

# Canada

### ... Consumer Spending Down in April

dise stores have been demonstrating strength since the third quarter of 1993 following decreases from the last half of 1992 to mid-1993.

All provinces, except Saskatchewan, reported lower sales in April, ranging from -3.9% in Nova

Scotia to -0.3% in British Columbia. In Saskatchewan sales were up 2.2% for the ninth consecutive month.

For further information, order *Retail Trade* (catalogue number 63-005) or contact Industry Division at (613) 951-9682.

## PROVINCIAL PERSPECTIVES

### Retail and Wholesale Trade, April 1994

Seasonally Adjusted

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
<b>Canada</b>	<b>16,954</b>	<b>-1.7</b>	<b>18,497</b>	<b>0.5</b>
Newfoundland	283	-1.7	186	-0.2
Prince Edward Island	72	-1.9	48	4.5
Nova Scotia	546	-3.9	411	-0.2
New Brunswick	408	-2.2	255	4.1
Québec	4,074	-2.7	4,210	-0.1
Ontario	6,291	-1.6	7,669	0.6
Manitoba	577	-1.7	619	-1.4
Saskatchewan	519	2.2	600	1.1
Alberta	1,819	-1.7	1,796	0.0
British Columbia	2,310	-0.3	2,679	1.8
Yukon	16	-1.9	24	7.2
Northwest Territories	39	0.0		

### Wholesale Merchants Post Higher Sales

Total wholesale merchants' sales advanced a further 0.5% in April to \$18.5 billion, this represents the third consecutive monthly increase. The growing activity was led by a strong performance from distributors of agricultural and industrial chemicals, books, periodicals and newspapers, newsprint and other products. Sales stood 13.8% above their year-earlier level of \$16.3 billion.

Wholesale activity increased in six of the nine major trade groups in April, accounting for 50% of total sales. Wholesalers of "other products" led the growth, rising by 3.0% to \$3.0 billion. Sales have increased for this trade group for the third consecutive month and stand 14.0% above their year-earlier level.

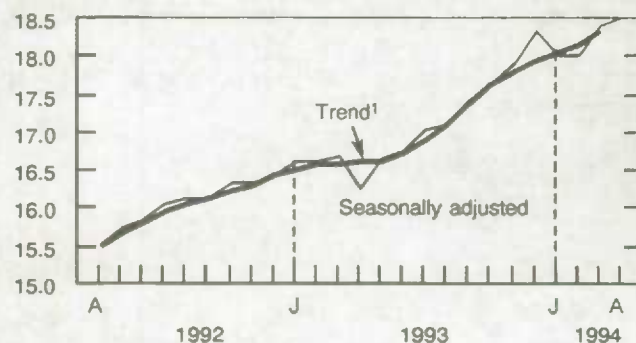
Representing 10% of all wholesale activity, sales of distributors of lumber and building materials also increased in April, by 2.8% to \$1.7 billion. Following weak growth in March, April's gain was largely attributable to increased building activity; housing starts rose substantially in April.

Higher sales were also reported in April by merchants of apparel and dry goods (6.3%), distributors of metals, hardware, plumbing and heating and equipment supplies (1.4%), wholesalers of motor vehicles (0.4%), and wholesalers of household goods (0.6%). A 1.7% decline was recorded

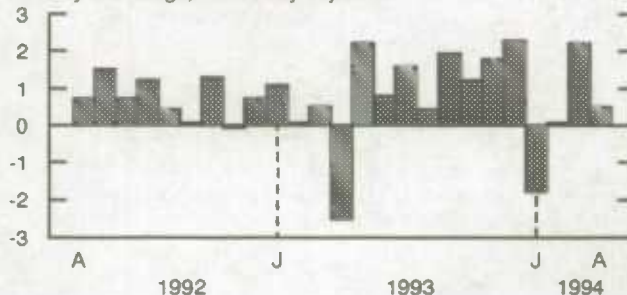
(continued on page 3)

### Wholesale merchants sales

Billions of dollars



Monthly % change, seasonally adjusted



¹ The short-term trend represents a weighted average of data.

