Catalogue 11-002E (Français 11-002F) ISSN 0380-0547

I·N·F·O·M·A·T

A WEEKLY REVIEW

Friday, September 3, 1993

OVERVIEW

- **Economy Continues to Post Moderate Growth**

  In the second quarter of 1993, gross domestic product (GDP) at 1986 prices rose 0.8%, continuing the pattern of moderate growth seen in the previous two quarters.

- **Monthly Growth of GDP Resumes**

  After remaining unchanged in April and May, gross domestic product at 1986 factor cost expanded 0.4% in June to $516.9 billion at annual rates.

- **Current Account Deficit Grows as Merchandise Trade Surplus Narrows**

  Canada's seasonally adjusted current account deficit rose to $6.8 billion in the second quarter of 1993, exceeding by $0.6 billion the deficit recorded in the first quarter.

- **Financing Activity Slows in Second Quarter**

  In the second quarter of 1993, funds raised on credit markets by domestic non-financial sectors dropped by almost 24% from the first quarter.

- **Average Weekly Earnings Barely Growing**

  After decreasing by 0.6% in May, average weekly earnings of Canadian workers rose 0.6% in June to a seasonally adjusted level of $558.60.

- **Industrial Product Prices Increase Slowly**

  The Industrial Product Price Index was up by 0.2% in July after showing no change in June. The increase was largely attributable to higher prices for primary metal and tobacco products.

This issue **also** includes infomation on the **raw materials price index** and the **crime rate for Canada in 1992**.

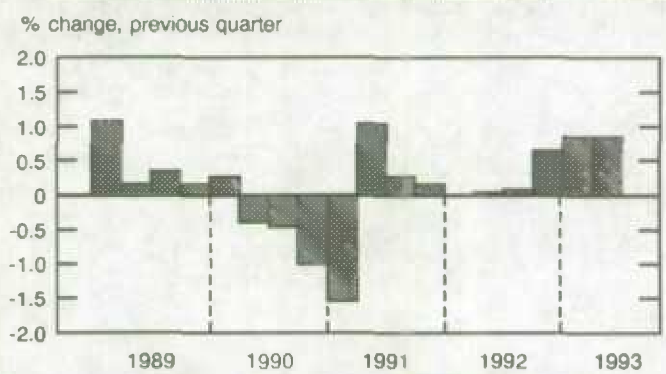
Economy Continues to Post Moderate Growth

The economy continued to grow in the second quarter of 1993 as gross domestic product (GDP) at 1986 prices increased 0.8%, similar to the pace of expansion in the previous two quarters. The second quarter advance was attributable to higher consumer spending (stimulated by large personal income tax refunds), stronger business investment spending and a build-up in inventories.

Consumer spending advanced by 0.5%, continuing the pattern of moderate growth seen in 1992 and early 1993. The rise in spending was higher than average in several commodity groups, notably motor vehicles, parts and accessories, clothing and footwear, and restaurants and hotels.

(continued on page 2)

GDP at 1986 Prices



... Economy Continues to Post Moderate Growth

Business investment in plant and equipment increased significantly for the second consecutive quarter, this time by 1.7%. Purchases of machinery and equipment grew 1.9%, reflecting higher spending on motor vehicles, office machines and industrial machinery.

There was a large accumulation of inventories by business in the second quarter. For manufacturers, it was the first quarter of inventory building since the fourth quarter of 1989. Wholesale merchants' inventories also grew but stocks declined at the retail level.

Residential construction edged up by 0.4% after a sharp 6.2% drop in the first quarter. It remained 21% below the peak reached at the end of 1989. The small second quarter increase was due entirely to a pick-up in transfer costs associated with housing resale activity.

Merchandise exports grew 0.8% and imports rose 2.1% in volume terms during the second quarter. Office machines and equipment accounted for a large part of the increase in both cases. Exports of services grew by a more rapid 1.7% while imports of services dropped 0.4%.

