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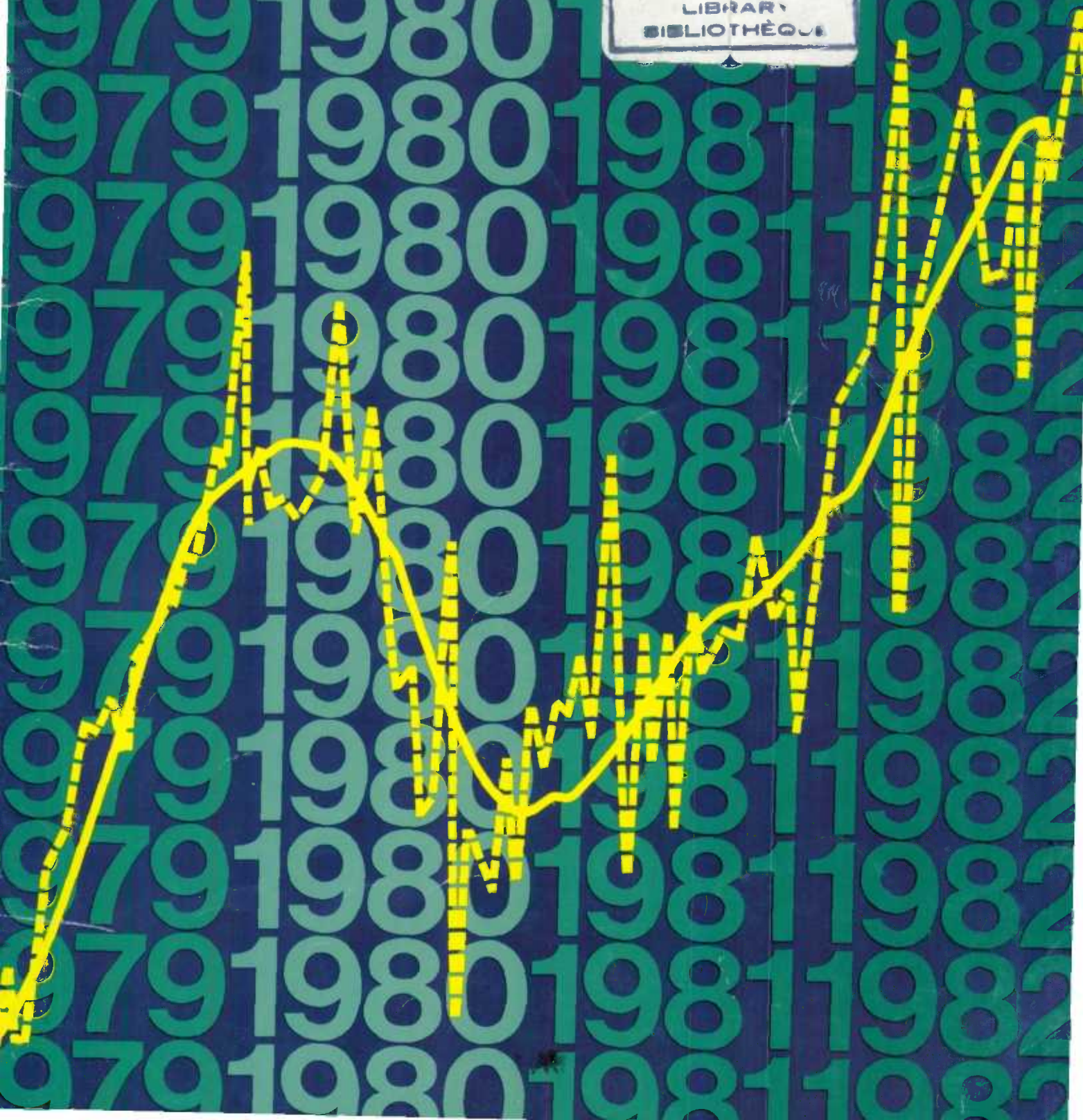
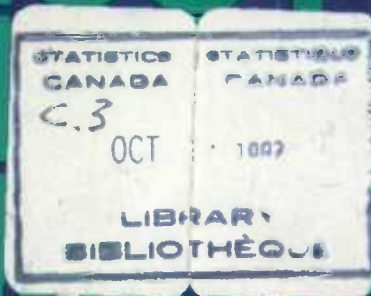
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August 1982

# Current Economic Analysis



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CATALOGUE

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CURRENT ECONOMIC ANALYSIS

ERRATA

Page xl

In Appendix A of the special study: The Behaviour of Regulated Prices in the Consumer Price Index, the weight for gasoline (GASO) in equation (1), line 6 should be 0.029.