## Wholesale Merchants Post Higher Sales

For wholesalers of food, beverage, drug and tobacco, after posting a 1.1% increase in March.

From one region to another, sale movements varied. The most notable increases were recorded in New Brunswick (4.1%), British Columbia (1.8%) and Ontario (0.6%).

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

## Merchandise Trade Maintains Activity

On a balance of payments basis, the value of exports increased by \$804 million in April, to a record high of \$17.4 billion. Robust car and truck sales accounted mainly for the strength in exports. Exports were up \$441 million in the automotive sector, to \$4.6 billion. Export growth was also supported by a \$77 million increase for machinery and equipment, which reached a record \$3.4 billion.

Imports also grew to record levels (\$16.1 billion), carried by strength in imports of machinery and equipment and in automotive parts, reflecting renewed vigour in domestic production.

Canada's merchandise trade surplus increased in April, to \$1.2 billion, from \$866 million in March. Canada's trade surplus with the United States was

up \$249 million to \$2.3 billion. Imports from the United States were up \$570 million, while exports increased \$819 million. Deficits remained with all other principal trading areas except Japan. So far this year, 80% of Canada's exports have been destined for the United States, as 73% of imports came from the United States.

The trend for total exports has gained momentum since December, after a lull in the fall of 1993. Growth in the import trend slowed slightly in December 1993 but has been on an upswing since, due largely to surging imports from the United States.

For further information, order *Canadian international merchandise trade* (catalogue number 65-001) or contact International Trade Division at (613) 951-9647. (See also "Current Trends" chart on page 8.)

## Consumer Prices Drop 0.2% in May

The cost of living in Canada has dropped for the first time in almost 40 years. Between May 1993 and May 1994, the all-items consumer price index (CPI, 1986=100) fell 0.2%. It was the first year-over-year decline in the index since August 1955, and the first time the index has displayed a downward trend since late 1952.

The decline was prompted by recent decreases in tobacco taxes, together with price declines for clothing and tax changes tabled in the Quebec budget in May, which was the biggest factor. A flat 6.5% sales tax on all items replaced the old 8% rate on goods (except for tobacco products and gasoline) and the old 4% rate on services. As a result, prices in Quebec fell 1.9% over the year.

The all-items index fell 0.2% between April and May 1994 to a level of 129.9, following a 0.1% rise in April and declines of 0.2% in March and 0.8% in February. Downward pressure on consumer prices in May came from a 1.9% decline for clothing. Seasonal price declines, major discounts in several department stores and Quebec's tax change were behind the drop, which was widespread. Prices for women's wear fell on average by 2.3% and prices for men's wear by 2.2%.

Considerably smaller effects were found in lower charges for housing (-0.1%) and in lower prices for tobacco products and alcoholic beverages (-0.3%). Prices of food and transportation remained unchanged. But prices of recreation, reading and education rose 0.2%, largely because of higher user fees for selected recreational facilities and rising costs of live sports events.

Housing charges fell only 0.1%. Price declines for several household commodities, fuel oil, electricity, furniture and textiles were offset by higher charges for rented and owned accommodation as well as by summer increases in hotel/motel rooms.

Consumers paid 2.3% more for gasoline, partly because of higher prices in Ontario and British Columbia. At the same time, motor vehicle prices fell as a result of the sales tax reduction in Quebec. Air fares fell as the impact of the increase in Quebec's provincial sales tax on services was more than offset by more seat sales on domestic routes and by a seasonal drop in fares to southern destinations.

Food prices also remained unchanged in May. Prices for beef, pork and selected fresh fruit and vegetables rose. Consumers paid less for dairy and

(continued on page 4)

### ... Consumer Prices Drop 0.2% in May

bakery products, carbonated beverages and restaurant meals. Since May 1993, prices of food purchased from grocery stores have fallen 0.8%.

The price of energy dropped for the seventh straight month, falling 0.2% between May 1993 and May 1994.

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 8.)