Government revenue fell 0.7% while total current spending rose 0.5%. Exceptionally large income tax refunds accounted for the weakness in revenue. The increase in government spending reflected substantial growth in transfer payments to persons and higher interest payments on the public debt.

For further information, order National Income and Expenditure Accounts (catalogue number 13-001) or contact National accounts and Environment Division at (613) 951-3640.

Monthly Growth of GDP Resumes

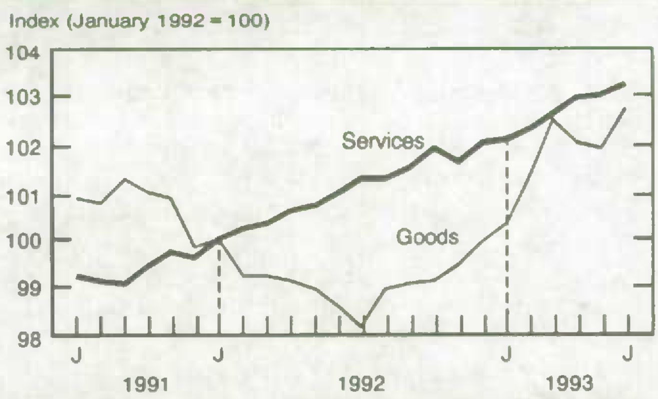
After remaining unchanged in April and May, gross domestic product at 1986 factor cost expanded 0.4% in June to $516.9 billion at annual rates. The pause in output growth in April and May coincided with weak employment for that period. In June, however, employment rose 0.8%.

Goods producers increased output by 0.8%, offsetting declines of 0.5% in April and 0.1% in May. The rebound in goods production was mainly attributable to a large 4.3% gain in mining output. This was the sixth consecutive monthly increase for mining industries.

Manufacturers increased production by 0.2% after reducing output by 1.0% in April and 0.5% in May. Thirteen of 21 major manufacturing groups recorded higher production, led by producers of fabricated metal products (1.7%) and machinery and equipment (2.5%).

Construction output slipped 0.3% after two months of increases. Despite a further drop in mortgage rates, residential construction declined 3.5% and sales of new houses remained well below the fourth quarter of 1992 level. Forestry output fell for the third month in a row, by 3.1% in June, as output was curbed by ongoing weakness in residential construction.

Gross Domestic Product
Output by Sector



Output of services continued to expand for the seventh straight month, increasing by 0.3% in June. The advance was widespread with retail trade (-0.8%) and government services (- 0.2%) posting the only declines. A 0.4% gain in finance, insurance and real estate led the increases.

For further information, order Gross Domestic Product by Industry (catalogue number 15-001) or contact Industry Measures and Analysis Division at (613) 951-9145. (See also "Current Trends" chart on page 8.)

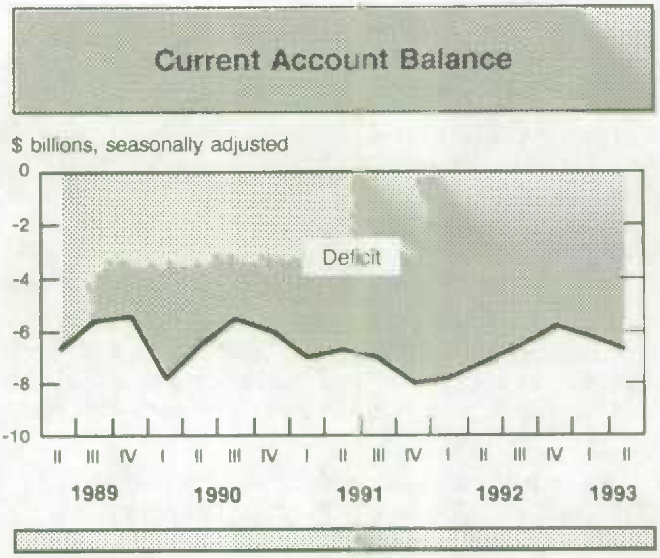
Current Account Deficit Grows as Merchandise Trade Surplus Narrows

Canada's seasonally adjusted current account deficit rose to $6.8 billion in the second quarter of 1993, exceeding by $0.6 billion the deficit recorded in the first quarter. The widening resulted mainly from the merchandise trade surplus, where imports advanced more than exports for the second consecutive quarter. This contrasts with 1992, when the growth in exports outpaced that in imports.

