

# I·N·F·O·M·A·T

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

Friday, October 28, 1988

### OVERVIEW

#### ■ Manufacturing Shipments Rebound

The value of shipments rose 2.8% in August, recovering most of the decrease recorded in July.

#### ■ Enterprising Canadians: The Self-employed in Canada

This new publication offers a comprehensive view of self-employment in Canada, providing a wealth of demographic and labour market facts on the self-employed.

#### ■ Department Store Sales Follow Gentle Rising Trend

Department store sales rose 2.3% in August, continuing the general upward trend noted since March 1988.

#### ■ Wholesale Trade Moderates

Although the advance in wholesale trade was substantial in August, year-over-year increases have been decelerating in 1988.

#### ■ Large Foreign Investment in Canadian Bonds

Foreign investment in outstanding Canadian bonds was \$536 million in August, continuing the pattern of strong investment recorded this year.

#### ■ Can We Afford an Aging Society?

The October issue of the *Canadian Economic Observer* contains an article written by the Chief Statistician on whether Canada can afford its aging population.



### Manufacturing Shipments Rebound

The seasonally adjusted value of shipments rose 2.8% in August to \$24 billion, recovering most of the decrease recorded in July. Following strong growth in the last half of 1987, the value of shipments has moved within a narrow range (\$23.5 to \$24 billion).

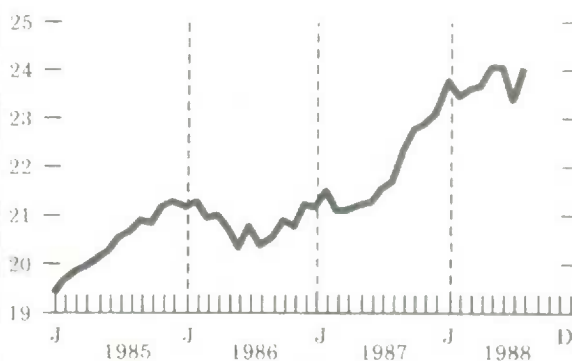
The backlog of unfilled orders increased by 0.5% in August to reach \$27.7 billion. While unfilled orders have now risen for four consecutive months, the rate of increase has decelerated.

Inventories were also up in August, gaining 0.5% over July. Increases have averaged 0.5% a month for the last year, pushing the level of inventories to record levels. However, due to the growth of shipments, the ratio of inventories to shipments was down to 1.56:1 in August from 1.59:1 in July. This ratio has hovered around 1.55:1 for most of 1988, slightly higher than in the closing months of 1987 when shipments grew at a faster rate than inventories, reducing the ratio to a low of 1.52:1.

(continued on page 2)

### Manufacturers' Shipments

(billions of dollars, seasonally adjusted)



Statistics  
Canada

Statistique  
Canada

Canada

### ... Manufacturing Shipments Rebound

For further information, order *Survey of Manufacturing* (catalogue number 31-001) or contact Industry Division at (613) 951-9832.

### Manufacturing Activity

	Apr.	May	June	July	Aug.
	% change, previous month				
Shipments	0.1	1.7	0.1	-2.8	2.8
New orders	-9.2	4.6	-1.9	-3.1	2.7
Unfilled orders	0.1	2.7	0.8	0.5	0.5
Inventory to shipments ratio	1.56	1.54	1.54	1.59	1.56

## Enterprising Canadians: The Self-employed in Canada

This new publication offers a comprehensive view of self-employment in Canada. Drawing on data from the Labour Force Survey and the Survey of Consumer Finances, the publication provides a wealth of demographic and labour market facts on the self-employed. The report also highlights the dynamic role played by the self-employed in recent labour market developments. For example:

- Between 1975 and 1986, the number of self-employed workers in Canada rose 54%, more than double the rate recorded for paid workers.
- By 1986, 1.6 million workers or almost one out of every seven Canadian workers were self-employed.
- Self-employment is more common among men than women. But self-employment is growing more rapidly among women. Between 1975 and 1986, the number of self-employed women increased 118%, while self-employment among men grew 39%.
- Self-employment is most prevalent in Saskatchewan (24% of total employment in 1986) and Prince Edward Island (18%), reflecting the importance of agricultural employment in these provinces.
- Between 1975 and 1986, the number of employers (self-employed workers with paid employees) increased by 67% compared with 44% for those who operate without paid help.
- The self-employed work longer hours than paid workers.