## PROVINCIAL PERSPECTIVES: CONSUMER PRICES

### The Consumer Price Index, Percentage Change, May 1994/1993 \*

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	-0.2	-0.2	-0.2	0.2	4.7
Newfoundland	1.4	1.6	-1.1	-1.0	8.1
Prince Edward Island	-0.8	0.2	-5.3	-0.6	4.0
Nova Scotia	1.0	2.5	0.6	0.7	6.5
New Brunswick	0.2	2.5	0.4	-0.5	4.3
Québec	-1.9	-0.2	-2.4	-0.2	2.4
Ontario	-0.2	-1.3	-0.6	0.1	5.9
Manitoba	1.0	0.3	0.3	1.1	2.6
Saskatchewan	1.1	1.3	1.9	1.1	3.3
Alberta	1.6	1.7	3.8	0.6	4.0
British Columbia	1.7	-0.2	2.7	0.8	5.4
Yukon	2.0	-0.3	4.6	1.7	2.3
Northwest Territories	1.7	2.9	-1.6	0.2	3.9

\* Data are not seasonally adjusted.

## Composite Index Continues to Grow

After increasing by 0.7% in both March and April, the leading indicator grew by 0.6% in May. The monthly growth rate was comparable to its average of the last 18 months, although it was slightly below the 29-month high of 0.9% set in February.

Seven of the 10 components continued to rise, reflecting the broadly based nature of economic growth. The stock market index slid again, but at a slower rate (-0.1%) as financial markets stabilized. The inventories to shipments ratio was stable at 1.55 and the average workweek remained unchanged at 38.9 hours, its highest level set after the 1981-82 recession.

Household demand improved again while labour market conditions picked up in May. The housing index remained a significant source of growth, rising by 0.6%. Both affordability and vacancy rates improved in recent months, and house prices in

April posted one of their sharpest drops since 1975. Furniture and appliance sales gained 0.3% and sales of durable goods rose 1.6%, their sharpest increase since early 1987.

The recent pickup in domestic spending was reflected in more widespread growth. New orders for durable manufactured goods posted a seventh straight monthly increase (0.2%). Steady growth in corporate profits was mirrored by a recovery of business demand for services in April and May.

The U.S. leading indicator signalled a bright outlook for Canada's exports. Industrial production has accelerated throughout the past year and posted its best increase in almost 10 years in the first quarter of 1994. Industrial demand is a key factor for Canada's natural resources exports.

For further information, order Canadian economic observer (catalogue number 11-010) or contact Current Economic Analysis Division at (613) 951-3627. (See also "Current Trends" chart on page 8.)

## One in Four Canadians is a Victim of Crime

According to the data from the General Social Survey of 1993, about one-quarter of Canadians were victims of at least one crime in the preceding year. That was the same proportion as in 1988, when the victimization survey was first conducted.

The probability of an individual being victim of an assault, robbery or personal theft either decreased or remained unchanged from 1988 to 1993. The same was true for the chances of a household being victimized through incidents such as breaking and entering, motor vehicle theft, theft of property, or vandalism.

Although the overall levels of victimization changed little in five years, perceptions of personal safety changed somewhat. Fewer Canadians felt "very safe" walking alone in their neighbourhood after dark. The percentage dropped to 32% in 1993, from 40% in 1988. Nearly one in two (46%) believed that crime had increased in their neighbourhood.

### Note to users

*The General Social Survey is conducted on a five-year repeating cycle. In 1993, it was based on risks of being victimized and was conducted with over 10,385 Canadian adults aged 15 and over.*

The total personal victimization rate for young Canadians aged 15 to 24 was three times that of those over the age of 24, and was 11% higher for women than for men (largely because sexual assaults are rarely perpetrated against males).

The 1993 General Social Survey, as well as the one of 1988, revealed that a number of crimes had not been reported to the police. Accordingly, 90% of sexual assaults and 68% of assaults had not been reported to the police.

