

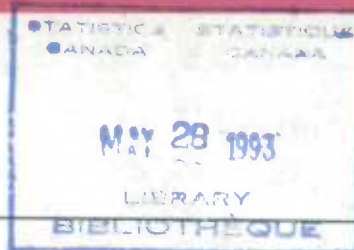


IN·F·O·M·A·T

A WEEKLY REVIEW

**NOT FOR LOAN
NE S'EMPRUNTE PAS**

Friday, May 28, 1993



OVERVIEW

■ Higher Wood Prices Push Up RMPI

The Raw Materials Price Index (RMPI) climbed 1.5% in April, due to a sharp increase in the logs and bolts index.

■ Decline in the Number of Unemployment Insurance Beneficiaries Accelerates

The seasonally adjusted number of beneficiaries receiving regular unemployment insurance benefits fell by 2.5% in March. This was a continuation of a downward trend observed since November 1992.

■ Wholesalers Report Stronger Sales in March

Seasonally adjusted sales by wholesale merchants totalled \$16.7 billion in March, up 0.5% from February and a comfortable 8.8% above March 1992.

■ Foreign Investment in Canadian Securities Reaches Unprecedented High

Non-resident purchases of Canadian securities rose sharply from \$6.8 billion in February to \$12.1 billion in March, bringing their net investment so far this year to \$23.9 billion.

■ Consumer Price Index Decelerates

In April, the Consumer Price Index for Canada posted a 1.8% increase from one year earlier, down from 1.9% in March and 2.3% in February.

This issue also includes information on **farm cash receipts and net farm income**.

Higher Wood Prices Push Up RMPI

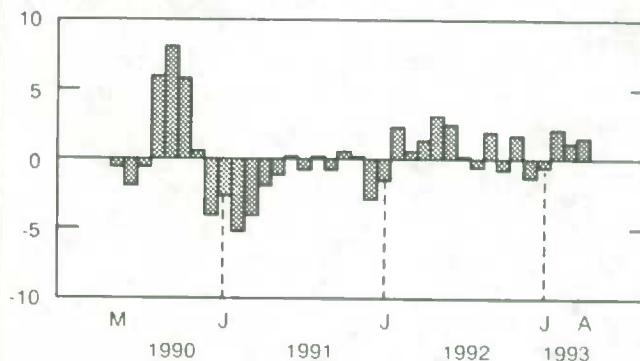
In April, the Raw Materials Price Index (RMPI, 1986 = 100) rose 1.5% to a level of 113.8. On a year-over-year basis, the RMPI climbed 11.2%, mainly because of rises in the wood (37.7%), mineral fuels (9.5%) and animal and animal products (6.1%) indexes.

Six of seven major groups of products recorded monthly advances while the non-ferrous metals index decreased by 2.3%. The wood index recorded the largest increase (6.2%), propelled by a 7.8% rise in the logs and bolts index which has been on an uptrend since December 1991.

(continued on page 2)

Raw Materials Price Index

% change, previous month



... Higher Wood Prices Push Up RMPI

The mineral fuels index rose 1.1%, led by an increase in prices for crude oil (1.3%) and coal (0.4%). In contrast, the natural gas index declined 4.0%, its first monthly decrease since July 1992.

Higher prices for unrefined sugar (7.2%) and grains (3.0%) pushed the vegetable products index up 1.4%. Lower prices for cocoa, coffee and tea (6.7%) and natural rubber and allied gums (3.5%) had a moderating effect.

Decline in the Number of Unemployment Insurance Beneficiaries Accelerates

The seasonally adjusted number of beneficiaries who received regular unemployment insurance benefits fell by 2.5% in March to 1.09 million persons. This was a continuation of a downward trend observed since November 1992. The number of beneficiaries stood 3.4% below the corresponding period one year earlier.