For further information, order *Enterprising Canadians: The Self-employed in Canada* (catalogue number 71-536) or contact Labour and Household Surveys Analysis Division at (613) 951-4623.

## Department Store Sales Follow Gentle Rising Trend

Adjusted for seasonal fluctuations and the number of trading days, department store sales were \$1.1 billion in August, increasing 2.3% over the previous month. Despite some variability, department store sales have generally shown a rising trend since March 1988.

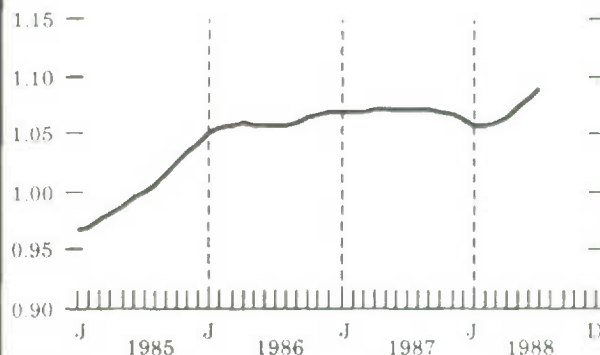
Department store stocks totalled \$4.6 billion at the end of August, a moderate increase of 0.7% over July. This gain followed a slight decline in July and continues the gentle upward trend in stocks noted since February.

The ratio of inventories to sales stood at 4.13:1, decreasing marginally from July as sales growth outpaced the increase in inventories. Generally this ratio has moved within a narrow range (4.05:1 to 4.30:1) for the last two years.

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

### Department Store Sales

(billions of dollars, short-term trend)

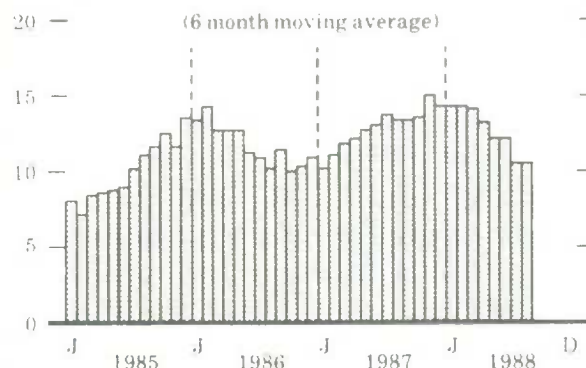


## Wholesale Trade Moderates

- Preliminary estimates for August indicate that wholesale merchants' sales were up 11.7% over the same month a year earlier. While the year-over-year increase in wholesale trade remains substantial, the accompanying chart shows that growth has moderated in 1988.
- For the first eight months of 1988, cumulative sales were 10.8% higher than in the corresponding period of 1987.
- All the major trade groups registered increases over August 1987, except for wholesalers of farm machinery and equipment who reported a year-over-year decline in sales for the fifth consecutive month.
- Wholesalers of electrical and non-electrical machinery, equipment and supplies reported an increase of 19%. Although growth is still substantial, it has moderated in 1988.
- Lumber and building materials wholesalers have reported a moderate deceleration in sales growth which coincides with a slowdown in construction activity.

### Wholesale Merchants' Sales

(% change, previous year)



- Other wholesalers, a trade group that includes dealers in farm products, paper products and scrap materials, reported a year-over-year increase of 13% in August. Sales by this group have also slowed in recent months.

For further information, order *Wholesale Trade* (catalogue number 63-008) or contact Industry Division at (613) 951-3541.

## Large Foreign Investment in Canadian Bonds

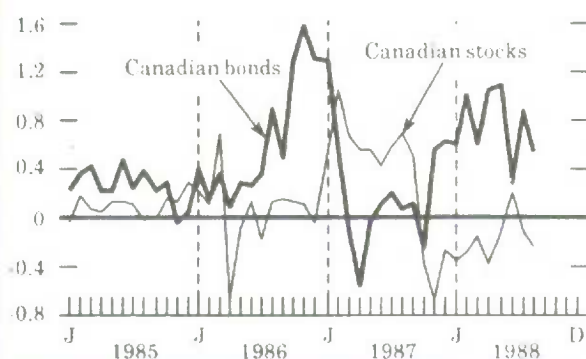
In August, net foreign investment in outstanding Canadian bonds amounted to \$536 million, continuing the strong investment trend recorded this year. The net investment in the current month was widely distributed geographically, with the exception of Japan which reduced its holdings by \$116 million. For the year-to-date, non-residents have invested more than \$6 billion in outstanding Canadian bonds compared to only \$1.4 billion in the same period of 1987.

