



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, August 30, 1991

OVERVIEW

■ Residential Sector Continues to Propel Building Permits

The value of building permits climbed 3.5% in June, due entirely to a sharp rise in the residential sector.

■ Second Straight Drop in Number of UI Beneficiaries

The number of persons receiving regular unemployment insurance benefits fell (-1.0%) in June for the second straight month following eight monthly increases.

■ IPPI Maintains Declining Trend

In July, the Industrial Product Price Index edged down 0.3%, the sixth consecutive monthly decline.

■ Lower Crude Oil Prices Push Down RMPI

The Raw Materials Price Index fell 1.2% in July to its lowest level since December 1988. The decline was mainly due to a large drop in the prices of mineral fuels.

■ Sharp Increase in Non-resident Investment in Canadian Securities

In June, non-residents invested \$2.3 billion in Canadian securities, up sharply from \$1.2 billion in May.

■ Strong Growth in Average Weekly Earnings Continues

Average weekly earnings were estimated at \$542.85 in June, up 5.8% from the same period last year.

■ Travel Account Deficit Worsens

In the second quarter of 1991, international travel transactions produced a deficit of \$1.4 billion, returning to the record deficit attained during the fourth quarter of 1990.

This issue also includes information on Wholesale Trade and Department Store Sales.

Residential Sector Continues to Propel Building Permits

Following a 3.6% increase in May and a jump of 20.0% in April, the value of building permits rose 3.5% in June to a level of \$2,354 million. The increase was entirely attributable to the residential sector.

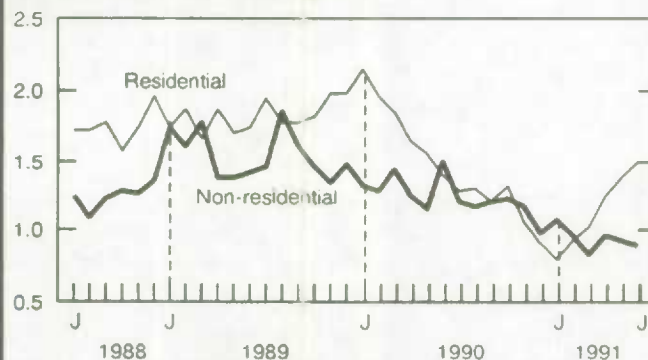
In June, the value of residential building permits was up 8.6% over May's level to reach \$1,481 million, the fifth straight monthly advance. In the single-family dwelling sector an increase of 8.3% was recorded, bringing the level to \$1,080 million. A 9.3% advance pushed the value of permits in the multi-family dwelling sector up to \$401 million. The total number of dwelling units authorized in June rose for the fourth time in the past five months.

In the non-residential sector, the value of building permits declined 4.0% in June to \$873 million, the second straight drop. Non-residential permits have been generally declining since

(continued on page 2)

Building Permits

Billions of dollars, seasonally adjusted



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... Residential Sector Continues to Propel Building Permits

November 1989. After registering advances in May and April, the value of permits in the commercial sector dropped 19.3%. The industrial sector recorded a decline (-7.6%) for the second straight month. Partly offsetting these decreases, the value of permits in the institutional sector climbed 45.0% in June, after plunging 33.9% in May.

Second Straight Drop in Number of UI Beneficiaries

In June, the number of beneficiaries receiving regular unemployment insurance benefits was down for a second consecutive month following eight straight monthly increases. The 1.0% decrease brought the level of insured to 1,214,000. The number of regular UI beneficiaries declined in the

U.I. Beneficiaries Receiving Regular Benefits, June 1991 Seasonally Adjusted

Province/ Territory	Total (000)	% change, previous month	% change, previous year
Canada	1,214	-1.0	29.6
Newfoundland	76	4.3	12.8
Prince Edward Island	13	5.1	16.0
Nova Scotia	56	4.0	16.5
New Brunswick	60	2.1	14.9
Quebec	387	-0.4	21.9
Ontario	338	-3.8	58.2
Manitoba	33	-2.9	16.2
Saskatchewan	26	-2.7	10.9
Alberta	79	-2.5	27.3
British Columbia	139	-1.0	24.9
Yukon	2	3.4	17.4
Northwest Territories	2	0.0	26.5

IPPI Maintains Declining Trend

The Industrial Product Price Index (1986=100) edged down 0.3% in July, to 108.2, the sixth consecutive monthly decline. Of the 21 major groups of products, prices fell in 12, remained unchanged in four and increased in five. Declines in the prices of paper, wood and petroleum products were largely responsible for the decrease.

