

I·N·F·O·M·A·T

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

Friday, March 17, 1989

OVERVIEW

■ Corporate Taxes Resume Rising Trend

In 1987, corporate taxes were 6% higher than they were a year earlier. This increase followed a slight decrease in 1986.

■ Employment Growth Halt

Following three consecutive months of strong growth, employment was down marginally in February.

■ Farm Product Prices Continue to Edge Up

The farm product price index was up 0.3% in January, maintaining the rising trend evident for the last 10 months.

■ Motor Vehicle Sales Still Fluctuating

Motor vehicle sales dropped sharply in January, following a substantial increase in December. Generally, sales have shown no clear trend since October 1987.

■ Canadian Tourism Abroad Slows Slightly

Total international trips by Canadians declined in January, contrasting with the general rising trend evident in the last two years.

This issue also includes information on the **General Social Survey, Household Facilities, and Canada's Seniors.**

Corporate Taxes Resume Rising Trend

Based on preliminary estimates, corporations paid \$14.7 billion in federal and provincial taxes in 1987, an increase of 6% over the previous year. The growth of taxes in 1987 indicates a resumption of an upward trend, following a slight decrease in 1986.

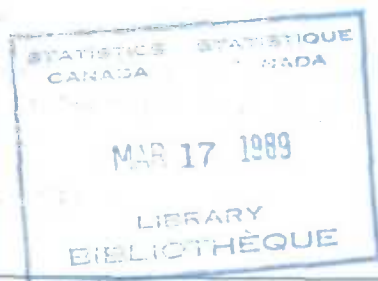
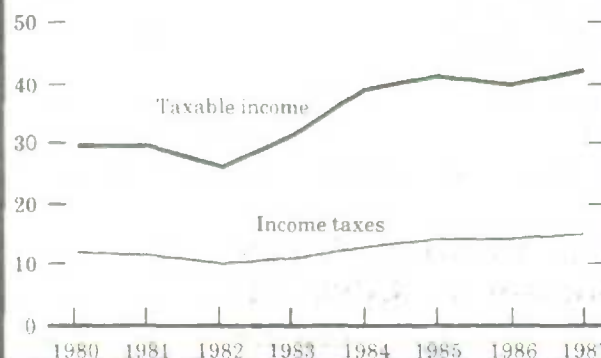
Federal income taxes rose 5%, mirroring an increase in taxable income. Provincial income taxes grew 9%, somewhat faster than taxable income, due to higher tax rates in British Columbia, Alberta and Prince Edward Island.

The growth of income taxes was concentrated in the finance, mining and construction industries in 1987. In finance, taxes rose 20%, continuing the pattern of strong growth exhibited since 1983. Taxes in the mining industry were nearly a third higher than a year earlier, but were still well below the peak registered in

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Corporation Taxation Statistics

(billions of dollars)



Statistics Canada
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Canada

... Corporate Taxes Resume Rising Trend

1985. In the wake of plunging oil and gas prices, taxes had fallen to a ten-year low in 1986. Taxes paid by the construction industry were up more than 20% for the second year in a row.

The level of taxes in the manufacturing sector was essentially unchanged from the year-earlier level, as

changes in different industries offset each other. Year-over-year increases in excess of 50% for the energy, paper, and wood industries were balanced by a sharp drop in taxes for the transportation equipment industry.

For further information, contact Industrial Organization and Finance Division at (613) 951-2648.

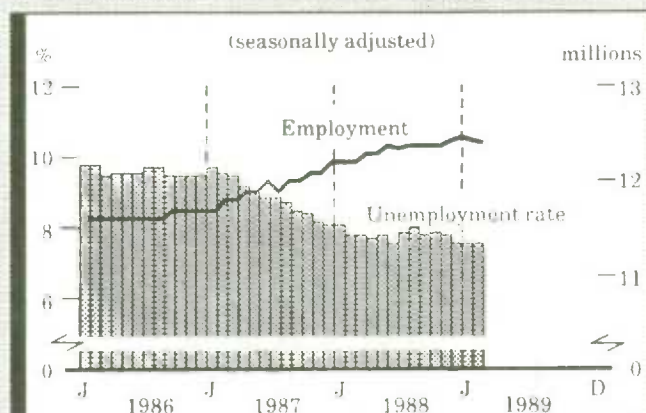
Employment Growth Halts

Estimates from the Labour Force Survey show that the level of employment was down slightly in February, following three consecutive months of strong growth. The decline in employment was almost matched by a reduction in the size of the labour force, resulting in little overall change in the unemployment level and no change in the unemployment rate.