Non-residents continued to reduce their holdings of Canadian stocks, with the net disinvestment in August amounting to \$244 million. This brought to nearly \$3 billion the cumulative net disinvestment which started in October of last year.

In August, residents acquired, on a net basis, nearly \$200 million of outstanding foreign stocks, following a small investment (\$28 million) in the previous month. The investment in the last two months was channelled into United States stocks, while holdings of overseas stocks were reduced. Residents increased their holdings of foreign bonds by \$105 million in the current month, in contrast to a net disinvestment of more than \$500 million in July.

### Net Sales of Outstanding Securities to Non-Residents

(billions of dollars)



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



## Can We Afford an Aging Society?

The October issue of the *Canadian Economic Observer* contains a feature article by the Chief Statistician on whether Canada can afford its aging population.

The paper looks at a range of alternative projections for the public costs of health, education and pensions. The annual average growth rate of costs under any reasonable assumption is either below or at best equal to the average growth of gross domestic product or real labour income observed during the last 30 years.

Only if such economic growth were to continue would we be able to afford the public cost of an aging society without loss in the share of income for the working population.

If the "greying of Canada" in itself is not an unbearable economic burden, coping with it effectively and humanly will nevertheless require a series of social adjustments whose cumulative impact might be quite fundamental.

For further information, contact the Chief Statistician's Office at (613) 951-9757.

### LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (billion 1981 dollars)	July	395	0.0%	4.5%
Composite Leading Indicator (1971 = 100)	July	200.2	0.6%	7.8%
Profits of Industrial Corporations (\$ billion)	2nd Q	9.80	7.2%	20.2%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	Aug.	13.8	0.3%	6.5%
New Motor Vehicle Sales ('000 units)	Aug.	131	0.4%	-0.3%
Housing Starts ('000, annual rates)	Aug.	249	18.0%	-12.0%
<b>LABOUR</b>				
Employment (millions)	Sept.	12.4	0.1%	2.8%
Unemployment Rate (%)	Sept.	7.8	-0.2	-0.7%
Participation Rate (%)	Sept.	66.7	-0.1	0.5
Labour Income (\$ billion)	July	26.0	0.1%	6.3%
Average Weekly Earnings (\$)	July	463.67	-0.3%	4.7%
<b>EXTERNAL TRADE</b>				
Merchandise Exports (\$ billion)	Aug.	12.1	12.5%	14.8%
Merchandise Imports (\$ billion)	Aug.	11.3	26.9%	20.5%
Merchandise Trade Balance (\$ billion)	Aug.	0.8	-1.0	-0.3
<b>MANUFACTURING</b>				
Shipments (\$ billion)	Aug. *	24.0	2.8%	5.4%
New Orders (\$ billion)	Aug. *	24.2	2.7%	5.7%
Unfilled Orders (\$ billion)	Aug. *	27.7	0.5%	21.1%
Inventory/ Shipments Ratio	Aug. *	1.56	-0.03	-0.02
Capacity Utilization (%)	2nd Q	81.5	0.2	2.8
<b>PRICES</b>				
Consumer Price Index (1981 = 100)	Sept.	145.0	0.1%	4.1%
Industrial Product Price Index (1981 = 100)	Aug.	128.1	0.1%	3.5%
Raw Materials Price Index (1981 = 100)	Aug.	96.1	-2.3%	-9.6%
New Housing Price Index (1981 = 100)	Aug.	132.8	0.9%	9.9%

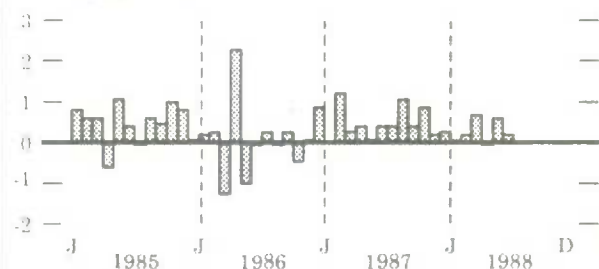
Note: All series are seasonally adjusted with the exception of average weekly earnings and the price indexes.