*For further information, order Juristat: trends in victimization, 1988-1993 (catalogue number 85-002) or contact the Canadian Centre for Justice Statistics.*

## Domestic Sales of Cigarettes Rise Sharply While Exports Plunge

Tobacco manufacturers sold 4.5 billion cigarettes in May 1994, a 4.3% rise from May 1993. Sales at the end of May totalled 19.7 billion, down 2.9% from the same period in 1993.

Sales of cigarettes in the domestic market amounted to 16.7 billion from January to May 1994, up 35.2% from the same period a year earlier. During this period, exports declined substantially by 63.7% to 2.8 billion.

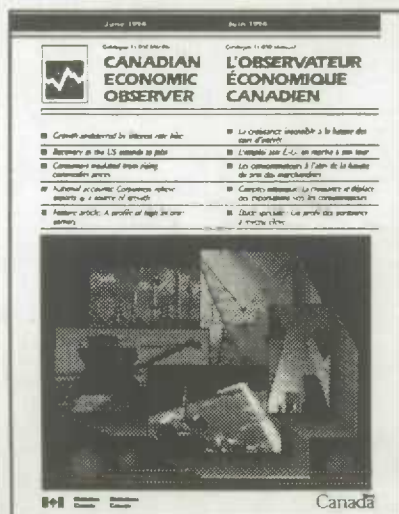
Tobacco manufacturers produced 4.4 billion cigarettes in May 1994, a 10.9% increase from May 1993, but inventories remained relatively stable at 5.7 billion.

*For further information, order Production and disposition of tobacco products (catalogue number 32-022) or contact Industry Division at (613) 951-3511.*

# PUBLICATIONS RELEASED FROM JUNE 17 TO 23, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
				US\$	
<b>AGRICULTURE</b>					
Production of poultry and eggs	1993	23-202	36	44	51
Survey of Canadian nursery trades industry	1992 and 1993	22-203	26	32	37
<b>CURRENT ECONOMIC ANALYSIS</b>					
Canadian economic observer	June 1994	11-010	22/220	27/264	31/308
<b>HEALTH</b>					
Health Reports	First quarter 1994, Vol. 6, No.1	82-003	28/112	34/135	40/157
<b>HOUSEHOLD SURVEY</b>					
The labour force	May 1994	71-001	20/200	24/240	28/280
<b>INDUSTRY</b>					
Canned and frozen fruits and vegetables - monthly	April 1994	32-011	6/60	8/72	9/84
Monthly production of soft drinks	May 1994	32-001	3/30	4/36	5/42
Primary iron and steel	April 1994	41-001	6/60	8/72	9/84
Refined petroleum products	March 1994	45-004	20/200	24/240	28/280
<b>INTERNATIONAL TRADE</b>					
Exports by commodity	March 1994	65-004	60/600	72/720	84/840
Exports by country	January-March 1994	65-003	90/360	108/432	126/504
Exports, merchandise trade	1993	65-202	180	216	252
<b>NATIONAL ACCOUNTS AND ENVIRONMENT</b>					
The size of the underground economy in Canada		13-603E, No. 2	48	46	54
<b>PRICES</b>					
The consumer price index	May 1994	62-001	10/100	12/120	14/140

## NEW FROM STATISTICS CANADA



### Canadian economic observer June 1994

The June 1994 issue of *Canadian economic observer*, Statistics Canada's flagship publication for economic statistics, presents a monthly summary of the economy, the major economic events in May, and a summary of the first-quarter national accounts. A feature article this month profiles high-income Ontarians.

A statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces, and the major industrial nations.

The June 1994 issue of *Canadian economic observer* (catalogue number 11-010, \$22/\$220) is now available. For further information on this release, contact Cindy Bloskie at (613) 951-3634, Current Analysis Group.

## NEW FROM STATISTICS CANADA



### Health reports First quarter 1994

This issue of *Health reports* contains a selection of papers from the International Conference on Stroke Prevention and Epidemiology, which took place in Saskatoon in October 1993. The conference focused on stroke prevention, identification of risk factors for stroke, treatment of stroke victims, health promotion activities within communities, and health-care costs. Both the international and the Canadian results are presented.