Canada's deficit on international travel continued to hover around $2.0 billion. The deficit on travel with the United States increased slightly to $1.5 billion; the deficit with other countries edged down to $0.5 billion.

The investment income account generated a record deficit of $6.5 billion. A $0.1 billion net surplus in dividend receipts continued to be dwarfed by a $6.6 billion deficit on interest.

The capital account, which is not seasonally adjusted, showed that foreign investors returned to a more usual pattern of investment in Canadian securities ($9.7 billion) following their record-shattering purchases ($21.7 billion) in the first quarter. Conversely, Canadian investors reduced their investment abroad after a sharp build-up in the previous quarter.



For further information, order Canada's Balance of International Payments (catalogue number 67-001) or contact Balance of Payments Division at (613) 951-9055.

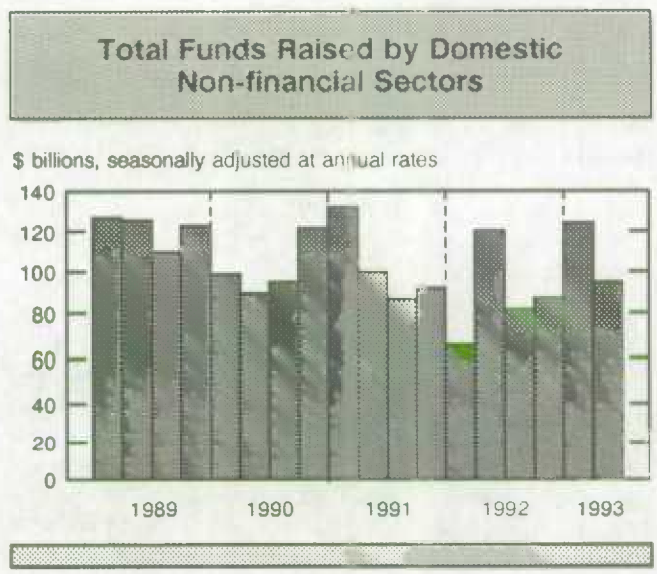
Financing Activity Slows in Second Quarter

In the second quarter of 1993, funds raised on credit markets by domestic non-financial sectors totalled $94.1 billion, seasonally adjusted at annual rates. This represents a decrease of almost 24% from the first quarter. Households, the federal government and government business enterprises all sharply reduced their demand for funds.

Borrowing in the personal sector was more subdued than at any time since the first quarter of 1991. Consumer credit debt was repaid on a net basis, partly reflecting spring's large tax refunds. Mortgage borrowing slowed, reflecting the decline in residential construction.

Funds raised by the federal government, while still relatively high, fell back following fairly heavy borrowing in the first quarter. Most of the financing came through marketable bonds and treasury bills.

Non-financial government business enterprises repaid bond and loan debt during the quarter. Overall weakness in the demand for funds came largely from provincial government enterprises, where financial assets were drawn down and existing debt was refinanced.



For further information, order Financial Flow Accounts (catalogue number 13-014) or contact National Accounts and Environment Division at (613) 951-3640.