Employment for young people (age 15 to 24) dropped 35,000, largely offsetting the increase posted in January. Generally, employment for youths registered slower growth than employment for older workers last year. Employment among persons 25 and older was up slightly, continuing an upward trend that began in August 1986.

The decrease in employment was mostly accounted for by females, a reversal of the trend noted in 1988, when employment generally grew at a faster rate than

Unemployment Rate and Employment



male employment. Full-time employment continued to rise, while part-time employment fell sharply in February.

The level of unemployment was virtually unchanged from January, extending the string of marginal monthly changes to ten months. The unemployment rate remained at 7.6% for the third consecutive month, equalling the rate posted in July 1988.

For further information, order *Labour Force Information* (catalogue number 71-001P) for summary data or contact Household Surveys Division at (613) 951-4720.

Labour Force

	Oct.	Nov.	Dec.	Jan.	Feb.
	Change, previous month				
Labour force ('000)	19	48	-2	90	-23
Employment ('000)	3	64	16	89	-28
15-24 years ('000)	-27	31	-3	42	-35
25 years & over ('000)	30	33	19	47	7
Unemployment ('000)	16	-16	-18	1	5
Unemployment rate	7.9	7.7	7.6	7.6	7.6

Farm Product Prices Continue to Edge Up

The farm product price index (1981=100) stood at 100.8 in January, up 0.3% over December. The index has risen in eight of the last twelve months. Crop prices and

livestock prices both advanced in January. The FPPI was 12.6% higher than in the same month last year.

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Farm Product Prices Continue to Edge Up

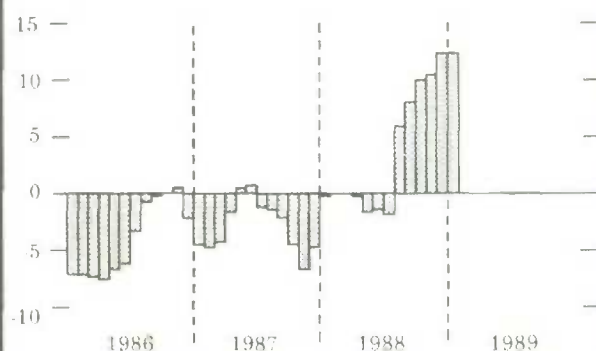
The crops index posted a marginal gain of 0.4%, continuing the general rising trend evident over the last 12 months. This index has increased in nine of the last twelve months and was almost 40% higher than a year earlier. Cereal prices have been particularly strong, registering large increases since June, as drought in North America reduced global grain surpluses.

The livestock and animal products index edged up slightly. The index has shown little change over the last 12 months, as rising prices for poultry, eggs and dairy products have offset falling hog and cattle prices. In January, it stood just 1.3% above year-earlier levels.

For further information, order *Farm Product Price Index* (catalogue number 62-003) or contact Agriculture Division at (613) 951-2441.

Farm Product Price Index

(% change from previous year)



Motor Vehicle Sales Still Fluctuating

Seasonally adjusted sales of new motor vehicles totalled 123,000 in January, 10.8% lower than sales in the previous month. The rising trend observed from July to September has given way to a fluctuating, but downward change in total sales.

Car sales dropped substantially (-13.7%), while commercial vehicle sales declined moderately (-4.4%). The decrease in car sales more than offset the rise noted in December. Most of this decline stemmed from North American car sales which dropped 19% in January.

Imported car sales edged up slightly, rising for the third consecutive month. This recent period of moderate growth contrasts with slowing sales in the first half of 1988.

Commercial vehicle sales continued to fluctuate, as they did throughout 1988. However, the size of the fluctuations has moderated in the last six months.

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

Motor Vehicle Sales

	Sept.	Oct.	Nov.	Dec.	Jan.
	% change, previous month				
Passenger cars	3.7	-6.3	0.0	9.7	-13.7
North American	3.2	1.1	-1.6	11.2	-19.1
Imported	4.7	-21.8	4.3	6.0	0.7
Commercial vehicles	2.2	-2.0	0.0	2.3	-4.4

Household Facilities by Income Levels

The 1988 issue of *Household Facilities by Income and Other Characteristics* is the latest report providing data on housing characteristics and household goods by 1987 income class. This report presents household items and dwelling characteristics by income, province, urbanization, age of household head and household type. Tables are based on household facilities and equipment data as of May 1988 and income data for the 1987 calendar year.