\* New this week.

## CURRENT TRENDS

### Gross Domestic Product

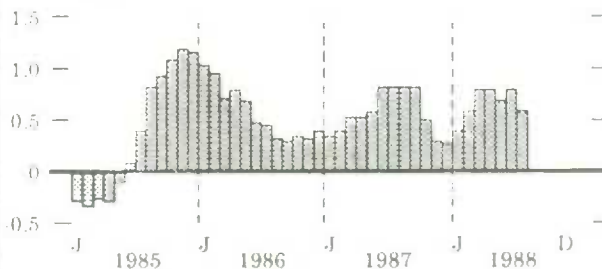
(% change, previous month)



In July economic output was essentially unchanged for the second consecutive month.

### Composite Leading Indicator

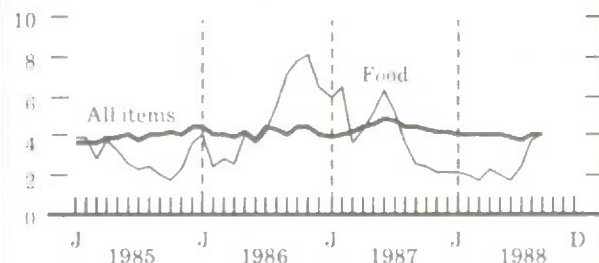
(% change, previous month)



The leading indicator continued to grow in July, but the rate of increase (0.6%) was slightly lower than in recent months.

### Consumer Price Index

(% change, previous year)



The CPI edged up in September for a second month of slower growth.

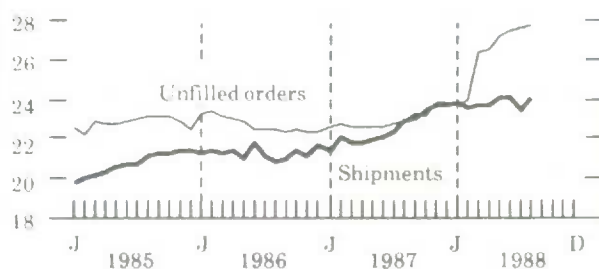
### Unemployment Rate and Employment



There has been little overall change in labour market conditions between September and May.

### Manufacturing

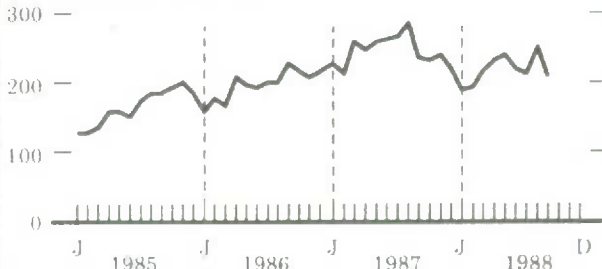
(billions of dollars)



The value of shipments rose 2.8% in August, recovering most of the decrease recorded in July.

### Housing Starts

(thousands of units, annual rates)



Housing starts were down in July reflecting a slowdown in the multiple housing sector

## PUBLICATIONS RELEASED FROM OCTOBER 21 TO 27

### EDUCATION, CULTURE AND TOURISM

**Touriscope**, Vol. 4, No. 8, International Travel, Advance Information, 1987-88. Catalogue number 66-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

**Touriscope - International Travel, National and Provincial Counts**, April-June 1988. Catalogue number 66-001 (Canada: \$35/\$140; Other Countries: \$36.50/\$146).

### INDUSTRY

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

**Coal and Coke Statistics**, July 1988. Catalogue number 45-002 (Canada: \$9/\$90; Other Countries: \$10/\$100).

**Department Store Monthly Sales, by Province and Metropolitan Area**, June 1988. Catalogue number 63-004 (Canada: \$2.50/\$25; Other Countries: \$3.50/\$35).

**Department Store Sales and Stocks**, February 1988. Catalogue number 63-002 (Canada: \$13/\$130; Other Countries: \$14/\$140).