U.I. Beneficiaries Receiving Regular Benefits, March 1993

Seasonally Adjusted

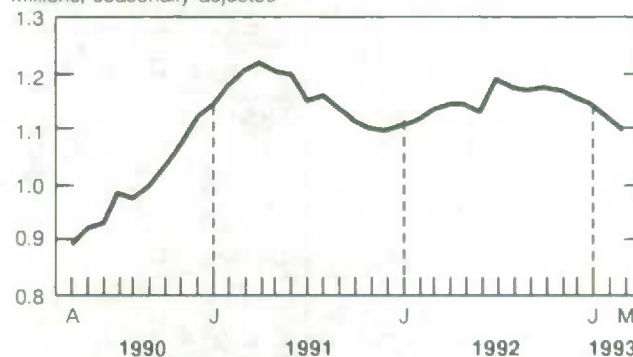
Province/Territory	Total (000)	% change, previous month	% change, previous year
Canada	1,092	-2.5	-3.4
Newfoundland	62	-5.5	-11.4
Prince Edward Island	13	-0.4	0.7
Nova Scotia	53	-1.6	0.9
New Brunswick	56	-0.7	-5.5
Québec	358	-2.3	-1.5
Ontario	300	-2.1	-3.8
Manitoba	29	-3.9	-4.9
Saskatchewan	24	-0.7	-3.0
Alberta	78	0.5	-2.8
British Columbia	120	-1.7	-3.3
Yukon	2	0.3	37.3
Northwest Territories	2	-4.6	3.7

The animal and animal products index, which accounts for more than one-quarter of the RMPI, posted a small increase of 0.4%.

For further information contact Prices Division at (613) 951-9607.

U.I. Beneficiaries Receiving Regular Benefits

Millions, seasonally adjusted



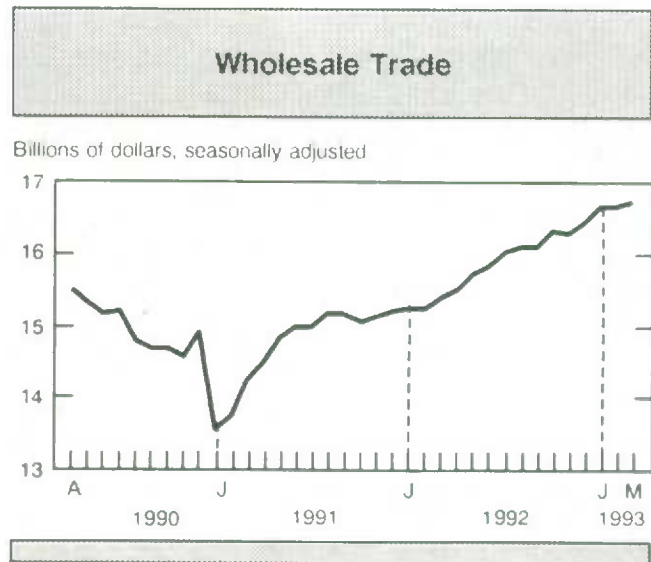
Wholesalers Report Stronger Sales in March

After no change in February, seasonally adjusted wholesale merchants' sales rose 0.5% in March to \$16.7 billion. This increase pushed sales 8.8% above their March 1992 level.

Four trade groups reported increased sales while five had lower sales. Sales by merchants of food, beverage, drug and tobacco products, the largest trade group, have been increasing since July 1992 and grew by 1.3% in March. Sales stood 17.8% higher than in March 1992. Suppliers of lumber and building materials recorded a fourth consecutive monthly increase, this time by 2.3%. Sales for this group were 16.7% above their year-earlier level. Sales by wholesalers of motor vehicles, parts and accessories rose by 1.2% following a decline of 1.5% in February.

Sales by distributors of other products (paper products, agricultural supplies, industrial and household chemicals, etc.) declined for the second month in a row, by 0.7% in March. Sales by suppliers of metals, hardware, plumbing and heating supplies fell by 0.6%.

Half of the provinces and the territories reported higher sales. Saskatchewan wholesalers had the largest advance (3.0%), the fourth monthly increase



in a row. In Québec, wholesalers saw their sales grow 2.4%, more than offsetting a 0.5% decrease in February. In Ontario, sales were up by 0.3%, resuming a nine-month upward trend briefly interrupted in February when sales fell by 0.3%. Declines ranged from 0.2% in British Columbia to 4.6% in Nova Scotia.