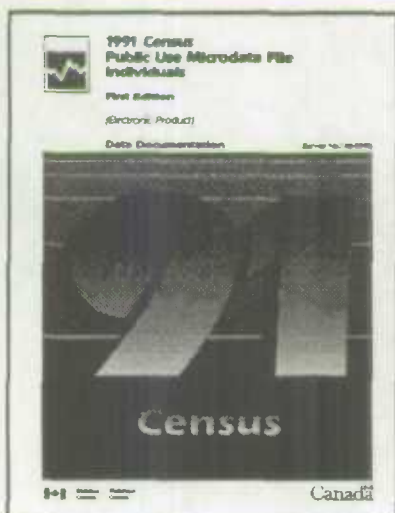
*The first quarter 1994 (vol. 6, no. 1) issue of Health reports (catalogue number 82-003, \$28/\$112) is now available. For further information on this release, contact the Information Requests Unit at (613) 951-1746, Health Statistics Division.*

### The size of the underground economy in Canada

A preliminary version of this study was presented at Laurentian University in Sudbury on February 25th. Its first part defines the underground economy, drawing a distinction between unmeasured and untaxed production. The second and third parts estimate underground transactions that are potentially escaping measurement and those that are already captured in gross domestic product. The study concludes by examining whether the resultant underestimation of gross domestic product also entails an underestimation of its growth rate.

Estimates of the underground economy, as an upper limit, for 1992 are: unmeasured underground production, 2.7% of GDP; underground production already measured, 1.5%; illegal production, 1%. Thus, as an upper limit, the total value of production that may have escaped detection by the tax authorities in 1992 is 5.2%.

*The size of the underground economy in Canada (catalogue number 13-603E, no. 2, \$38) is now available. For further information on this release, contact Gylliane Gervais at (613) 951-9149, National Accounts and Environment Division.*



### Public-use microdata files

The public-use microdata file on individuals is a 3% sample of unaggregated anonymous records (810,000) from the 1991 Census database. The file has been created in a manner which ensures the confidentiality of all records.

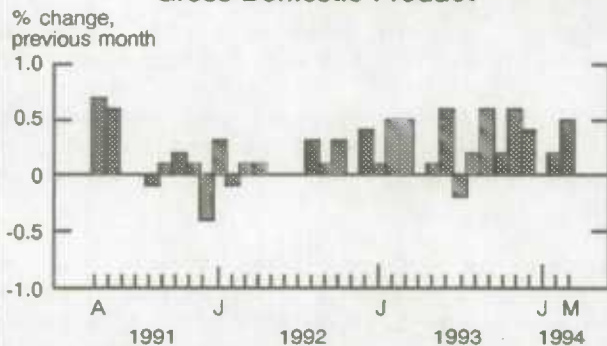
This powerful research tool gives data for each of the provinces and territories and for selected census metropolitan areas. Data on all topics covered by the census are included, so the file allows quick access to comprehensive social and economic data about Canada and its people.

The 1991 Census public-use microdata file program consists of three files: 1) individuals (now available); 2) families (released April 6, 1994), and 3) housing and households (to be released later). The product's cost is \$1,000 for the first file ordered (any one of the three files), \$300 for the second file and \$200 for the third file.

*For further information on this release or to order, contact your nearest Statistics Canada Regional Reference Centre.*