Average Weekly Earnings Barely Growing

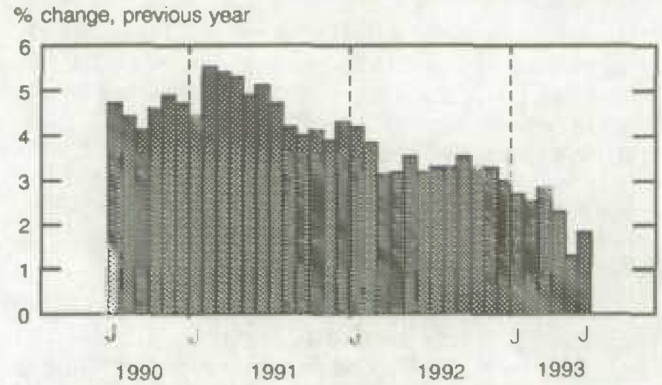
Average weekly earnings of Canadian workers rose 0.6% in June to a seasonally adjusted level of $558.60 after a decrease of 0.6% in May. The current level of earnings marks an increase of 1.8% or $9.95 over the June 1992 level of $548.65, a slight improvement compared to 1.3% growth in May.

Weekly earnings in goods-producing industries amounted to $697.71 in June, up 2.5% from a year earlier. Mining, quarrying and oil wells (3.0%), logging and forestry (2.6%) and construction (1.0%) showed the largest monthly increases.

Earnings in services-producing industries averaged $517.14, up 1.8% from a year earlier. Earnings rose in all sectors in June except in education-related services (-0.2%) and public administration (-0.2%).

Employment in June totalled slightly less than 10.0 million, virtually unchanged from May. Employment gains were recorded in Newfoundland, Québec, Manitoba and British Columbia; Ontario and Alberta registered the biggest losses.

Average Weekly Earnings



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

Industrial Product Prices Increase Slowly

The Industrial Product Price Index edged up by 0.2% in July to 112.2 and was 2.8% above its year-earlier level of 109.1. The index, after reaching a low of 107.2 in January 1992, climbed to a peak of 112.3 in March 1993 and has remained practically unchanged since.

Of 21 major groups of products, prices increased in 12, fell in four and remained unchanged in five. The primary metal products index, which tracks the movement of prices for iron and steel products and for non-ferrous metals (such as nickel and copper), rose 1.6% following five consecutive monthly declines. However, the index stood 1.9% below the level of July 1992. Prices of primary metal products declined gradually in 1989 and until the first period of recovery in the industry in late 1991. Since then, prices have shown only a slight tendency to rise, despite the strong recovery in the industry after the second quarter of 1992.

As prices rose throughout the tobacco industry, the tobacco and tobacco products index increased 4.6%. In comparison with 1992, the index rose sharply in July (9.4%), preceded by a 4.5% hike in June.

The lumber, sawmill and other wood products index declined (-1.0%) for the fourth straight month, moderating from drops of 7.9% in May and 2.6% in June. Since March, the index has fallen by 16.2% – from 152.4 to 127.7. The July decline was primarily due to the continuing fall in softwood lumber prices.

After remaining unchanged in June, the meat, fish and dairy products index fell for the first time since July 1992, down 0.6%. The decline occurred as cattle producers met the demand for summer cuts of meat and because the supply of fish increased.

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

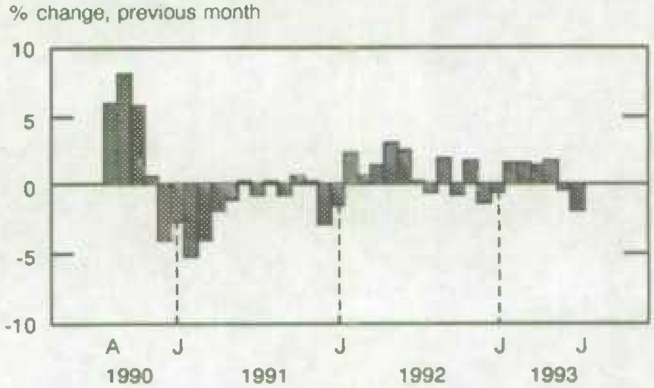
Raw Material Prices Decrease for Second Straight Month

The Raw Materials Price Index (RMPI, 1986=100) fell 1.9% in July to a level of 112.7, after decreasing 0.3% in June. Even though five of seven major indexes recorded monthly increases, they were not enough to offset declines in the mineral fuels and animals and animal products indexes. On a year-over-year basis, the RMPI climbed 4.3%, mainly because of rises in the wood (39.9%) and animals and animal products (4.4%) indexes.