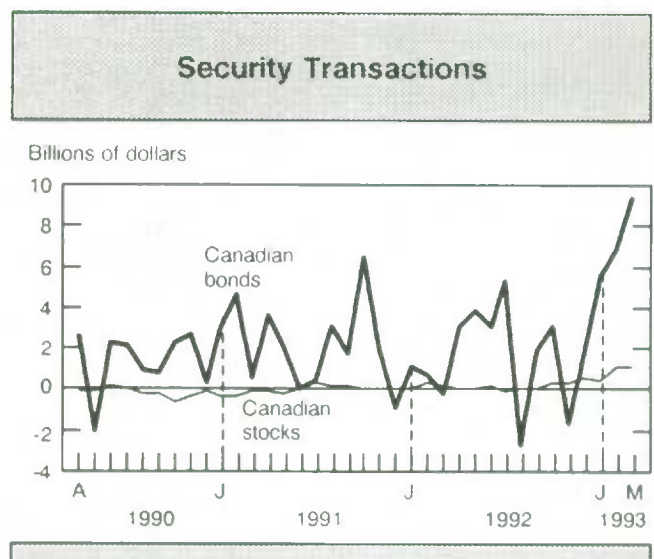
For further information, order *Wholesale Trade* (catalogue number 63-008), or contact Industry Division at (613) 951-3540.

Foreign Investment in Canadian Securities Reaches Unprecedented High

In March, foreign investors acquired an unprecedented \$12.1 billion in Canadian securities, up from \$6.8 billion in February. The total for the first three months of 1993, at \$23.9 billion, exceeded by far the total for the same period in 1992 (\$6.4 billion). More than three-quarters of the monthly acquisition was directed towards Canadian bonds while non-residents resumed their purchases of Canadian money market paper.

Non-residents remained heavy net purchasers of Canadian bonds, acquiring \$9.5 billion, up \$2.7 billion from the record set in the previous month. Foreign investors acquired \$7.9 billion in new issues which were only partly offset by retirements of maturing bonds in the amount of \$1.7 billion. The primary issuers of the new bonds sold were the provinces and their enterprises (\$3.9 billion) and the balance went into Government of Canada issues (\$1.7 billion).

The investment in net new issues (\$6.2 billion) came from the United States (70%), Europe (20%) and Asia (10%) – a shift from February when the net investment was split between the United States and Europe.



In March, non-residents bought another \$3.3 billion in outstanding Canadian bonds. Most of the net investment came from the United Kingdom and went exclusively into federal issues.

(continued on page 4)

... Foreign Investment in Canadian Securities Reaches Unprecedented High

Foreign investors increased their holdings of Canadian money market paper for the first time in three months (\$1.6 billion), nearly reversing the disinvestment of the previous two months that totalled \$1.8 billion.

In March, non-residents matched the large \$1.0 billion net investment in Canadian stocks in February, bringing to \$3.1 billion the total net investment of the past six months.

Canadian residents stepped up their purchases of foreign securities by \$0.6 billion, bringing to \$1.0 billion their net buying for 1993. These acquisitions were directed mainly to foreign stocks (\$0.4 billion) and the balance went to foreign bonds (\$0.2 billion).

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

Consumer Price Index Decelerates

In April, the All-items Consumer Price Index (CPI, 1986=100) for Canada was unchanged at 129.9. Consumer prices were affected by a rise in provincial sales taxes in Saskatchewan, British Columbia and New Brunswick but the increases were offset by lower prices for food and new cars. On a year-over-year basis, the CPI posted a 1.8% increase from one year earlier, the smallest advance in 1993.

On a monthly basis, the housing index rose 0.2%, largely responding to rate increases for water (0.3%), fuel oil (0.7%), piped gas (0.3%), electricity (0.5%), and to higher prices for furniture (1.2%) and household textiles (3.1%).

A 0.7% rise in the health and personal care index was mainly attributable to higher dental care fees and to higher prices for personal care supplies. The recreation, reading and education index moved

up 0.2%. Most of the increase was due to higher prices for newspapers, recreational equipment and cablevision services. The index for tobacco products and alcoholic beverages was up by 0.3% as prices were affected by tax increases.

The food index fell by 0.2% following a decline of 0.4% in March. Lower prices, most notably a 4.3% drop in the fresh vegetable index, pushed the index for food purchased from stores down 0.3%.

A 0.6% decrease in the transportation index resulted mainly from a 1.3% drop in prices for new cars. The decline was partially offset by higher prices for tires and automobile repairs and for automobile insurance premiums.

The clothing index showed no change after rising for three months.

For further information, order Consumer Price Index (catalogue number 62-001), or contact Prices Division at (613) 951-9606. (See also "Current Trends" chart on page 7.)