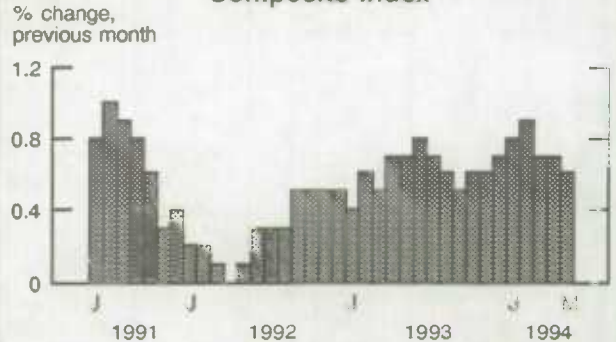
## CURRENT TRENDS

## Gross Domestic Product



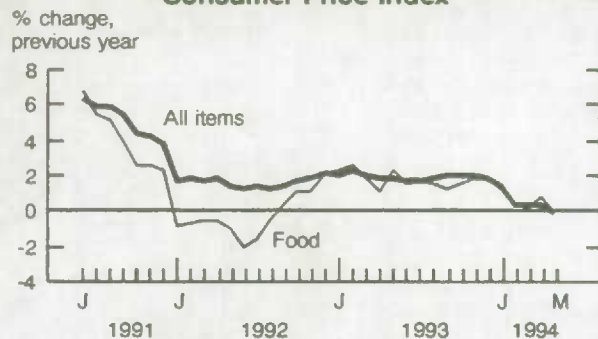
Real gross domestic product at factor cost expanded by 0.5% in March after averaging 0.1% in January and February.

## Composite Index



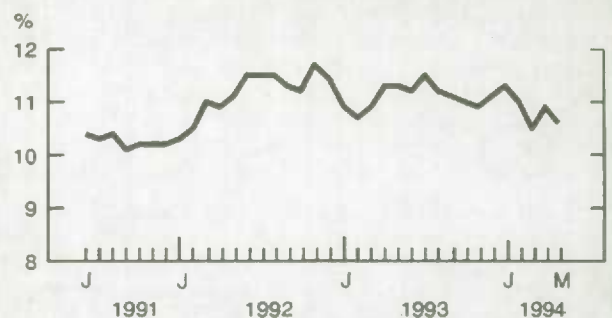
The growth of the composite index eased from 0.7% in April to 0.6% in May but the rate of increase was comparable to its average growth recorded in the last 18 months.

## Consumer Price Index



In May, the year-over-year change in the all-items CPI was -0.2%, the first year-over-year decline since August 1955. The food index remained unchanged.

## Unemployment Rate



In May, the unemployment rate fell 0.3 percentage points to 10.7% following an increase of 0.4 points in April.

## Manufacturing



Canadian manufacturers' shipments rose 2.7% in March to \$26.8 billion. The level of unfilled orders rose 0.6% to \$25.7 billion.

## Merchandise Trade



In April, the value of merchandise exports was up 4.9% to \$17.4 billion, while imports climbed 2.7% to \$16.1 billion.

## LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	March	530.8	0.5%	3.3%
Composite Leading Indicator (1981 = 100)	May*	165.5	0.6%	8.4%
Operating Profits of Enterprises (\$ billion)	1st Quarter	16.7	18.9%	37.7%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	April*	17.0	-1.7%	5.7%
New Motor Vehicle Sales ('000 units)	April	102.4	-4.0%	1.8%
<b>LABOUR</b>				
Employment (millions)	May	12.6	0.4%	2.0%
Unemployment Rate (%)	May	10.7	-0.3	-0.7
Participation Rate (%)	May	65.1	0.0	-0.1
Labour Income (\$ billion)	January	33.5	0.3%	2.0%
Average Weekly Earnings (\$)	March	564.06	0.4%	1.6%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	April*	17.4	4.9%	17.8%
Merchandise Imports (\$ billion)	April*	16.1	2.7%	15.6%
Merchandise Trade Balance (\$ billion)	April*	1.25	0.38	0.45
<b>MANUFACTURING</b>				
Shipments (\$ billion)	March	26.8	2.7%	5.0%
New Orders (\$ billion)	March	27.0	2.3%	2.2%
Unfilled Orders (\$ billion)	March	25.7	0.6%	3.8%
Inventory/ Shipments Ratio	March	1.35	-0.03	0.01
Capacity Utilization (%)	1st Quarter	79.2	-0.1	1.3
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	May*	129.9	-0.2%	-0.2%
Industrial Product Price Index (1986 = 100)	April	116.7	0.2%	4.0%
Raw Materials Price Index (1986 = 100)	April	117.2	3.7%	3.5%
New Housing Price Index (1986 = 100)	April	136.1	0.0%	-0.2%

*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

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