In July, a 7.5% drop in crude oil prices pushed the mineral fuels index down 6.9%. This index represents almost one-third of the RMPI. The mineral fuels index was pegged 12.1% lower than its July 1992 level because of a 13.4% drop in the crude mineral oil index. The animals and animal products index, which accounts for more than a quarter of the RMPI, posted its first decrease in six months, dropping 2.2% in July. This decline reflected lower prices for cattle and hogs.

After four consecutive monthly decreases, the non-ferrous metals index registered its second rise in a row, increasing by 3.0% in July. However, the index stood 5.2% below its year-earlier level.

Raw Materials Price Index



The vegetable products index advanced 1.3%, offsetting a 1.3% decline in June. The increase reflected higher prices for grains, oilseeds and cocoa, coffee and tea while a 9.1% drop in the unrefined sugar index helped moderate the rise. The wood index continued to rise, by 0.3% in July to 195.4, its highest level since 1981.

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

Crime Rate: First Decrease Since Mid-1980s

In 1992, the crime rate for Canada (number of Criminal Code offences per 100,000 population) fell 3.2% to 10,394 offences, from 10,735 in 1991. The overall crime rate had been increasing since the mid-1980s.

The rate of reported violent crime (10.8% of all Criminal Code incidents), increased 2.0% in 1992, a slower rate of increase than the average over the past decade (5%).

The rate for property crimes (59% of all Criminal Code offences) decreased 4.4% to 6,110 incidents per 100,000 population.

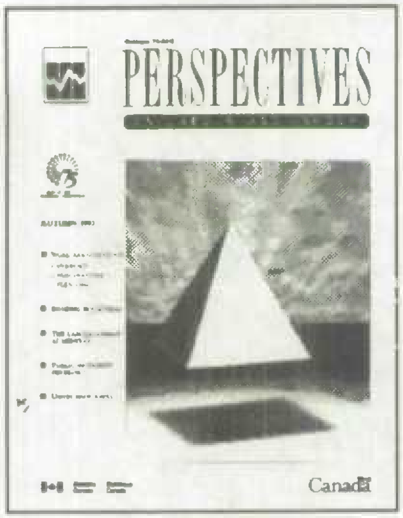
"Other Criminal Code" offences which include mischief, vandalism, disturbing the peace, bail violation, offensive weapons and prostitution charges, were down by 2.5% to 3,161 offences per 100,000 population.

For further information, contact the Canadian Centre for Justice Statistics at (613) 951-9023.