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer Price Index, Percentage Change, April 1993/1992 *

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	1.8	1.0	3.3	1.6	2.9
Newfoundland	1.0	-0.1	-1.8	0.8	0.5
Prince Edward Island	1.3	1.9	1.0	1.7	0.0
Nova Scotia	0.2	0.2	-4.9	-0.1	-1.0
New Brunswick	1.3	1.4	0.5	0.8	0.8
Québec	1.7	0.5	0.6	2.0	1.6
Ontario	1.7	2.8	4.3	1.1	2.5
Manitoba	2.7	3.4	6.2	0.7	5.8
Saskatchewan	3.9	3.3	13.0	0.9	7.5
Alberta	0.6	-6.8	8.6	1.1	4.5
British Columbia	3.2	0.9	3.4	3.6	5.2
Yukon	1.3	2.0	-1.7	1.5	1.8
Northwest Territories	1.7	-0.3	5.6	1.4	2.5

* Data are not seasonally adjusted.

Farm Cash Receipts Up in First Quarter

In the first quarter of 1993, farm cash receipts reached a record \$6.6 billion, an increase of 10% compared to the same period a year earlier. A 15% rise in crop receipts accounted for almost half of the total increase. Manitoba and Alberta recorded the largest gains in cash receipts, up by 49% and 39%, respectively.

Crop receipts rose to \$2.3 billion in the first quarter compared to \$2.1 billion a year earlier. Higher Canadian Wheat Board payments (to \$441 million) and canola receipts (to \$239 million) more than offset declines in wheat (to \$408 million) and corn receipts.

Livestock and animal products receipts for the first quarter reached a record \$2.9 billion, 6.5% above the year-earlier level of \$2.8 billion. Hog

receipts were \$540 million, 38% above the first three months of 1992 when hog receipts were at their lowest level since 1981. Cattle receipts totalled \$1.1 billion, up 6.1% from the previous year's \$1.0 billion. Partially offsetting the increases, dairy receipts fell 4.9%, the second decrease since 1978.

Direct program payments totalled \$1.3 billion in the first quarter, a 13% increase from \$1.1 billion in the first quarter of 1992. Payments under the Gross Revenue Insurance Plan (GRIP) amounted to \$781 million, compared with \$325 million in 1992, while crop insurance payments nearly tripled to \$263 million. These increases reflected the adverse growing and harvesting conditions that prevailed in 1992.

For further information, order Farm Cash Receipts (catalogue number 21-001) or contact Agriculture Division at (613) 951-8707.

Net Farm Income Rises in 1992

Net farm income amounted to \$4.0 billion in 1992, up 26% from \$3.2 billion in 1991, but well below the peak of \$4.9 billion in 1989. Total net farm income increased in all provinces except Saskatchewan (-16%) and Québec (-2%). This marked the third consecutive year that total net farm income has declined in Saskatchewan. In Manitoba, total income almost tripled from its year-earlier level of \$143 million, to \$407 million. Sharp increases were also recorded in Alberta (75%), New Brunswick (65%) and Prince Edward Island (52%).

Realized net farm income (which does not account for the value of inventory change) climbed 53% to \$4.5 billion, second only to the record \$4.7 billion reached in 1988. The increase was attributable to a strong advance in farm cash receipts. Realized net farm income rose in eight provinces. Prince Edward Island was the only province to post a significant decline (38%).

Farm cash receipts climbed 8.5% to a record \$23.2 billion in 1992. The previous record of \$22.5 billion was attained in 1989. A sharp increase in

direct program payments (64%) combined with a 4.3% rise in livestock receipts, more than offset a 1.7% decrease in crop receipts. Alberta (16%) and Ontario (12%) recorded the largest gains in farm cash receipts in 1992.

Farm operating expenses and depreciation charges increased by 1.0% to \$19.3 billion. A substantial decline in total rebates, combined with increases in most expenses, resulted in a 1.4% increase in total net expenses, to \$19.0 billion.

The value of inventory change in 1992 was -\$480 million, down from \$236 million in 1991, as producer-owned stocks of grains and oilseeds dropped due to high exports. Livestock and poultry inventory change was -\$26 million due to lower cattle and poultry inventories on farms. The drop in cattle inventories reversed four consecutive years of increases.

For further information, order Agriculture Economic Statistics - Supplement I (catalogue number 21-603E) or contact Agriculture Division at (613) 951-3172.