Prices of paper and paper products fell in July; the tenth consecutive monthly decline was largely the result of drops in pulp and newsprint prices.

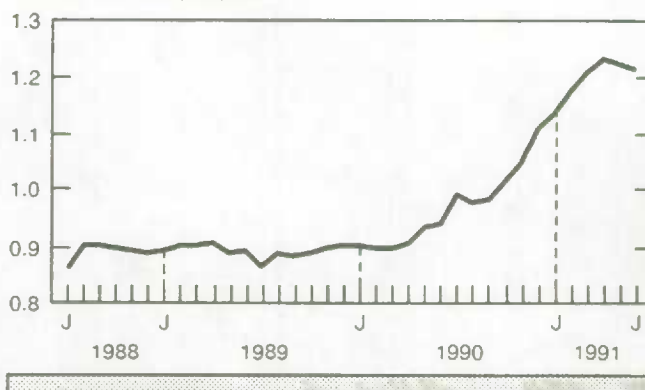
After four straight months of increase, the lumber, sawmill and other wood products index recorded a 1.1% decrease in July. Most of the downward pressure resulted from lower prices for softwood lumber. Moderating the overall decrease

Regionally, there were across-the-board monthly increases in the value of residential building permits, while Quebec and Ontario were the only regions to report a gain in the value of non-residential building permits.

For further information, order *Building Permits* (catalogue number 64-001) or contact *Investment and Capital Stock Division* at (613) 951-2585.

U.I. Beneficiaries Receiving Regular Benefits

Millions, seasonally adjusted



central and western provinces, but rose in the Atlantic provinces and the territories. (See accompanying table.)

Total benefit payments for the month advanced 2.4% to a level of \$1,540 million following a 6.7% increase in May. After rising in May, the number of benefit weeks (in all of June) was down 3.2% to 6,117,000.

For further information, order *Unemployment Insurance Statistics* (catalogue number 73-001) or contact *Labour Division* at (613) 951-4039.

were higher prices recorded for Douglas fir plywood, other softwood plywood and particle board and waferboard.

Following four straight gains, prices of petroleum and coal products were down 1.1% in July, mainly reflecting lower prices for gasoline and fuel oils.

These decreases were moderated by a 0.3% decline of the Canadian dollar versus its U.S. counterpart which put upward pressure on prices of exported goods denominated in U.S. currency. Mainly affected were autos, trucks and other transport equipment.

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

Lower Crude Oil Prices Push Down RMPI

The Raw Materials Price Index (1986=100) fell 1.2% in July to 102.8, its lowest level since December 1988. The decline was mainly due to a large drop in the prices of mineral fuels. The RMPI excluding mineral fuels fell 0.6%.

The mineral fuels index, which carries roughly one-third of the overall weight, dropped 2.3% in July, the seventh decline in eight months. Lower crude oil prices, which have been falling steadily throughout 1991, were responsible for the decrease.

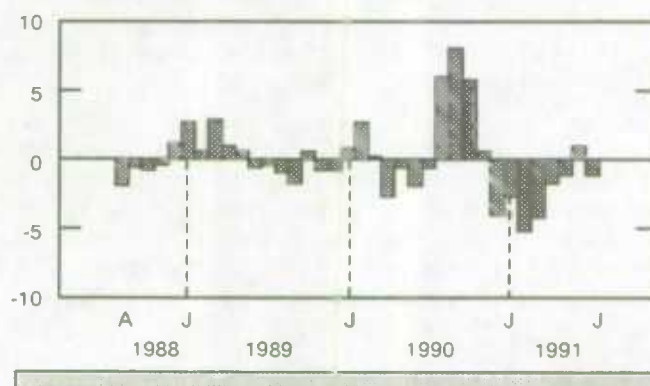
Sharply lower prices for hogs and cattle for slaughter pushed the animal products index down 1.8% in July, following two months of increase. Partially offsetting these declines was a rise in the price of chickens.

