mainly cereals and oilseeds.

For further information contact *Agriculture Division* at (613) 951-8706 or order *Supplement III of Agriculture Economic Statistics* (catalogue number 21-603, series 88-001).

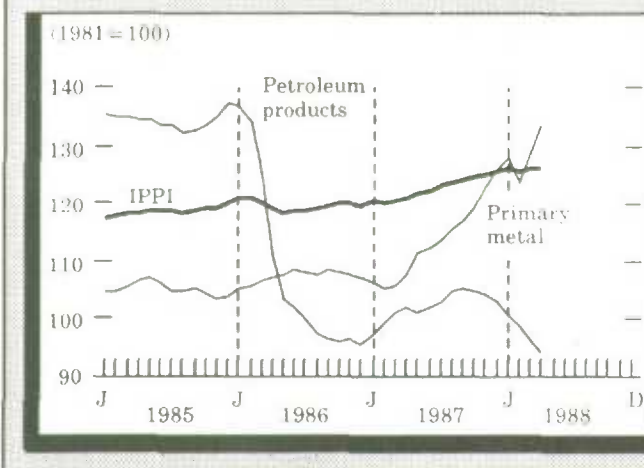
## Industrial Product Prices Edge Up

In April, the industrial product price index (IPPI, 1981=100), which measures the price movements of commodities sold by Canadian manufacturing industries, rose 0.2% over the previous month. This increase continued the gently rising trend evident over the past year. Compared to April 1987, the index was up 4.2%, the lowest year-over-year increase registered in five months.

The petroleum and coal products component continued to be a source of downward pressure on the index. This component was down 2.2% in April, its seventh consecutive decrease. The decline in April was largely due to lower prices for fuel oil. Excluding this component, the IPPI was up 0.5% in April.

The primary metal products component advanced 4.0%, reflecting another very large increase for nickel products (40%). The primary metals component has registered 12 strong monthly advances in the latest 13 months. The trend was interrupted in February when copper, gold and silver prices fell significantly. The downturn in prices for copper and copper alloys continued in April.

### Industrial Product Price Indexes



The most heavily weighted component, motor vehicles and other transportation equipment, was down 1.1% in April. Various promotional incentives offered by the motor vehicle manufacturers and the effect of a 1.8% drop in the value of the American dollar relative to the Canadian dollar contributed to this decline.

For further information, contact *Prices Division* at (613) 951-9607 or order *Industry Price Indexes* (catalogue number 62-011).

## Direct Payments Boost Farm Cash Receipts

For the first quarter of 1988, farm cash receipts were 13% higher than for the same period last year. Higher direct program payments, and livestock and animal product receipts contributed to the increase.

Direct program payments rose to \$899 million and accounted for over 70% of the first quarter increase in total cash receipts. The timing of the 1987 Special Canadian Grains Program payments was responsible for the increase. Payments totalling \$686 million were paid out in the first quarter of 1988 compared to \$275 million paid out for the same period last year.

Livestock and animal receipts increased 4% to \$2.6 billion in the first quarter, largely the result of a 9% increase in dairy product receipts and a 5% rise in cattle and calf receipts. Cattle prices have been near record levels since the second quarter of 1987. Poultry receipts also rose in the quarter, while hog receipts declined.

Crop receipts were virtually unchanged at \$1.7 billion. Increases over 45% for canola and soybeans were largely offset by decreases in wheat and barley receipts and crop insurance payments. Wheat and barley receipts decreased 11% and 33% respectively, due mainly to lower initial prices.

*For further information contact Agriculture Division at (613) 951-8706 or order Farm Cash Receipts (catalogue number 21-001).*

## Raw Materials Prices Continue Downward

The raw materials price index (RMPI, 1981=100) decreased 0.4% in April 1988, its fifth consecutive monthly decline.

The index has declined seven times in the last eight months, to reach a level of 97.9 in April. Since the start of this downturn in August 1987, the index has dropped 7.9%.

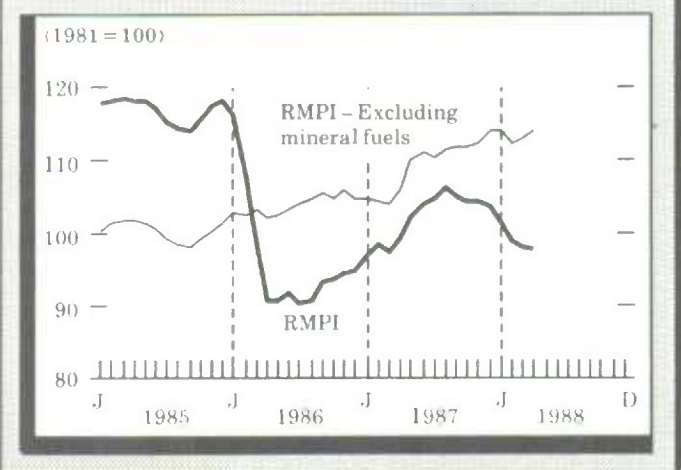
This trend reflects the decrease in its mineral fuels component, which accounts for 45% of the RMPI. In the current month, prices for mineral fuels dropped a further 2.9%, bringing the total decline since August 1987 to 21.8%.