Highlights include:

- Average household income ranged from \$19,641 for one-person households to \$43,748 for single-family

households. Multi-family households had average income of \$48,562.

- For widely held household items such as telephones, radios, refrigerators and televisions, there was very little difference by income class in the proportion of households having them.
- For items less widely held, there was generally a strong relationship to income. Dishwashers, for example, were found in 14.5% of households with income under \$10,000, but in 75.8% of households with income of \$70,000 and over.

(continued on page 3)

... Household Facilities by Income Levels

- Only 9.1% of households in the under \$10,000 income group had more than one vehicle, while 74.6% in the \$70,000 and over group owned two or more.
- In 1988, home ownership rates ranged from 30.5% in the less than \$10,000 income class, to 88.9%, in the \$70,000 and over class.

- Renter households spent 17.7% of their income on rent, the same as the previous year. The comparable figure 12 years ago was 16.4%.

For further information, order *Household Facilities by Income and Other Characteristics* (catalogue number 13-218) or contact Household Surveys Division at (613) 951-9778.

Canadian Tourism Abroad Slows Slightly

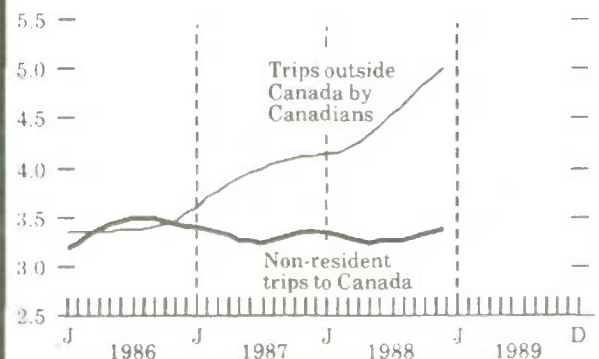
In January, the seasonally adjusted volume of foreign travellers to Canada rose 4.9%, following a decline registered in December. Trips by United States residents were up 4.3% and trips by residents of other countries increased 10.4%. Trips to Canada by non-residents have been rising in recent months, reversing a downward trend set in the first half of 1988.

Underlying the trend set by non-residents were two different patterns related to country of origin. The number of trips to Canada by United States residents rose in January, contrasting with the relative stability noted from September to December. The volume of trips by overseas residents to Canada has exhibited a pattern of steady growth.

Total international trips by Canadian residents posted a decrease (-1.8%) in January, contrasting with the generally rising trend evident over the last two years. Travel to the U.S. and overseas countries were both down in January.

International Travel

(millions of trips, short-term trend)



For further information, order *International Travel - Advance Information* (catalogue number 66-001P) or contact Education, Culture and Tourism Division at (613) 951-8933.

Younger Generations More Educated

Among Canadians 15 years and older, one in four have the same educational level as their parents and about 60% have a level of education higher than their parents.

While a large proportion of Canadians have a higher education than their parents, the parents' education still makes a big difference in the determination of that attained by their children. The probability of having at least some college or university education is almost twice as high for the daughters and sons of parents who themselves have attended college or university (about 64%) as it is for the children of parents with an educational level of Grade 10 or less (about 33%). These differences apply equally to women and men.

Intergenerational occupational mobility is also widespread. When occupations are ranked into 10 groups, 88% of women and 77% of men have experienced some degree of occupational mobility (i.e. moved to a different group) in relation to their fathers' occupation.

Upward mobility is more common than downward mobility for both women and men. While 65% of women and 47% of men were upwardly mobile, only 23% of women and 28% of men had occupations that were lower on the scale than their fathers'. (Intergenerational occupational mobility could not be determined from the mothers' occupational status because over 70% of mothers were not classified with a labour-force occupation.)

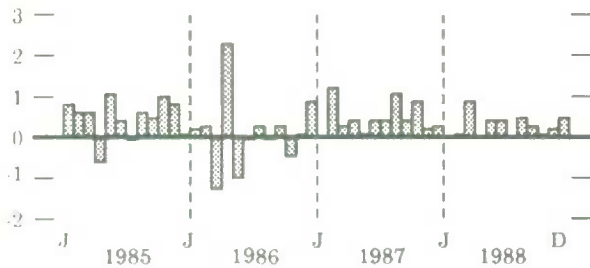
The 1986 General Social Survey involved the collection of data on daily activities, social mobility and use of languages. Conducted in the fall of 1986, the collection of data was carried out in the 10 provinces. A sample of 9,946 persons aged 15 and over was interviewed for the time use module and 16,390 for the social mobility and language modules.