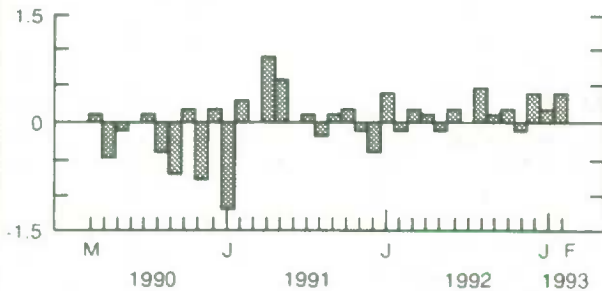
PUBLICATIONS RELEASED FROM MAY 21 TO 27, 1993

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Farm Product Price Index	March 1993	62-003	7.10/71	8.50/85	9.90/99
The Dairy Review	March 1993	23-001	12.20/122	14.60/146	17.10/171
INDUSTRY					
Canned and Frozen Fruits and Vegetables	March 1993	32-011	5/50	6/60	7/70
Footwear Statistics	Quarter Ended March 1993	33-002	5/50	6/60	7/70
Monthly Production of Soft Drinks	April 1993	32-001	2.70/27	3.20/32	3.80/38
Paper and Allied Products Industries	1990	36-250	35	42	49
Primary Iron and Steel	March 1993	41-001	5/50	6/60	7/70
Primary Metal Industries	1990	41-250	35	42	49
Production and Disposition of Tobacco Products	April 1993	32-022	5/50	6/60	7/70
Shipments of Plastic Film and Bags	Quarter Ended March 1993	47-007	6.75/27	8/32	9.50/38
Manufactured from Resin	March 1993	47-007	6.75/27	8/32	9.50/38
Wood Industries	1990	35-250	49	59	69
INVESTMENT AND CAPITAL STOCK					
Building Permits	March 1993	64-001	22.10/221	26.50/265	30.90/309
NATIONAL ACCOUNTS AND ENVIRONMENT					
National Balance Sheet Accounts, Preliminary Estimates	1992	13-214P	20	24	28
PRICES					
Average Prices of Selected Farm Inputs	April 1993	62-012	8/48	9.60/58	11.20/67
Industry Price Indexes	March 1993	62-011	18.20/182	21.80/218	25.50/255
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, Caterer and Tavern Statistics	January 1993	63-011	6.10/61	7.30/73	8.50/85
Restaurant, Caterer and Tavern Statistics	February 1993	63-011	6.10/61	7.30/73	8.50/85
TRANSPORTATION					
Aviation Statistics Centre Service Bulletin, Vol. 25, No. 5		51-004	9.30/93	11.20/112	13/130
Surface and Marine Transport Service Bulletin, Vol. 9, No. 3		50-002	9.40/75	11.25/90	13.15/105

CURRENT TRENDS

Gross Domestic Product

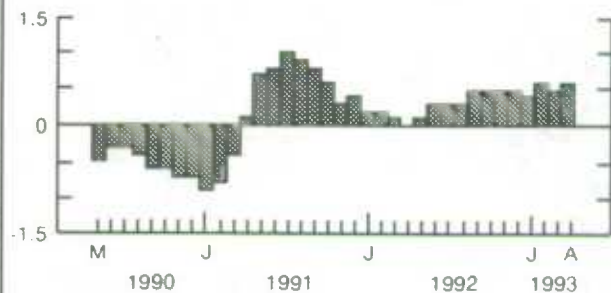
% change,
previous month



Economic growth continued in February: real gross domestic product at factor cost advanced 0.4% after increasing by 0.2% in January and by 0.4% in December.

Composite Leading Indicator

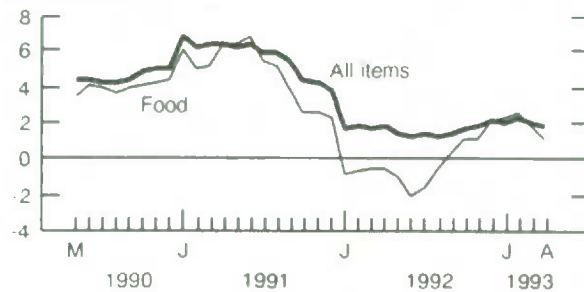
% change,
previous month



The composite leading indicator continued its steady growth, rising by 0.6% in April.