PUBLICATIONS RELEASED FROM AUG. 27 TO SEPT. 2, 1993

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription Canada ($Cdn.)	United States ($US)	Other Countries ($US)
CANADIAN CENTRE FOR HEALTH INFORMATION					
Cancer in Canada	1989	82-218	25	30	35
CANADIAN CENTRE FOR JUSTICE STATISTICS					
Juristat Service Bulletin: Street Prostitution in Canada, Vol. 13, No. 4	1986-1992	85-002	3.60/65	4.30/78	5/91
CENSUS					
Place Name Lists: Atlantic Provinces	1991 Census	93-307	45	54	63
Place Name Lists: Quebec and Ontario	1991 Census	93-308	45	54	63
Place Name Lists: Western Provinces and the Territories	1991 Census	93-309	45	54	63
INDUSTRY					
Construction Type Plywood	June 1993	35-001	5/50	6/60	7/70
Consumption of Containers and Other Packaging Supplies by the Manufacturing Industries	1990	31-212	26	31	36
Department Store Sales and Stocks	May 1993	63-002	14.40/144	17.30/173	20.20/202
Electric Power Statistics	June 1993	57-001	10/100	12/120	14/140
Gas Utilities	May 1993	55-002	12.70/127	15.20/152	17.80/178
Non-metallic Mineral Products Industries	1990	44-250	35	42	49
Other Manufacturing Industries	1990	47-250	35	42	49
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies	June 1993	35-002	10/100	12/120	14/140
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	June 1993	35-003	7.10/71	8.50/85	9.90/99
Quarterly Shipments of Office Furniture Products	Quarter Ended June 30, 1993	35-006	6.75/27	8/32	9.50/38
Retail Chain and Department Stores	1991	63-210	34	41	48
Retail Trade	June 1993	63-005	18.20/182	21.80/218	25.50/255
The Sugar Situation	July 1993	32-013	5/50	6/60	7/70
Wholesale Trade	June 1993	63-008	14.40/144	17.30/173	20.20/202
INTERNATIONAL TRADE					
Exports by Commodity	May 1993	65-004	55.10/551	66.10/661	77.10/771
LABOUR					
Quarterly Estimates of Trusteed Pension Funds	First Quarter 1993	74-001	11/44	13.25/53	15.50/62
LABOUR AND HOUSEHOLD SURVEYS ANALYSIS					
Perspectives on Labour and Income	Autumn 1993	75-001E	13.25/53	16/64	18.50/74
PRICES					
Industry Price Indexes	June 1993	62-011	18.20/182	21.80/218	25.50/255
SERVICES, SCIENCE AND TECHNOLOGY					
Telephone Statistics	June 1993	56-002	8.30/83	10/100	11.60/116
TRANSPORTATION					
Railway Operating Statistics, Vol. 73, No. 5	May 1993	52-003	10.50/105	12.60/126	14.70/147

NEW FROM STATISTICS CANADA



Perspectives on Labour and Income

The Autumn 1993 edition of *Perspectives on Labour and Income*, Statistics Canada's quarterly journal on labour and income topics, contains a supplement that reviews labour market developments for the first six months of 1993. It also presents three studies on the work arrangements of Canadians. Other articles cover the rising costs of CPP/QPP and private pensions, employed parents and the division of housework, and wage trends among unionized workers.

Each quarter, *Perspectives on Labour and Income* draws on many data sources to offer insights on emerging income issues and to review recent developments in the labour market.

The Autumn 1993 issue of Perspectives on Labour and Income (catalogue number 75-001E, $13.25/$53) is now available. For further information, contact Cécile Dumas (613-951-6894) or Doreen Duchesne (613-951-6893), Labour and Household Surveys Analysis Division.

All Roads Lead to . . . Laxton, Digby and Longford

Laxton, Digby and Longford, a small township in Ontario, now holds the title of the country's centre of population as determined from the 1991 Census of Canada.

Canada's population centre has been moving slowly west and south since 1976, it now rests about 60 kilometres north of the Toronto metropolitan area.

Population centres for Canada, the provinces and territories are provided in *All Roads Lead to . . . Laxton, Digby and Longford*, an article released on August 27, 1993, under the 1991 Census Short Article Series.

To obtain a copy of this article, contact your local Statistics Canada Regional Reference Centre. Copies are free while supplies last.

Place Name Lists

Three publications are now available from the Population and Dwelling Counts series: *Place Name Lists – Atlantic Provinces* (93-307, $45), *Place Name Lists – Quebec and Ontario* (93-308, $45) and *Place Name Lists – Western Provinces and the Territories* (93-309, $45).

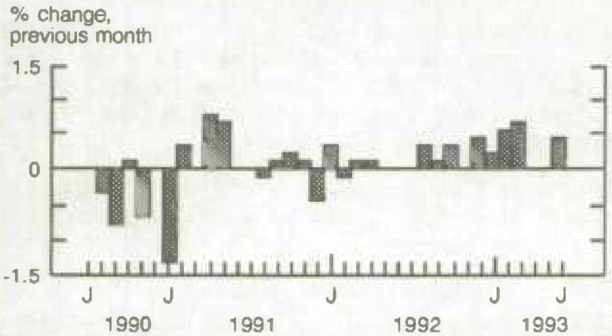
In addition to 1991 population counts, these publications provide standard geographical classification codes, as well as geographical location information such as latitude and longitude, for all census subdivisions and unincorporated places by province and territory.