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Statistics Canada  
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# Current Economic Analysis

August 1982

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## Preface

The purpose of *Current Economic Analysis* is to provide a monthly description of macro-economic conditions and thereby to extend the availability of information on the macro-economy provided by the System of National Accounts.

The publication also contains information that can be used to extend or modify Statistics Canada's description of economic conditions. In particular the section on news developments provides a summary of important events that will be useful in interpreting current movements in the data. As well, extensive tables and charts, containing analytically useful transformations (percentage changes, ratios, smoothing, etc.) of the basic source data, are furnished for analysts wishing to develop their own assessments. Because of this emphasis on analytical transformations of the data the publication is not meant to serve as a compendium of source data on the macro-economy. Users requiring such a compendium are urged to consult the Canadian Statistical Review.

Technical terms and concepts used in this publication that may be unfamiliar to some readers are briefly explained in the glossary. More extensive feature articles will appear in this publication from time to time explaining these technical terms and concepts in more detail.

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## Table of Contents

### Current Economic Developments

Analysis of July Data Releases	vii
News Developments	xxi
Analytical Note: The Financial Status and Investment Intentions of Non-Financial Corporations	xxiv
<b>Special Study: The Behaviour of Regulated Prices in the Consumer Price Index</b>	xxxiii
<b>Glossary</b>	xlii

### Chart

1	Gross National Expenditure in Millions of 1971 Dollars, Percentage Changes of Seasonally Adjusted Figures	3
2	Gross National Expenditure in Millions of 1971 Dollars, Seasonally Adjusted at Annual Rates	4
3	Real Output by Industry, Percentage Changes of Seasonally Adjusted Figures	5
4	Demand Indicators, Seasonally Adjusted Figures	6
5	Labour Market, Seasonally Adjusted Figures	7
6	Prices and Costs	8
7	Gross National Expenditure, Implicit Price Indexes, Percentage Changes of Seasonally Adjusted Figures	9
8	Gross National Expenditure, Implicit Price Indexes and National Income, Selected Components, Percentage Changes of Seasonally Adjusted Figures	10
9	External Trade, Customs Basis, Percentage Changes of Seasonally Adjusted Figures	11
10	Canadian Balance of International Payments, Millions of Dollars	12
11	Financial Indicators	13
12	Canadian Leading and Coincident Indicators	14
13-14	Canadian Leading Indicators	15-16

### Summary of Tables

Section I	Main Indicators	17
Section II	Demand and Output	27
Section III	Labour	39
Section IV	Prices	49
Section V	Foreign Sector	59
Section VI	Financial Markets	67

## Table

<i>Main Indicators</i>		17
1	Gross National Expenditure in 1971 Dollars, Percentage Changes of Seasonally Adjusted Figures	19
2	Real Output by Industry, 1971 = 100, Percentage Changes of Seasonally Adjusted Figures	19
3	Demand Indicators, Percentage Changes of Seasonally Adjusted Figures	20
4	Labour Market Indicators, Seasonally Adjusted	20
5	Prices and Costs, Percentage Changes, Not Seasonally Adjusted	21
6	Prices and Costs, National Accounts Implicit Price Indexes, Percentage Changes of Seasonally Adjusted Figures	21
7	External Trade, Customs Basis, Percentage Changes of Seasonally Adjusted Figures	22
8	Current Account, Balance of International Payments, Balances, Millions of Dollars, Seasonally Adjusted	22
9	Capital Account, Balance of International Payments, Balances, Millions of Dollars, Not Seasonally Adjusted	23
10	Financial Indicators	23
11-12	Canadian Leading Indicators, Filtered Data	24
13	United States Monthly Indicators, Percentage Changes of Seasonally Adjusted Figures	25
14-15	United States Leading and Coincident Indicators, Filtered Data	25-26
<i>Demand and Output</i>		27
16	Net National Income and Gross National Product, Millions of Dollars, Seasonally Adjusted at Annual Rates	29
17	Net National Income and Gross National Product, Percentage Changes of Seasonally Adjusted Figures	29
18	Gross National Expenditure, Millions of Dollars, Seasonally Adjusted at Annual Rates	30
19	Gross National Expenditure, Percentage Changes of Seasonally Adjusted Figures	30
20	Gross National Expenditure, Millions of 1971 Dollars, Seasonally Adjusted at Annual Rates	31
21	Gross National Expenditure in 1971 Dollars, Percentage Changes of Seasonally Adjusted Figures	31
22-24	Real Domestic Product by Industry, Percentage Changes of Seasonally Adjusted Figures	32-33
25	Real Manufacturing Shipments, Orders, and Unfilled Orders, Millions of 1971 Dollars, Seasonally Adjusted	33