Following nine consecutive monthly declines, the non-ferrous metals index registered a 1.4% advance in July. Higher prices of aluminum materials, concentrates of copper and nickel were mainly responsible for the increase.

Prices of grains and oilseeds fell sharply in July to their lowest levels since the beginning of 1989, resulting in a 0.9% decline in the vegetable products

Raw Materials Price Index

% change, previous month



index. This represents the twelfth decrease in the past 14 months. These reductions were partly offset by a strong rise in unrefined sugar prices.

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

Sharp Increase in Non-resident Investment in Canadian Securities

In June, non-residents invested \$2.3 billion in Canadian securities, up sharply from \$1.2 billion invested in May. The monthly net investment was entirely directed to the Canadian money market and was made up of \$1.3 billion Government of Canada treasury bills and \$1.0 billion in other money market paper.

Non-resident investment in Canadian bonds was negligible in June following five months of substantive investments totalling \$13.4 billion. There continued, however, to be substantial investment in net new issues but these were offset by a record disinvestment in the secondary market.

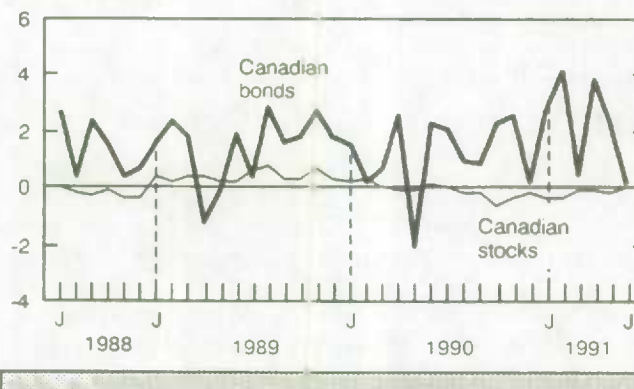
New bond sales to non-residents remained solid, reaching \$3.3 billion in June. Sharply higher placements abroad by corporations (\$1.3 billion) offset the reduction in foreign borrowing by the provinces and their enterprises.

In the secondary market, non-residents reduced their holdings of Canadian bonds by a record \$2.4 billion in June, the second significant net disinvestment in 1991.

Non-residents continued to reduce their holdings of Canadian stocks, although at a much reduced level. Foreign disinvestment in the secondary

Security Transactions

Billions of dollars



market was mostly offset by investment in new Canadian shares by U.S. investors.

Residents acquired a net amount of \$0.5 billion of foreign stocks in June, bringing to \$2.0 billion their net investment in the first half of 1991. Three-quarters of the net investment went to U.S. equities with the remainder going to overseas equities.

For further information, order *Canada's International Transactions in Securities* (catalogue number 67-002) or contact *Balance of Payments Division* at (613) 951-1864.

Strong Growth in Average Weekly Earnings Continues

In June, average weekly earnings in Canadian industry were estimated at \$542.85, a 5.8% increase over a year earlier. The yearly earnings growth rate exceeded the average year-over-year advances for 1990 (5.3%) and 1989 (5.0%).

The pattern of growth relative to the two previous years was mixed. In the case of the goods-producing industries, earnings advanced by 5.1% compared with annual growth rates of 5.8% in 1990 and 5.4% in 1989. In services-producing industries, earnings growth was 6.7%, accelerating from average annual growth rates of 5.8% in 1990 and 4.8% in 1989. All services-producing industries

Average Weekly Earnings, June 1991

Unadjusted Data

Province/Territory	Industrial Aggregate (dollars)	Year-over year % change
Canada	542.85	5.8
Newfoundland	510.96	5.7
Prince Edward Island	421.23	2.7
Nova Scotia	483.50	5.1
New Brunswick	488.88	5.0
Quebec	530.37	5.2
Ontario	568.95	6.1
Manitoba	484.13	4.9
Saskatchewan	476.46	6.4
Alberta	541.38	6.0
British Columbia	547.50	6.6
Yukon	633.84	4.8
Northwest Territories	742.41	6.2