From April 1987 to April 1988, the RMPI fell 1.2%. With mineral fuels excluded, the year-over-year advance was 7.8%.

With mineral fuels excluded, the RMPI rose 1% over March. The following components were responsible for this change: wood products, non-ferrous metals, and animal products.

A 3.0% increase in the price for logs and bolts, and a 2.3% increase in pulpwood prices resulted in a climb of 2.8% for prices of wood products in April, bringing the index for wood to a level of 133.1. This continues the generally rising trend that started in January 1985.

### Raw Materials Price Index



Non-ferrous metals prices rose 0.2% from March, slowly recovering from a 9.6% drop in February. Between February and December 1987, there was a surge of 45.8% in these prices.

Prices of animals and animal products rose by 0.9% in April, continuing the gentle climb noted since January. Although these prices do fluctuate, there has been a definite upward trend since August 1985.

*For further information, contact Prices Division at (613) 951-9607 or order Industry Price Indexes (catalogue number 62-011).*

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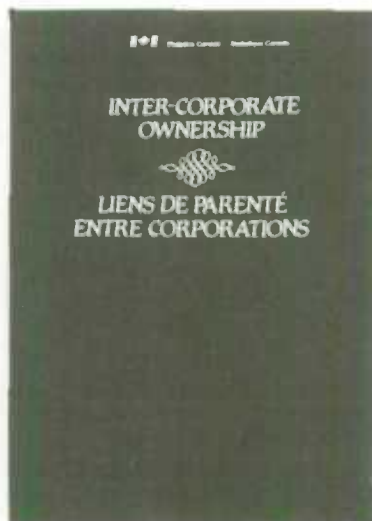


### Health and Activity Limitation Survey, 1986-87

Preliminary data from a 1986-87 survey concerning disabled Canadians is now available. Some of the highlights from this survey are as follows:

- Over 3,300,000 Canadians, 13.2% of the population, reported some level of disability.
- Disability rates increased with age, from 5.2% for children aged 0 to 14 to 45.5% for adults aged 65 and over.
- Almost 120,000 disabled children aged 5 to 14 attended classes with non-disabled children; over 40,000 others attended some regular classes and some special classes.
- Just under 40% of the disabled adults aged 15 to 64 were employed during the fall of 1986, compared to approximately 70% of non-disabled persons in this age group.
- Sixteen percent of disabled seniors aged 65 and older resided in institutions or homes for senior citizens. This rate increased from 4.5% for the population aged 65-69 to 42.7% for the population aged 85 and older.

*More detailed tables are available from the regional reference centres and more detailed publications/analytical reports will be published throughout the year.*



### Inter-corporate Ownership

*Inter-corporate Ownership*, a hardcover publication of about 900 pages, tracks the ownership of the largest Canadian corporations and covers every major takeover or other substantial change up to the end of 1987.

This unique Statistics Canada directory of "who owns what" among Canadian businesses is intended to serve as an essential reference tool for corporate executives, bankers, financiers, marketing managers, investors, researchers and the general public -- all of whom desire the latest detailed information on the corporate structure of Canadian society.

*Inter-corporate Ownership* (catalogue number 61-517) is now available. Copies can be obtained from Publication Sales (613-951-7276) or from any of the Bureau's regional reference centres.

## PUBLICATIONS RELEASED FROM MAY 27 to JUNE 2

### EDUCATION, CULTURE AND TOURISM

**Education Statistics Bulletin**, Vol. 10, No. 3, Federal Expenditures in Support of Education and Training, 1982-83 to 1987-88. Catalogue number 81-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Education Statistics Bulletin**, Vol. 10, No. 4, Private Business and Trade/Vocational Schools, 1986. Catalogue number 81-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

### HEALTH

**Quarterly Hospital Information System**, Vol. 4, No. 2. Hospital Indicators, April 1987- September 1987. Catalogue number 83-002 (Canada: \$15/\$60; Other Countries: \$16/\$64).

### INDUSTRY

**Asphalt Roofing**, March 1988. Catalogue number 45-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Canned and Frozen Fruits and Vegetables**, December 1987. Catalogue number 32-011 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Cement**, February 1988. Catalogue number 44-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Construction Type Plywood**, March 1988. Catalogue number 35-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).



## PUBLICATIONS RELEASED FROM MAY 27 to JUNE 2

### INDUSTRY – Continued

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

**Electric Lamps**, April 1988. Catalogue number 43-009 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Factory Sales of Electric Storage Batteries**, January 1988. Catalogue number 43-005 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Factory Sales of Electric Storage Batteries**, February 1988. Catalogue number 43-005 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Factory Sales of Electric Storage Batteries**, March 1988. Catalogue number 43-005 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Footwear Statistics**, March 1988. Catalogue number 33-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Gypsum Products**, February 1988. Catalogue number 44-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Gypsum Products**, March 1988. Catalogue number 44-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Industrial Chemicals and Synthetic Resins**, March 1988. Catalogue number 46-002 (Canada: \$5/\$50; Other Countries: \$6/\$60).