26	Real Manufacturing Shipments, Orders, and Unfilled Orders, Percentage Changes of Seasonally Adjusted 1971 Dollar Values	34
27	Real Manufacturing Inventory Owned, and, Real Inventory/Shipment Ratio, Seasonally Adjusted	34
28	Real Manufacturing Inventory Owned by Stage of Fabrication, Millions of 1971 Dollars, Seasonally Adjusted	35
29	Real Manufacturing Inventory Owned by Stage of Fabrication, Changes of Seasonally Adjusted Figures in Millions of 1971 Dollars	35
30	Capacity Utilization Rates in Manufacturing, Seasonally Adjusted	36
31	Value of Building Permits, Percentage Changes of Seasonally Adjusted Figures	36
32	Housing Starts, Completions and Mortgage Approvals, Percentage Changes of Seasonally Adjusted Figures	37
33	Retail Sales, Percentage Changes of Seasonally Adjusted Figures	37
	<i>Labour</i>	39
34	Labour Force Survey Summary, Seasonally Adjusted	41
35	Characteristics of the Unemployed, Not Seasonally Adjusted	41
36	Labour Force Summary, Ages 15-24 and 25 and Over, Seasonally Adjusted	42
37	Labour Force Summary, Women, Ages 15-24 and 25 and Over, Seasonally Adjusted	42
38	Labour Force Summary, Men, Ages 15-24 and 25 and Over, Seasonally Adjusted	43
39	Employment by Industry, Labour Force Survey Percentage Changes of Seasonally Adjusted Figures	43
40	Estimates of Employees by Industry, Percentage Changes of Seasonally Adjusted Figures	44
41-42	Large Firm Employment by Industry, Percentage Changes of Seasonally Adjusted Figures	44-45
43-44	Wages and Salaries by Industry, Percentage Changes of Seasonally Adjusted Figures	45-46
45	Average Weekly Hours by Industry, Seasonally Adjusted	46
46	Average Weekly Wages and Salaries by Industry, Percentage Changes of Seasonally Adjusted Figures	47
47	Wage Settlements	47

<i>Prices</i>	49
48 Consumer Price Indexes, 1971=100, Percentage Changes, Not Seasonally Adjusted	51
49 Consumer Price Indexes, 1971=100, Ratio of Selected Components to All Items Index, Not Seasonally Adjusted	51
50 Consumer Price Indexes, 1971=100, Percentage Changes, Not Seasonally Adjusted	52
51 Consumer Price Indexes, 1971=100, Ratio of Selected Components to All Items Index, Not Seasonally Adjusted	52
52 National Accounts Implicit Price Indexes, 1971=100, Percentage Changes of Seasonally Adjusted Figures	53
53 National Accounts Implicit Price Indexes, 1971=100, Ratio of Selected Components to GNE Index, Seasonally Adjusted	53
54 National Accounts Implicit Price Indexes, 1971=100, Percentage Changes of Seasonally Adjusted Figures	54
55 National Accounts Implicit Price Indexes, 1971=100, Ratio of Selected Components to GNE Index, Seasonally Adjusted	54
56 Industry Selling Price Indexes, 1971=100, Percentage Changes, Not Seasonally Adjusted	55
57 Industry Selling Price Indexes, 1971=100, Ratio of Selected Components to Manufacturing Index, Not Seasonally Adjusted	55
58 Industry Selling Price Indexes, 1971=100, Percentage Changes, Not Seasonally Adjusted	56
59 Industry Selling Price Indexes, 1971=100, Ratio of Selected Components to Manufacturing Index, Not Seasonally Adjusted	56
60 Unit Labour Cost by Industry, Percentage Changes of Seasonally Adjusted Figures	57
61 Export and Import Prices, Percentage Changes in Paasche Indexes, Not Seasonally Adjusted	57
<i>Foreign Sector</i>	59
62 External Trade, Merchandise Exports by Commodity Groupings, Millions of Dollars, Not Seasonally Adjusted	61
63 External Trade, Merchandise Exports by Commodity Groupings, Year over Year Percentage Changes	61
64 External Trade, Merchandise Imports by Commodity Groupings, Millions of Dollars, Not Seasonally Adjusted	62
65 External Trade, Merchandise Imports by Commodity Groupings, Year over Year Percentage Changes	62
66 Current Account Balance of International Payments, Receipts, Millions of Dollars, Seasonally Adjusted	63