Travel Account Deficit Worsens

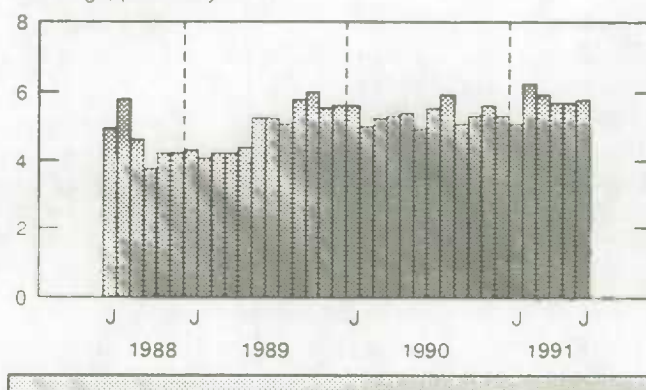
In the second quarter of 1991, the international travel account showed a deficit of \$1.4 billion, higher than the \$1.2 billion recorded in the first quarter and back to the deficit level attained during the fourth quarter of 1990. The deficit is a result of a large increase in Canadian foreign expenditures, particularly with the United States, while receipts from non-residents remained stagnant.

Payments to the United States increased 8.3% in the first quarter to \$2.3 billion, the fourth increase in five quarters. Spending by Canadian residents in all countries other than the United States rose 2.6%, following an 11.2% drop in the first quarter and a smaller decline in the fourth quarter of 1990. Previously, spending in countries other than the United States had not declined in over two years.

Receipts from the United States were 0.9% higher than in the previous quarter, the third straight increase, while receipts from all other countries were down 0.5%.

Average Weekly Earnings

% change, previous year



except for commercial services and public administration contributed to this strength. The highest year-over-year increase was posted in the forestry industry for the fourth time in five months. The 13.5% gain was well above the average annual growth rates for 1990 and 1989.

In goods-producing industries, employees paid by the hour worked an average of 38.0 hours per week, lower than the average for June 1990 (38.5), and earned on average \$15.92 per hour. In services-producing industries, hourly-paid employees worked on average 28.3 hours per week and earned \$12.09.

For further information, order *Employment, Earnings and Hours* (catalogue number 72-002) or contact Labour Division at (613) 951-4090.

International Travel

2nd Quarter, 1991

	1990			1991	
	Q2	Q3	Q4	Q1	Q2
millions of dollars					
Receipts	1,862	1,859	1,888	1,919	1,925
Payments	3,115	3,208	3,279	3,113	3,317
Balance	-1,253	-1,349	-1,392	-1,194	-1,392

After showing a marked improvement during Expo 86, the travel account balance has generally shown a downward trend, the only exception being a slight recovery brought about by the Winter Olympics in the first quarter of 1988.

For further information, order *Travel Between Canada and Other Countries* (catalogue number 66-001) or contact Education, Culture and Tourism Division at (613) 951-8933.

Fifth Straight Monthly Increase in Wholesale Trade

Wholesale trade rose 0.9% to \$14.9 billion in June, the fifth consecutive monthly increase. But, in contrast to the widespread growth of recent months, only three of the nine trade groups registered higher sales in June.

Wholesalers of non-farm machinery and equipment recorded the largest gain (in dollar terms) rising 2.2%. Suppliers of food, beverage and tobacco products posted a 2.0% increase and sales by

wholesalers of metals, hardware, plumbing and heating equipment reported an advance of 5.8%.

Following a jump of 14.8% in May, sales of apparel and dry goods were down 7.4% in June. The next largest declines were recorded by wholesalers of "other products" (-1.3%) and of lumber and building materials (-0.9%).

Five of the 10 provinces posted increases while the remaining five registered declines.

For further information, order Wholesale Trade (catalogue number 63-008) or contact Industry Division at (613) 951-9683.