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

**Electric Power Statistics**, July 1988. Catalogue number 57-001 (Canada: \$9/\$90; Other Countries: \$10/\$100).

**Food Industries**, 1985. Catalogue number 32-250 (Canada: \$30; Other Countries: \$31.50).

**Fruit and Vegetable Preservation Service Bulletin**, Vol. 17, No. 1, Pack of Processed Asparagus, 1987 and 1988. Catalogue number 32-023 (Canada: \$7/\$115; Other Countries: \$8/\$125).

**Fruit and Vegetable Production**, August 1988. Catalogue number 22-003 (Canada: \$16.50/\$66; Other Countries: \$17.50/\$70).

**Merchandising Inventories**, May 1988. Catalogue number 63-014 (Canada: \$13/\$130; Other Countries: \$14/\$140).

**Monthly Survey of Manufacturing**, July 1988. Catalogue number 31-001 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

**Monthly Survey of Manufacturing**, August 1988. Catalogue number 31-001 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

**Oil Pipe Line Transport**, July 1988. Catalogue number 55-001 (Canada: \$9/\$90; Other Countries: \$10/\$100).

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

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

**Production and Disposition of Tobacco Products**, September 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**, August 1988. Catalogue number 47-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Steel Wire and Specified Wire Products**, August 1988. Catalogue number 41-006 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

### INDUSTRY MEASURES AND ANALYSIS

**Gross Domestic Product by Industry**, July 1988. Catalogue number 15-001 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

### LABOUR AND HOUSEHOLD SURVEYS

**Enterprising Canadians - The Self-employed in Canada**, 1975-1986. Catalogue number 71-536 (Canada: \$40; Other Countries: \$42).

### METHODOLOGY

**Survey Methodology**, Vol. 14, No. 1, A Journal of Statistics Canada, June 1988. Catalogue number 12-001 (Canada: \$20; Other Countries: \$23).

### PRICES

**Consumer Prices and Price Indexes**, April-June 1988. Catalogue number 62-010 (Canada: \$16.50/\$66; Other Countries: \$18.50/\$74).

### PUBLIC INSTITUTIONS

**Provincial and Territorial Government Employment**, October-December 1987. Catalogue number 72-007 (Canada: \$16.50/\$66; Other Countries: \$17.50/\$70).

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

**Science Statistics Service Bulletin**, Vol. 12, No. 10, The Provincial Research Organizations, 1987. Catalogue number 88-001 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).

### SERVICES

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

### TRANSPORT

**Air Carrier Operations in Canada**, October-December 1987. Catalogue number 51-002 (Canada: \$22/\$88; Other Countries: \$23/\$92).



## 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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Toll free service: 1-800-665-7192

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Toronto, Ontario  
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Toll free service: 1-800-268-1151

### National Capital Region

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Statistics Canada  
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R.H. Coats Building  
Holland Avenue  
Ottawa, Ontario  
K1A 0T6  
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### Nipissing Region

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Local calls: 753-3200  
If outside the local calling area,  
please dial the toll free number given  
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**KEY RELEASE CALENDAR: November 1988\***

Monday	Tuesday	Wednesday	Thursday	Friday
	1	2	3 Composite Leading Indicator, October	4 Labour Force Survey, October Farm Input Price Index, 3 <sup>rd</sup> Quarter
7 Business Conditions, 4th Quarter Labour Income, August	8	9 New Housing Price Index, September Department Store Sales, September	10 Help-wanted Index, October International Travel, September Farm Product Price Index, September	11 New Motor Vehicle Sales, September
14	15 Housing Starts, September	16 International Trade, September	17	18 Consumer Price Index, October Travel Account, 3 <sup>rd</sup> Quarter
21 Retail Trade, September	22 Department Store Sales and Stocks, September Building Permits, September	23 Shipments, Inventories and Orders, September	24 Wholesale Trade, September	25 Crude Oil and Natural Gas, August Farm Cash Receipts, September Farm Net Income, 1987
28 Employment Earnings and Hours, September	29 Industrial Corporations: Financial Statistics, 3 <sup>rd</sup> Quarter Refined Petroleum Products, October	30 National Income and Expenditure Accounts, 3 <sup>rd</sup> Quarter Balance of Payments, 3 <sup>rd</sup> Quarter	Gross Domestic Product, September Security Transactions, September	Industrial Product Price Index, October Raw Materials Price Index, October

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

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