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67	Current Account Balance of International Payments, Receipts, Percentage Changes of Seasonally Adjusted Figures	63
68	Current Account Balance of International Payments, Payments, Millions of Dollars, Seasonally Adjusted	64
69	Current Account Balance of International Payments, Payments, Percentage Changes of Seasonally Adjusted Figures	64
70	Current Account Balance of International Payments, Balances, Millions of Dollars, Seasonally Adjusted	65
<i>Financial Markets</i>		67
71	Monetary Aggregates	69
72	Foreign Exchange and Money Market Indicators, Seasonally Adjusted, Millions of Dollars	69
73	Net New Security Issues Payable in Canadian and Foreign Currencies, Millions of Canadian Dollars, Not Seasonally Adjusted	70
74	Interest Rates, Average of Wednesdays, Not Seasonally Adjusted	70
75	Exchange Rates, Canadian Dollars Per Unit of Other Currencies, Not Seasonally Adjusted	71
76-77	Capital Account Balance of International Payments, Long-Term Capital Flows, Millions of Dollars, Not Seasonally Adjusted	71-72
78-79	Capital Account Balance of International Payments, Short-Term Capital Flows, Millions of Dollars, Not Seasonally Adjusted	72-73



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## Notes

### **A Note on the Role of Leading Indicators in the Statistical System**

Policy-makers and decision-makers in both the government and private sectors are making increased and more sophisticated uses of quarterly national accounts and of other macro-economic frameworks in order to evaluate the current performance of the economy and to detect its underlying trends. However, by the time users have access to the elaborate frameworks which allow them to analyze the economy in a relatively disciplined fashion, events with consequences for the near and medium term future may have already taken place. The first quantitative manifestation of current economic developments often occurs in a group of indicators that lead cyclical movements in the economy and that can be assembled rapidly as events unfold. Consequently it is not surprising that "leading indicators" have long played a role in assessing current economic conditions. In the last decade the increased severity of recessions worldwide has disabused most analysts of the notion that the business cycle is dead and has rekindled interest in the leading indicator approach to economic analysis. Since the early 1970's the number of organizations, both in Canada and elsewhere, that have developed indicator systems to monitor economic developments is quite impressive. All of this activity has stimulated inquiries into the nature of the work being carried out and into possible directions of evolution of indicator systems.

These inquiries have led Statistics Canada to develop a set of theoretical guidelines that are useful in constructing, evaluating, or in guiding the evolution of leading indicator systems. Also, technical advances in data smoothing have been utilized so that the number of false signals emitted by the leading index has been minimized while preserving the maximum amount of lead time. A paper on these topics appeared in the May 1982 issue of this publication. (Catalogue number 13-004E.) Within the limits of this note we can only be suggestive and indicate that a leading indicator system should be structured as much as possible like the framework (eg. the quarterly national accounts) that it is intended to complement, and it must contain a broad enough range of component indicators to enable the system to warn of cyclical changes that may be generated by any of a large variety of causal mechanisms. Although the current version of Statistics Canada's leading indicator system does not incorporate all the implications of the theoretical guidelines, along with the guidelines, it constitutes a useful addition to the indicator systems in Canada, and will become increasingly more so as the system evolves in accordance with the theoretical principles underlying its development.

### **CANSIM Note**

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## Analysis of July Data Releases

(Based on data available as of August 12, 1982)<sup>1</sup>

### Summary

Partial data for the second quarter indicate that there will be a further large decline in aggregate output. This follows a substantial drop in output in the first quarter, when real GNP fell 2.0 per cent and RDP declined 1.6 per cent. The second quarter reduction was concentrated in business fixed investment and inventories, both of which appear to have declined at a slightly faster pace than in the first quarter. Residential construction also slumped sharply in the second quarter, as housing starts have tumbled again to low levels. Consumer demand appears to have declined slightly, despite a gain early in the quarter in durable goods. The balance of merchandise trade rose strongly in the quarter, powered by a large recovery in automotive exports. A decline in the terms of trade, primarily due to lower export prices, contributed to an increase in the real trade balance. The weakness in prices received for exports, however, added to the sharp erosion of corporate profitability which has marked the current recession.

The unabated retrenchment in output in the quarter occurred despite a substantial strengthening of demand for automobiles. Passenger car sales in Canada and exports to the United States rose strongly in the quarter and auto output has risen nearly 30 per cent from its January trough. This strength, which has acted to buttress total output against larger declines, will be difficult to sustain with the decline in North American auto sales to new cyclical lows by July and a build-up of retail auto stocks. At the same time, all of the broad indicators of business fixed investment suggest continued rapid declines in investment outlays in the second half of 1982.