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, June 1991

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	15,198	0.0	14,918	0.9
Newfoundland	285.2	0.7	164	3.4
Prince Edward Island	60	0.4	36	-1.9
Nova Scotia	485	-1.8	375	2.6
New Brunswick	402	0.6	255	7.5
Quebec	3,738	-1.0	3,677	3.8
Ontario	5,573	-0.2	6,210	1.1
Manitoba	519	0.1	466	-6.8
Saskatchewan	439	-0.6	495	-1.4
Alberta	1,588	0.5	1,380	-1.6
British Columbia	1,982	-1.5	1,841	-2.1

Department Store Sales Remain Unchanged

Department store sales (including concessions) totalled \$1.1 billion in June, unchanged from May's revised estimate. Department store sales have fluctuated markedly during 1991.

For the fifth straight month, department store stocks (at selling value) registered a gain. The 1.3% increase brought the level to \$5,063 million at the

end of June. The ratio of stocks to sales stood at 4.65:1, an increase over the 4.59:1 ratio observed in May.

For further information, order Department Store Sales and Stocks (catalogue number 63-002) or contact industry Division at (613) 951-3552.

PUBLICATIONS RELEASED FROM AUGUST 23 TO 29, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Farm Cash Receipts	January-June 1991	21-001	11/44	13.25/53	15.50/62
The Dairy Review	June 1991	23-001	12.20/122	14.60/146	17.10/171
Field Crop Reporting Series No. 5		22-002	12/80	14/96	16/112
EDUCATION, CULTURE AND TOURISM					
Federal Expenditures in Support of Education and Training	1982-83 to 1990-91	81-002	4.90/49	5.90/59	6.90/69
INCOME AND EXPENDITURE ACCOUNTS					
Canadian Economic Observer	August 1991	11-010	22/220	26/260	31/310
INDUSTRY					
Monthly Production of Soft Drinks	July 1991	32-001	2.70/27	3.20/32	3.80/38
Production and Disposition of Tobacco Products	July 1991	32-022	5/50	6/60	7/70
Electrical and Electronic Products Industries	1988	43-250	35	42	49
Production and Stocks of Tea, Coffee and Cocoa	Quarter ended June 1991	32-025	6.75/27	8/32	9.50/38
Canned and Frozen Fruits and Vegetables - Monthly	June 1991	32-011	5/50	6/60	7/70
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	June 1991	35-003	7.10/71	8.50/85	9.90/99
Quarterly Shipments of Household Furniture Products	Quarter ended June 1991	35-007	6.75/27	8/32	9.50/38
Primary Iron and Steel	June 1991	41-001	5/50	6/60	7/70
Refined Petroleum Products	May 1991	45-004	18.20/182	21.80/218	25.50/255
Mineral Wool Including Fibrous Glass Insulation	July 1991	44-004	5/50	6/60	7/70
JUSTICE					
Juristat Service Bulletin	Vol. 11, No. 12	85-002	3.60/90	4.30/108	5/126
PRICES					
Farm Input Price Index	Second Quarter 1991	62-004	12.25/49	14.75/59	17.25/69
SERVICES, SCIENCE AND TECHNOLOGY					
Telephone Statistics	June 1991	56-002	8.30/83	10/100	11.60/116
TRANSPORTATION					
Service Bulletin Aviation	Vol. 23, No. 8	51-004	9.30/93	11.20/112	13/130
Railway Carloadings	June 1991	52-001	8.30/83	10/100	11.60/116
Passenger Bus and Urban Transit Statistics	June 1991	53-003	7.10/71	8.50/85	9.90/99
Air Passenger Origin and Destination, Canada - United States Report	1990	51-205	42	50	59

CURRENT TRENDS

Gross Domestic Product

% change,
previous month



Real GDP at factor cost rose 0.6% in May, the second consecutive increase.

Composite Leading Indicator

% change,
previous month



The Composite Leading Indicator increased 0.7% in May, the second straight gain following 14 months of decline.

Consumer Price Index

% change,
previous year



In July, the all-items CPI edged up 0.1% to 126.8, down from the 0.5% monthly gains recorded in June and May.