Consumer Price Index

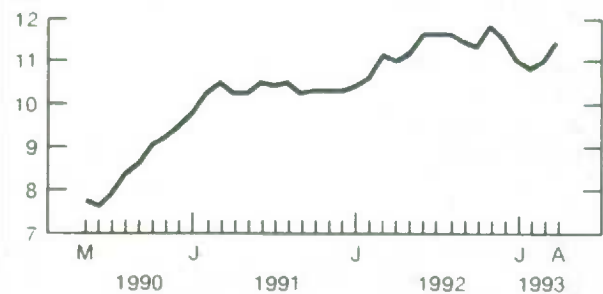
% change,
previous year



The year-over-year increase in the all-items CPI was 1.8% in April, slightly lower than March's increase of 1.9%. The food index rose by 1.0%.

Unemployment Rate

%



In April, the unemployment rate rose to 11.4% from 11.0% in March.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments rose by 1.6% in February to \$24.7 billion. The level of unfilled orders increased by 5.0%, rebounding from a 0.5% decrease in January.

Merchandise Trade

Billions
of dollars



The seasonally adjusted value of merchandise exports increased by 0.7% in March to \$14.5 billion while imports climbed by 3.7% to \$13.8 billion.

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)	February	509.2	0.4%	2.0%
Composite Leading Indicator (1981 = 100)	April	151.4	0.6%	5.1%
Operating Profits of Enterprises (\$ billion)	4th Quarter	8.6	-18.9%	-12.8%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	February	15.9	-0.7%	5.0%
New Motor Vehicle Sales ('000 units)	March	98.7	8.8%	0.1%
LABOUR				
Employment (millions)	April	12.3	-0.3%	1.3%
Unemployment Rate (%)	April	11.4	0.4	0.3
Participation Rate (%)	April	65.3	0.0	0.1
Labour Income (\$ billion)	February	33.0	0.2%	2.6%
Average Weekly Earnings (\$)	February	557.13	0.1%	2.5%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	March	14.5	0.7%	15.1%
Merchandise Imports (\$ billion)	March	13.8	3.7%	15.1%
Merchandise Trade Balance (\$ billion)	March	0.7	-0.4	0.1
MANUFACTURING				
Shipments (\$ billion)	February	24.7	1.6%	9.6%
New Orders (\$ billion)	February	25.8	6.4%	14.7%
Unfilled Orders (\$ billion)	February	22.6	5.0%	0.9%
Inventory/ Shipments Ratio	February	1.36	-0.03	-0.17
Capacity Utilization (%)	4th Quarter	77.6	2.4	4.1
PRICES				
Consumer Price Index (1986 = 100)	April*	129.9	0.0%	1.8%
Industrial Product Price Index (1986 = 100)	April*	112.3	0.0%	3.9%
Raw Materials Price Index (1986 = 100)	April*	113.8	1.5%	11.2%
New Housing Price Index (1986 = 100)	March	135.7	0.6%	1.4%

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

** New this week.*

KEY RELEASE CALENDAR: JUNE 1993*

Monday	Tuesday	Wednesday	Thursday	Friday
	1 Census of Population: Social and Economic Characteristics of Families, Religion, Fertility and Place of Work, 1991	2 Help-wanted Index, May Therapeutic Abortions, 1991 Short-term Expectations Survey	3 Canada-United States Volume and Price Comparisons Based on Purchasing Parities	4 Labour Force Survey, May
7	8	9 New Motor Vehicle Sales, April Farm Product Price Index, April	10 Composite Leading Indicator, May Department Store Sales by Province and Metropolitan Area, April New Housing Price Index, April	11 Travel Between Canada and Other Countries, April
14	15 Building Permits, April	16 Labour Force Income Profiles, 1991	17 Preliminary Statement of Canadian International Merchandise Trade, April Monthly Survey of Manufacturing, April Department Store Sales - Advance Release, May	18 Consumer Price Index, May Sales of Natural Gas, April
21 National Income and Expenditure Accounts, First Quarter Financial Flow Accounts, First Quarter Balance of International Payments, First Quarter Retail Trade, April	22 Wholesale Trade, April	23	24 Canada's International Transactions in Securities, April	25 Industrial Product Price Index, May Raw Materials Price Index, May
28 Employment, Earnings and Hours, April Sales of Refined Petroleum Products, May	29 Economic Dependency Profiles, 1991	30 Real Gross Domestic Product at Factor Cost by Industry, April Unemployment Insurance Statistics, April Field Crop Reporting Series: No. 4 - Seeded Area, Principal Field Crops		

* 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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