The estimates of economy-wide price inflation as measured by the implicit price index for GNP should slow substantially from the 2.7 per cent increase recorded in the first quarter. This slowdown reflects a decline in prices in particularly depressed sectors of the economy, such as construction and natural resource exports. Industrial selling prices generally rose at moderate rates as the ISPI rose 1.9 per cent in the quarter, and firms liquidated stocks at an annual rate exceeding last quarter's \$2.2 billion decline. Consumer prices continued to rise rapidly, however, as the CPI rose 3.1 per cent in the quarter. A sharp upturn in food prices and higher sales

taxes and energy prices led this increase. Wages and salaries lagged significantly behind the increase in consumer prices, as the growth in average earnings slowed and employment continued an unbroken monthly decline dating back to last September. An increase in strike activity and a noticeable substitution of part-time for full-time employment in recent months have served to accentuate the weakness in labour income.

- **Real Domestic Product** edged down by 0.1 per cent in May after a 0.7 per cent decline in April. The slowing in the rate of descent originated in a 1.7 per cent upturn in manufacturing output, driven by a substantial gain in export-oriented industries such as motor vehicles. Accentuated weakness was evident in most sectors of the economy, notably industries dependent on business investment and natural resources. The percentage of industries with rising output fell to a cyclical low of 31.5 per cent, compared to trough levels of about 35 per cent in prior recessions.
- **Retail sales** rose 1.1 per cent in volume in May. Personal expenditure on goods and services, however, is likely to decrease slightly in the second quarter, as retail sales declined sharply in June and as consumption of energy and services was weak.
- **Employment** declined by 0.6 per cent in June as demand for labour was cut back in all sectors, especially manufacturing and primary industries. A further cutback in July of 0.3 per cent and renewed growth in the labour force pushed the unemployment rate up to 11.8 per cent.
- **Housing starts** remained at low levels in June (114,000 units at annual rates) and July (111,000) and the leading indicators suggest that the weakening trend will continue in the short-run. The retrenchment of housing starts was reflected in a substantial decline in work-put-in-place in the second quarter. New house prices declined for the fifth consecutive month in June, down 0.4 per cent, in response to this slide in demand.
- **Business investment** in plant and equipment appears to have declined sharply in the second quarter. The decline is reflected in the downward revision to investment intentions in the mid-year survey of Private and Public Investment. The level of investment intentions now indicate a current dollar gain of 3.6 per cent in 1982.

<sup>1</sup>All references are to seasonally adjusted data unless otherwise stated. Also, the data have been processed specifically for the purpose of current analysis. For example, in some cases end-point seasonal adjustment methodology has been used instead of the projected factor method employed in the numbers published by the data source. For this reason numbers cited in this report may differ from those published by the data source.