Unemployment Rate

%



In July, the unemployment rate remained unchanged at 10.5%, following two monthly increases.

Manufacturing

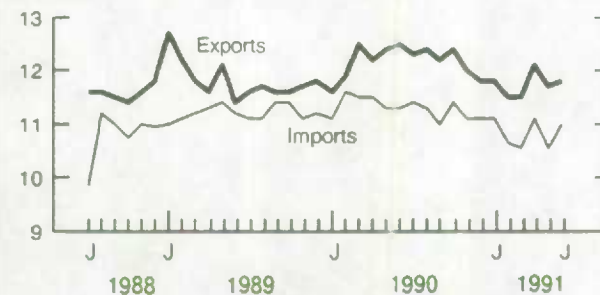
Billions
of dollars



In June, shipments increased (1.0%) for the fourth consecutive month, while unfilled orders declined 0.5%.

Merchandise Trade

Billions
of dollars



In June, exports increased 1.0% and total merchandise imports climbed 4.1%. Both advances were due to large gains in the machinery and equipment sector.

Note: All series are seasonally adjusted except the consumer price index.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	May	506	0.6%	-1.0%
Composite Leading Indicator (1981 = 100)	May	137.5	0.7%	-4.6%
Profits of Industrial Corporations (\$ billion)	1st Quarter	12.3	-15.9%	-28.9%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	June	15.2	0.0%	-4.2%
New Motor Vehicle Sales ('000 units)	June	118.3	6.8%	1.9%
LABOUR				
Employment (millions)	July	12.4	0.1%	-2.0%
Unemployment Rate (%)	July	10.5	0.0	2.5
Participation Rate (%)	July	66.5	-0.1	-0.5
Labour Income (\$ billion)	May	32.2	0.6%	1.8%
Average Weekly Earnings (\$)	June*	542.85	1.1%	5.8%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	June	11.8	1.0%	-6.2%
Merchandise Imports (\$ billion)	June	11.0	4.1%	-3.6%
Merchandise Trade Balance (\$ billion)	June	0.9	-0.3	-0.3
MANUFACTURING				
Shipments (\$ billion)	June	23.6	1.0%	-5.4%
New Orders (\$ billion)	June	23.5	1.6%	-5.2%
Unfilled Orders (\$ billion)	June	24.7	-0.5%	-9.5%
Inventory/ Shipments Ratio	June	1.53	-0.03	0.01
Capacity Utilization (%)	1st Quarter	70.5	-4.3	-11.8
PRICES				
Consumer Price Index (1986 = 100)	July	126.8	0.1%	5.8%
Industrial Product Price Index (1986 = 100)	July*	108.2	-0.3%	-0.8%
Raw Materials Price Index (1986 = 100)	July*	102.8	-1.2%	-0.3%
New Housing Price Index (1986 = 100)	June	131.1	-0.1%	-8.7%

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

* New this week.

KEY RELEASE CALENDAR: September 1991*

Monday	Tuesday	Wednesday	Thursday	Friday
2	3 Composite Leading Indicator, June	4 Help-wanted Index, August	5 Financial Statistics of Enterprises, Q2	6 Labour Force Survey, August Field Crop Reporting Series: No. 6, August Estimates of Production of Principal Field Crops
9 New Motor Vehicle Sales, July Estimates of Labour Income, June	10 New Housing Price Index, July	11 Farm Product Price Index, July	12	13 Consumer Price Index, August International Travel, July
16 Monthly Survey of Manufacturing, July	17	18	19 Preliminary Statement of International Trade, July	20
23 Retail Trade, July Department Store Sales and Stocks, July	24 Wholesale Trade, July	25 International Transactions in Securities, July Unemployment Insurance Statistics, July	26 Industrial Product Price Index, August Raw Materials Price Index, August	27 Employment, Earnings and Hours, July
30 Real GDP at Factor Cost by Industry, July Building Permits, July				

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

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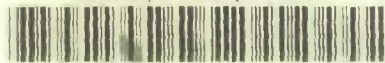
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