For further information, contact Housing, Family and Social Statistics Division at (613) 951-2572.

CURRENT TRENDS*

Gross Domestic Product

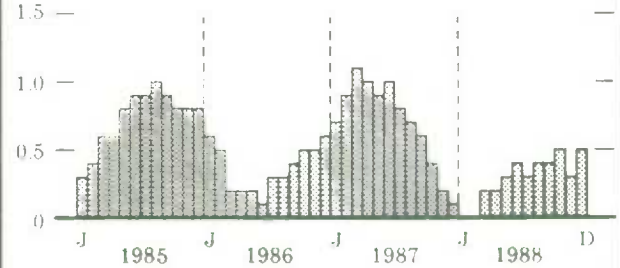
(% change, previous month)



In December, gross domestic product rose 0.5%, as output of both the services- and goods-producing industries advanced.

Composite Leading Indicator

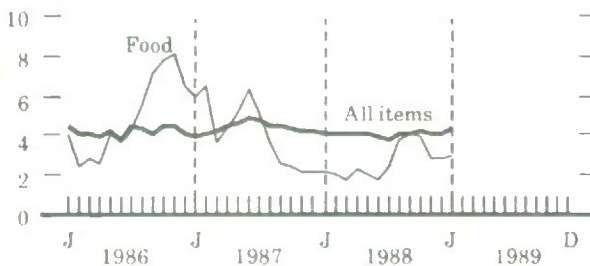
(% change, previous month)



The composite leading indicator continued to register moderate growth in December.

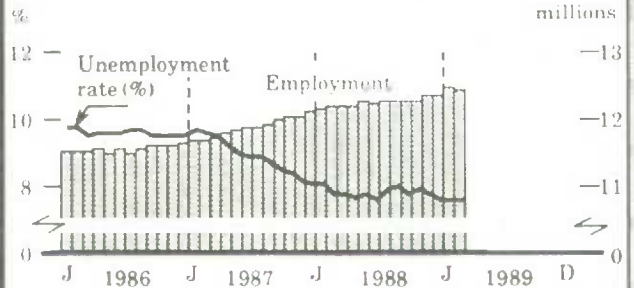
Consumer Price Index

(% change, previous year)



Following several months of slower growth, seasonal price increases bumped up the CPI in January.

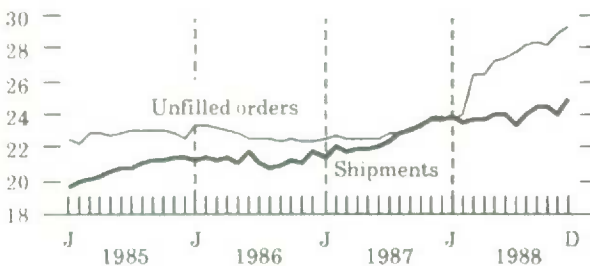
Unemployment Rate and Employment



Following three consecutive months of strong growth, employment was down marginally in February.

Manufacturing

(billions of dollars)



Following two consecutive declines, the value of manufacturing shipments rose 3.4% in December to total \$24.9 billion.

Merchandise Trade

(billions of dollars, short-term trend)



Exports and imports have moved in tandem for the last six months, but imports have risen faster.

* All series are seasonally adjusted except the consumer price index.

PUBLICATIONS RELEASED FROM MARCH 10 TO MARCH 16

AGRICULTURE

Cereals and Oilseeds Review, December 1988. Catalogue number 22-007 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

Livestock Report, January 1, 1989. Catalogue number 23-008 (Canada: \$15/\$60; Other Countries: \$16/\$64).

CENSUS

The Nation - Occupation, 1986 Census. Catalogue number 93-112 (Canada: \$77; Other Countries: \$90).

The Nation - Industry, 1986 Census. Catalogue number 93-113 (Canada: \$58; Other Countries: \$68).

EDUCATION, CULTURE AND TOURISM

Community Colleges and Related Institutions: Postsecondary Enrolment and Graduates, 1986. Catalogue number 81-222 (Canada: \$25; Other Countries: \$26).

Touriscope - International Travel Advance Information, Vol. 4, No. 12, December 1988. Catalogue number 66-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

INCOME AND EXPENDITURE

System of National Accounts - National Income and Expenditure Accounts, Quarterly Estimates 1947-1986. Catalogue number 13-533 (Canada: \$50; Other Countries: \$60).