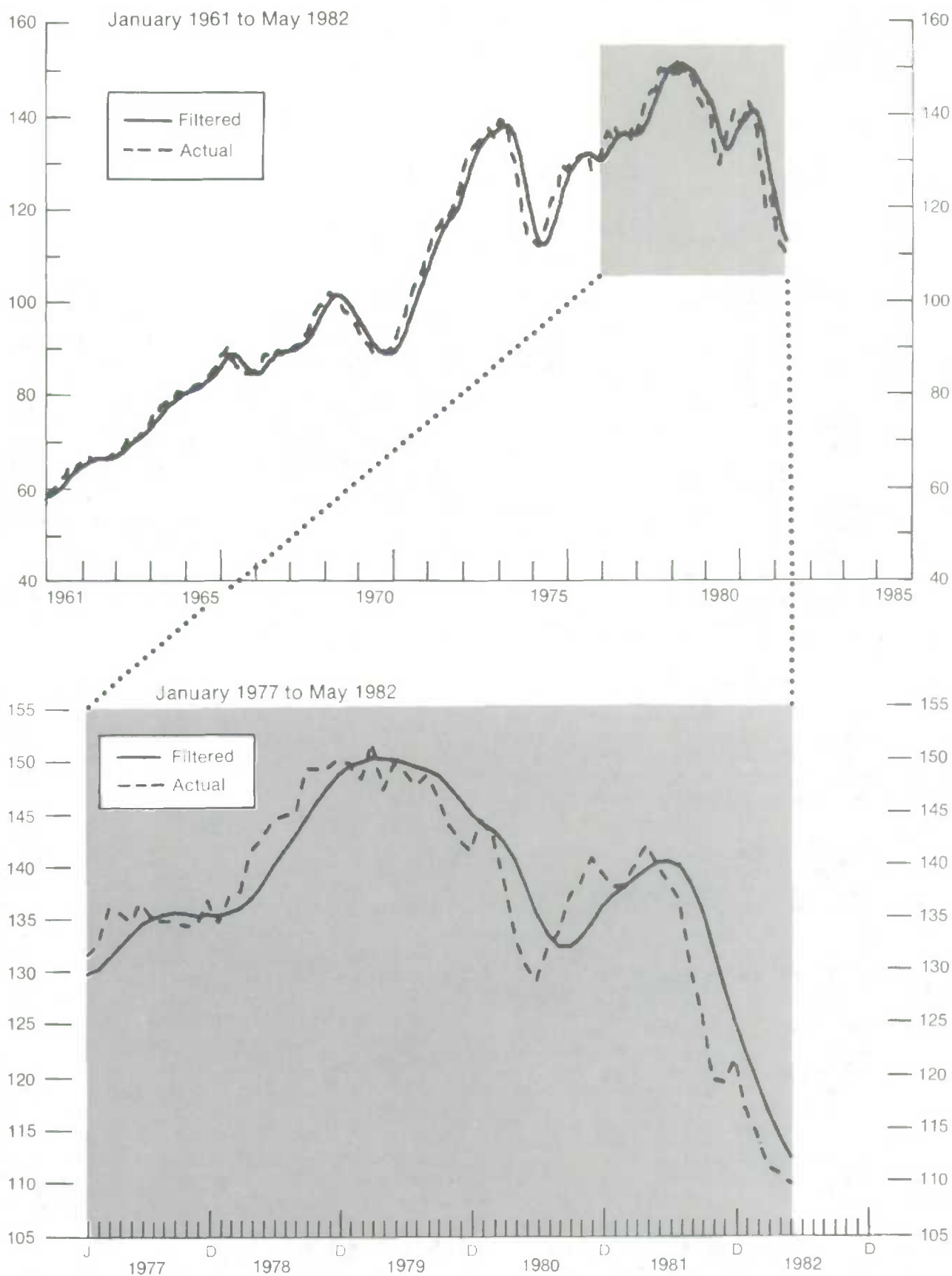
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- The upward trend of the nominal **merchandise trade** balance continued in June, rising to \$1,979 million as exports rose 4.3 per cent while imports declined 4.4 per cent. The recovery of export demand continued to be most evident for automotive products destined for the United States. The \$1,104 million improvement in the second quarter trade surplus is even more marked in real terms, as the terms of trade declined substantially due to sharply declining prices for merchandise exports.
  - **Manufacturing shipments** rose 0.8 per cent in volume in May while inventories of finished goods were reduced by about \$20 million. Declines in output are planned by a majority of firms in the third quarter, according to the July results of the Business Conditions Survey, and new orders weakened by 0.9 per cent.
  - The **Consumer Price Index**, not adjusted for seasonality, rose 1.0 per cent in June, after increases of 1.4 per cent and 0.5 per cent in the previous two months. Higher sales taxes and a further surge in food prices (+2.1 per cent) led the increase. The dampening effects of sluggish demand were more evident in industry selling prices (up 0.5 per cent seasonally adjusted) and raw material prices (which declined 0.3 per cent) in June.
- The rate of decline in the leading indicator continued to slow in May to -1.75 per cent, but gave no indication that the recession will end in the short-term. The index fell from 114.33 to 112.34. Leading indicators of household demand remained negative in spite of a firming in retail sales in April and May. The recovery of exports remains tentative as indicated by renewed signs of weakness in the American economy. The outlook for investment outlays remains poor. The non-filtered version of the leading indicator reflected these negative indications, recording a larger decline than the 0.5 per cent drop in April. The index declined by 0.9 per cent from 110.8 to 109.8 as six of the components fell, one more than in April.



Figure 1

# The Canadian Composite Leading Index

1971=100



Source: **Statistics Canada**, Current Economic Analysis (13-004E)

## The Canadian Composite Leading Indicator

The indicators of consumer spending for goods continued to fall at less rapid rates in May, in reaction to the recent firming of household demand. Sales of furniture and household appliances and of new motor vehicles declined by 1.00 per cent and 2.49 per cent respectively, after decreases of 1.44 per cent and 3.41 per cent in April and of 2.15 per cent and 4.04 per cent in March. The non-filtered versions<sup>1</sup> of these components do not indicate, however, that consumer demand has reversed its cyclical decline. Sales of furniture and appliances returned to their downward trend in May, falling 1.3 per cent, while the most recent statistics on auto sales are not reassuring for a sustained recovery.

The fall in the index of residential construction<sup>2</sup> accelerated in May to -5.99 per cent due to a 23 per cent drop in the non-filtered version. The reduction of over 50 per cent since the expiry of the MURB program presages a sharp decline in construction activity in the third quarter. All the components signal an accentuation of the weakness in this sector. Housing starts approached 100,000 units at annual rates and building permits fell to 77,000 units, a decline of 56 per cent compared to the peak in the fourth quarter. Mortgage loan approvals fell 28 per cent in May. It will be difficult to reverse this trend, as employment and income prospects continue to decline amidst an environment of high and fluctuating interest rates.