Definitions of terms and notes on data quality are also included.

To place an order or to obtain more information, contact your nearest Statistics Canada Regional Reference Centre.

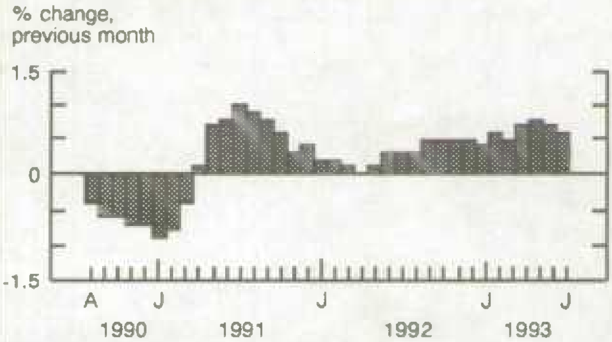
CURRENT TRENDS

Gross Domestic Product



After remaining unchanged in April and May, real gross domestic product at factor cost expanded 0.4% in June.

Composite Leading Indicator



The composite leading indicator continued its year-long advance in July, rising by 0.6% from June.

Consumer Price Index

The year-over-year increase in the all-items CPI was 1.6% in July, unchanged from June's rise. The food index also rose by 1.6%.

Unemployment Rate

The unemployment rate reached 11.6% in July, its highest level since November 1992 when the rate hit a 10-year high of 11.8%.

Manufacturing

Canadian manufacturers' shipments edged up by 0.5% in June, and the level of unfilled orders increased 1.0%.

Merchandise Trade

In June, seasonally adjusted merchandise imports rose 0.1% while exports remained unchanged. As a result, the merchandise trade balance was unchanged at $900 million.

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)	June*	516.9	0.4%	2.9%
Composite Leading Indicator (1981=100)	July	154.8	0.6%	6.8%
Operating Profits of Enterprises ($ billion)	2nd Quarter	14.0	22.8%	35.9%
DOMESTIC DEMAND				
Retail Trade ($ billion)	June	16.0	-0.7%	3.8%
New Motor Vehicle Sales ('000 units)	June	93.0	-7.3%	-5.7%
LABOUR				
Employment (millions)	July	12.4	-0.3%	1.4%
Unemployment Rate (%)	July	11.6	0.3	0.0
Participation Rate (%)	July	65.4	-0.2	-0.1
Labour Income ($ billion)	May	32.9	-0.9%	1.9%
Average Weekly Earnings ($)	June*	558.60	0.6%	1.8%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	June	14.7	0.0%	15.9%
Merchandise Imports ($ billion)	June	13.8	0.1%	10.7%
Merchandise Trade Balance ($ billion)	June	0.90	0.0	0.69
MANUFACTURING				
Shipments ($ billion)	June	25.2	0.5%	7.2%
New Orders ($ billion)	June	25.4	2.8%	7.6%
Unfilled Orders ($ billion)	June	24.5	1.0%	8.9%
Inventory/Shipments Ratio	June	1.37	0.0	-0.1
Capacity Utilization (%)	2nd Quarter*	78.3	-0.2	3.3
PRICES				
Consumer Price Index (1986=100)	July	130.5	0.2%	1.6%
Industrial Product Price Index (1986=100)	July*	112.2	0.2%	2.8%
Raw Materials Price Index (1986=100)	July*	112.7	-1.9%	4.3%
New Housing Price Index (1986=100)	June	136.1	0.2%	1.2%

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

I•N•F•O•M•A•T

A Weekly Review

Published by the Communications Division Statistics Canada, 10-N, R.H. Coats Bldg, Ottawa, Ontario K1A 0T6.