INDUSTRY

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

INDUSTRY - Concluded

Footwear Statistics, January 1989. Catalogue number 33-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

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

Specified Domestic Electrical Appliances, January 1989. Catalogue number 43-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

INTERNATIONAL TRADE

Preliminary Statement of Canadian International Trade, January 1989. Catalogue number 65-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

LABOUR

Canada's Youth: A Profile of their Labour Market Experience, 1986. Catalogue number 71-207 (Canada: \$10; Other Countries: \$11).

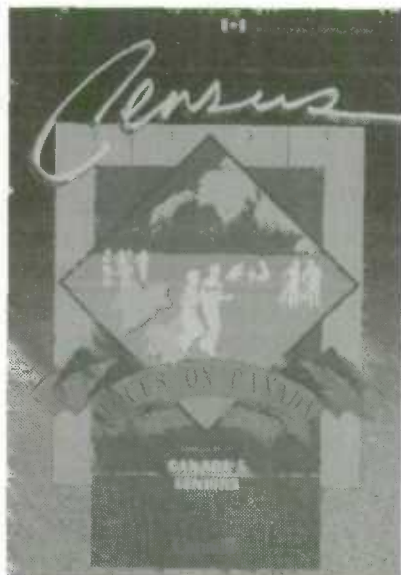
PRICES

Consumer Price Index, February 1989. Catalogue number 62-001 (Canada: \$8.50/\$85; Other Countries: \$9.50/\$95).

SERVICES

Communications Service Bulletin, Telecommunication Statistics, Fourth Quarter, 1988. Catalogue number 56-001 (Canada: \$7.50/\$45; Other Countries: \$8.50/\$51).

NEW FROM STATISTICS CANADA



Focus on Canada Series - Canada's Seniors

In 1966, there were 1.5 million Canadians aged 65 or over. By 1976 this figure had increased to 2.0 million. In the most recent decade, an additional 700,000 Canadians have moved into this age group, bringing its total population to 2.7 million in 1986.

The percentage of Canadian seniors has been growing at an accelerated pace. The high rate of growth for seniors is only matched by the growth rate in the age groups that "baby boomers" are now entering (35-39 and 40-45).

Canada's Seniors, a descriptive study about Canada's aging population, outlines how this fast-growing segment of the population is changing. Using data from the 1986 Census and comparable information from other countries, *Canada's Seniors* details the phenomenon through charts, tables and text.

Order *Canada's Seniors* (catalogue number 98-121).

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Local calls: 753-3200
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LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (billion 1981 dollars)	Dec.	402	0.5%	3.4%
Composite Leading Indicator (1981 = 100)	Dec.	142.3	0.5%	3.5%
Profits of Industrial Corporations (\$ billion)	4th Q	9.4	1.2%	-2.1%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Dec.	14.3	1.9%	5.9%
New Motor Vehicle Sales ('000 units)	Jan.*	123	-10.8%	-4.5%
Housing Starts ('000, annual rates)	Jan.	239	5.3%	20.1%
LABOUR				
Employment (millions)	Feb.*	12.4	-0.2%	1.8%
Unemployment Rate (%)	Feb.*	7.6	0.0	-0.2
Participation Rate (%)	Feb.*	67.1	-0.1	0.3
Labour Income (\$ billion)	Dec.	27.2	0.4%	8.4%
Average Weekly Earnings (\$)	Dec.	469.93	0.0%	4.1%
EXTERNAL TRADE				
Merchandise Exports (\$ billion)	Dec.	11.0	-2.7%	3.1%
Merchandise Imports (\$ billion)	Dec.	10.7	-3.2%	-1.8%
Merchandise Trade Balance (\$ billion)	Dec.	0.4	0.0	-0.2
MANUFACTURING				
Shipments (\$ billion)	Dec.	24.9	3.4%	4.9%
New Orders (\$ billion)	Dec.	25.3	2.2%	3.8%
Unfilled Orders (\$ billion)	Dec.	29.3	1.4%	23.2%
Inventory/ Shipments Ratio	Dec.	1.53	-0.6	0.1
Capacity Utilization (%)	3rd Q	81.6	0.0	1.3
PRICES				
Consumer Price Index (1981 = 100)	Jan.	146.8	0.5%	4.3%
Industrial Product Price Index (1981 = 100)	Jan.	130.3	0.4%	2.9%
Raw Materials Price Index (1981 = 100)	Jan.	95.9	2.6%	-5.4%
New Housing Price Index (1981 = 100)	Jan.	141.2	0.9%	14.2%

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

* New this week.

I·N·F·O·R·M·A·T

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