<sup>1</sup>The purpose of filtering is to reduce irregular movements in the data so that one can better judge whether the current movement represents a change in the business cycle. Unfortunately, all such filtering entails a loss of timeliness in warning of cyclical changes.

We have attempted to minimize this loss in timeliness by filtering the leading index and its components with minimum phase shift filters so as to minimize false signals and maximize lead time. See D. Rhoades, "Converting Timeliness into Reliability in Economic Time Series or Minimum Phase-shift Filtering of Economic Time Series", Canadian Statistical Review, February 1980.

Over the period January 1952 to January 1982 the unfiltered index exhibited a 6 month average lead at business cycle peaks, a 2 month lead at troughs, and emitted 64 false signals. The filtered index emitted only 10 false signals over this period and had a 5 month average lead at peaks and a 1 month lag at troughs. Of the 361 months in the period January 1952 to January 1982 the 10 false signals in the filtered version represents an error rate of 2.8 per cent, whereas the 64 false signals in the non-filtered series represents an error rate of 17.8 per cent.

All references to leading indicators are to filtered data unless otherwise stated.

<sup>2</sup>This index is a composite of housing starts, residential building permits, and mortgage loan approvals.

The outlook for the manufacturing sector improved in May. The limited scope of positive signs within the non-filtered data, however, attests to the fragility of these signs of improvement. The ratio of shipments to finished goods inventories fell from 1.39 to 1.37 as the non-filtered version rose from 1.35 to 1.37, due to a rise in shipments and a decline in stocks of finished goods. Shipments were led higher in May by export demand, but the renewed decline in June of several indicators of American demand could well interrupt this rebound. Although the rate of descent of new orders slowed to 0.61 per cent, the non-filtered version has not risen significantly to date this year. Weakness in industries related to consumer and business demand served to reduce new orders for durable goods by 2.9 per cent in May. The continuation of the process of inventory correction depends upon the short-term evolution of final demand for which the drop in orders is not encouraging. The average workweek in manufacturing fell 0.22 per cent in May.

The percentage change in price per unit labour costs continued to decline (-0.09) at a rapid rate, indicating that the squeeze on corporate liquidity is not yet easing. The decline occurred in spite of a drop (-3.2 per cent) in non-filtered unit

## Leading Indicators

	Percentage Change in May
Composite Leading Index (1971=100) .....	-1.75
1. Average Workweek - Manufacturing (Hours) ..	-0.22
2. Residential Construction Index (1971=100) ....	-5.99
3. United States Composite Leading Index (1967=100) .....	-0.05
4. Money Supply (M1) (\$1971 Millions) .....	+0.11
5. New Orders - Durable Products Industries (\$1971 Millions) .....	-0.61
6. Retail Trade - Furniture and Appliances (\$1971 Millions) .....	-1.00
7. New Motor Vehicle Sales (\$1971 Millions) .....	-2.49
8. Shipment to Inventory Ratio (Finished Goods) - Manufacturing .....	-0.02*
9. Stock Price Index (TSE300 Excluding Oil & Gas 1975=1000) .....	-3.27
10. Percentage Change in Price Per Unit Labour Costs - Manufacturing .....	-0.09*

\*Net Change

labour costs, indicating there has been an increase in productivity which has not been reflected in wages.

The real money supply registered a slight increase of 0.11 per cent in May, after sixteen consecutive declines which had reduced the index to a level of 15 per cent below that registered at its peak in 1981. The stock market did not respond to these signs of improvement, registering large losses again in May as profits and dividends have fallen sharply. The index of stocks decreased 3.27 per cent after a decline of 2.06 per cent in April.

The leading indicator for the United States edged down by 0.05 per cent in May, after declines of 0.47 per cent in April and 0.88 per cent in March. This slowing is explained by the second consecutive increase in the non-filtered version in May, while at the same time there has been an appreciable increase in Canadian exports destined to the U.S. The flattening-out of the U.S. leader in June, reflecting in particular a renewed decline of consumer demand, underlines the tentative nature of the firming of the U.S. economy.