**Monthly Production of Soft Drinks**, April 1988. Catalogue number 32-001 (Canada: \$2.50/\$25; Other Countries: \$3.50/\$35).

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

**Particleboard, Waferboard and Hardboard**, March 1988. Catalogue number 36-006 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Primary Iron and Steel**, January 1988. Catalogue number 41-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Primary Iron and Steel**, February 1988. Catalogue number 41-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Production and Disposition of Tobacco Products**, April 1988. Catalogue number 32-022 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

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

**Production and Stocks of Eggs and Poultry**, March 1988. Catalogue number 23-003 (Canada: \$11/\$110; Other Countries: \$12/\$120).

**Production and Stocks of Tea, Coffee and Cocoa**, Quarter ended December 1987. Catalogue number 32-025 (Canada: \$6.25/\$25; Other Countries: \$7.25/\$29).

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

**Refined Petroleum and Coal Products Industries, Lubricating Oil and Grease Industry**, Catalogue number 45-250B 3612 (Canada: \$4; Other Countries: \$5).

### INDUSTRY – Concluded

**Refined Petroleum Products**, February 1988. Catalogue number 45-004 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

**Restaurant, Caterer and Tavern Statistics**, March 1988. Catalogue number 63-011 (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

**Retail Trade**, February 1988. Catalogue number 63-005 (Canada: \$16/\$165; Other Countries: \$17/\$170).

**Transportation Equipment Industries, Shipbuilding and Repair Industry**, 1986 Census of Manufactures. Catalogue number 42-251B 3271 (Canada: \$4; Other Countries: \$5).

**Wood Industries**, 1985. Catalogue number 35-250 (Canada: \$30; Other Countries: \$31.50).

### INDUSTRIAL ORGANIZATION AND FINANCE

**Corporation Financial Statistics – 1986 Preliminary Data on Matched Corporations**, 1986. Catalogue number 61-207P (Canada: \$15; Other Countries: \$16).

**Inter-corporate Ownership**, 1987. Catalogue number 61-517 (Canada: \$295; Other Countries: \$317.50).

### INTERNATIONAL TRADE

**Imports by Country**, January-December 1987. Catalogue number 65-006 (Canada: \$75/\$300; Other Countries: \$85/\$340).

### JUSTICE

**Juristat Service Bulletin**, Vol. 8, No. 2, Drug Offences in Canada, 1962-1987. Catalogue number 85-002 (Canada: \$3/\$15; Other Countries: \$4/\$20).

### LABOUR

**Employment, Earnings and Hours**, February 1988. Catalogue number 72-002 (Canada: \$38.50/\$385; Other Countries: \$40.50/\$405).

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

**Science Statistics Service Bulletin**, Vol. 12, No. 4, Federal Government Expenditures on Scientific Activities, 1988-89. Catalogue number 88-001 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).

### SERVICES

**Telephone Statistics**, February 1988. Catalogue number 56-002 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85).

### TRANSPORT

**Passenger Bus and Urban Transit Statistics**, February 1988. Catalogue number 53-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).



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**LATEST MONTHLY STATISTICS**

			Previous Month	% Change From Year Ago
<b>EMPLOYMENT, INCOME</b>				
Average Weekly Earnings (\$)	Mar.*	459.40	455.73	5.2
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
<b>INVENTORIES</b>				
Department Store (\$ million)	Feb.	4,208	3,749	4.8
Manufacturers' Owned (\$ million)	Feb.	35,371	34,911	5.2
<b>ORDERS</b>				
Manufacturers' New Orders (\$ million)	Feb.	22,408	21,518	9.2
Manufacturers' Unfilled Orders (\$ million)	Feb.	25,013	24,747	4.7
<b>PRICES</b>				
Consumer Price Index (1981 = 100)	Apr.	142.5	142.0	4.0
New House Price Index (1981 = 100)	Mar.	126.0	124.9	8.1
Raw Materials Price Index (1981 = 100)	Apr.*	97.9	98.3	-1.2
Excl. minerals fuels	Apr.*	114.1	113.0	7.8
Industrial Product Price Index (1981 = 100)	Apr.*	126.3	125.9	4.2
<b>CONSTRUCTION</b>				
			<b>Year-to-date</b>	
Building Permits (\$ million)	Dec.	2,409	30,437	23.3
Housing Starts - Urban Centres (units)	Feb.	9,173	20,860	-13.6
<b>ENERGY</b>				
Coal Production (thousand tonnes)	Mar.*	6,275	18,216	26.4
Electricity Generation (gigawatt hours)	Feb.	45,937	94,884	4.9
Natural Gas Production (million cubic metres)	Feb.*	11,298	23,825	18.3
<b>FOREIGN TRADE</b>				
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
<b>SALES</b>				
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)	Mar.*	2,705	5,988	1.7
Refined Petroleum Products (thousand cubic metres)	Apr.*	5,960	26,036	37.8
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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