Senior Editor: Greg Thomson (613) 951-1187
Editor: Louise Larouche (613) 951-1197

Catalogue: 11-002E. Price: Canada: $2.50 per issue, $125.00 per year; United States: US$3.00 per issue, US$150.00 per year; Other Countries: US$3.50 per issue, US$175.00. Canadian customers please add 7% GST.

To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 from Canada and the United States or 613-951-7277 from all other countries.

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences – Permanence of Paper for Printed Library Materials, ANSI Z39.48 – 1984.

Regional Reference Centres

Statistics Canada's Regional Reference Centres provide a full range of the agency's products and services. Each reference centre is equipped with a library and a sales counter where users can consult or purchase publications, microcomputer and CD-ROM diskettes, microfiche, maps and more.

Each centre has facilities to retrieve information from CANSIM and E-STAT, Statistics Canada's computerized data retrieval systems. A telephone inquiry service is available with toll-free access for clients who are located outside local calling areas. Many other valuable services – from seminars to consultations – are also offered. Call or write your nearest Statistics Canada Regional Reference Centre for more information.

Newfoundland and Labrador
Advisory Services
Statistics Canada
3rd Floor
Viking Building
Crosbie Road
St. John's, Newfoundland
A1B 3P2
Toll free: 1-800-565-7192
Fax: 1-709-772-6433

Maritime Provinces
Advisory Services
Statistics Canada
North American Life Centre
1770 Market Street
Halifax, Nova Scotia
B3J 3M3
Local calls: (902) 426-5331
Toll free: 1-800-565-7192
Fax: 1-902-426-9538

Quebec
Advisory Services
Statistics Canada
Suite 412, East Tower
Guy Favreau Complex
200 René Lévesque Blvd. W.
Montreal, Quebec
H2Z 1X4
Local calls: (514) 283-5725
Toll free: 1-800-361-2831
Fax: 1-514-283-9350

Ontario
Advisory Services
Statistics Canada
10th Floor
Arthur Meighen Building
25 St. Clair Avenue East
Toronto, Ontario
M4T 1M4
Local calls: (416) 973-6586
Toll free: 1-800-263-1136
Fax: 1-416-973-7475

National Capital Region
Advisory Services
Statistical Reference Centre (NCR)
Statistics Canada
R.H. Coats Building Lobby
Holland Avenue
Tunney's Pasture
Ottawa, Ontario
K1A 0T6
Local calls: (613) 951-8116
If outside the local calling area, please dial the toll free number for your province.
Fax: 1-613-951-0581

Manitoba
Advisory Services
Statistics Canada
MacDonald Building
Suite 300
344 Edmonton Street
Winnipeg, Manitoba
R3B 3L9
Local calls: (204) 983-4020
Toll free: 1-800-563-7828
Fax: 1-204-983-7543

Saskatchewan
Advisory Services
Statistics Canada
Avord Tower, 9th Floor
2002 Victoria Avenue
Regina, Saskatchewan
S4P 0R7
Local calls: (306) 780-5405
Toll free: 1-800-563-7828
Fax: 1-306-780-5403

Alberta and the Northwest Territories
Advisory Services
Statistics Canada
8th Floor, Park Square
10001 Bellamy Hill
Edmonton, Alberta
T5J 3B6
Local calls: (403) 495-3027
Toll free: 1-800-563-7828
Fax: 1-403-495-5318

Southern Alberta
Advisory Services
Statistics Canada
First Street Plaza, Room 401
138-4th Avenue Southeast
Calgary, Alberta
T2G 4Z6
Local calls: (403) 292-4181
Toll free: 1-800-563-7828
Fax: 1-403-292-4958

British Columbia and the Yukon
Advisory Services
Statistics Canada
Sinclair Centre, Suite 440F
757 West Hastings Street
Vancouver, B.C. V6C 3C9
Local calls: (604) 666-3691
Toll free: 1-800-663-1551
Fax: 1-604-666-4863

Telecommunications Device for the Hearing Impaired
Toll free: 1-800-363-7629