## Output

*Output in the second quarter appears to have receded at a rate comparable to the large decline recorded in the first, when GNP fell by 2.0 per cent and RDP by 1.6 per cent. A sharp recovery in the automotive industry and in retail trade was not enough to slow the rate of descent, as most of the firming of final demand was met by a drawdown of inventories. The steep drop of corporate profitability since mid-1981 has, in addition, triggered a significant retrenchment in business investment in plant and equipment in the second quarter, and large declines were recorded in the output of industries that supply investment in plant and equipment.*

Real Domestic Product edged down by 0.1 per cent in May, as a sharp curtailment of construction activity outweighed a 1.0 per cent increase in industrial output and a marginal gain in service industries. The sharp 8.6 per cent decline in construction activity reflected the reversal of housing starts, which fell 35 per cent in the second quarter, and a further scaling-back of business investment in plant and equipment. These cyclical declines were accentuated by strikes in the industry in May. Industrial output rebounded strongly in May, which is somewhat surprising in light of the recent drops in new orders for manufactured goods as economic agents attempt to reduce unwanted inventories. Manufacturing output (+1.7 per cent) accounted for all of the gain in industrial production, led by a 6.1 per cent gain in the motor vehicle industry. This marked the fourth consecutive increase in the automotive industry, and output has risen 29.7 per cent over

this period. While some recovery in auto output was to be expected after the upturn of U.S. demand in April and May, the magnitude of the recovery in output has exceeded that of final demand. This has led to some accumulation of inventories, and production schedules for June reflect that some retrenchment has begun anew in the industry. There are indications, however, that American producers are voluntarily stockpiling motor vehicle products (notably parts) in view of the threat of a strike in Canada in September. At the same time, labour costs remain much lower in Canada in the auto industry (see Domestic News). These factors may cushion the size of the cutback in output in Canada over the summer months. A recovery of output was also evident in the petroleum, non-metallic minerals, paper, and food industries in May, although these increases followed large declines in April. For the second quarter as a whole, only motor vehicles are likely to demonstrate an increase within the manufacturing sector. The largest declines in output in May occurred in industries related to business investment, such as metal fabricating (-2.8 per cent) and machinery (-2.2 per cent), as well as industries related to consumer products, notably for textiles (-2.6 per cent), clothing (-1.0 per cent), and furniture (-4.9 per cent).

The effects of the large cutbacks in activity scheduled for primary industries such as forestry and metal mining became increasingly evident in May. Production in these industries fell by 5.8 per cent and 9.6 per cent respectively, and employment in primary industries dropped by about 10.4 per cent in the second quarter. Non-metallic mines declined by 15.0 per cent in May, as output of asbestos and potash was particularly weak because of lower building construction. Total mining output was buttressed by an upturn in mineral fuels, although there are few signs of a recovery of drilling activity. The widespread weakness of economic activity was also evident in service-producing industries such as transportation and community, business, and personal services in May, and is summarized in a further decline in the diffusion index (that is, the percentage of industries recording an upward trend in output) to a new cyclical low of 31.5 per cent.

## Households

*Most of the indicators for the household sector continued to weaken in the second quarter, although there was some sign of a firming of retail sales. Retail sales rose by 1.1 per cent in volume in May after a 0.9 per cent gain in April. The leading indicators for consumer demand remained weak, however, consistent with the steady erosion of employment (off 1.2 per cent in the quarter). There were*



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*signs of a firming of labour market conditions, as in June the average workweek edged up and the mean duration of unemployment stabilized, and a slowing was evident in the announcement of new layoffs, after a sharp increase for the summer months. A strengthening of labour market conditions may, however, contribute to a continuation of the recent recovery in labour force participation rates as the number of discouraged workers declined. Nominal labour income dropped 1.6 per cent in May, as lower employment coupled with a noticeable shift from full-time to part-time employment and a jump in strike effects accentuated the weakness in wages and salaries evident in April (+0.4 per cent). The bleak outlook in the index of leading indicators for housing (-23.0 per cent in May) presages further declines will occur in housing starts, which have hovered slightly above 100,000 since May.*

According to the Labour Force Survey, total employment declined 0.6 per cent in June, the tenth consecutive monthly decrease. A total decrease of 387,000 has been registered since last September, as primary and manufacturing industries were the most affected by this retrenchment in activity. Three quarters of these jobs had been occupied by males; as a result, in June their unemployment rate (10.9 per cent) exceeded that of females (10.8 per cent) for the first time in several years. This phenomenon is attributable to the much smaller employment decline in service industries, where female workers are concentrated; however, this sector was also characterized by the heavy substitution of part-time employment for full-time employment. Thus, 314,000 full-time jobs were lost while 243,000 part-time jobs were gained (seasonally unadjusted data), resulting in a concomitant drop in the quality of employment in these sectors. Employment loss rates should become less pronounced in the coming months, although this could prompt discouraged workers to resume their search for work. After increasing by 0.4 per cent in May, the labour force rose another 0.2 per cent in June and 0.7 per cent in July, raising considerably the unemployment rate to almost 12 per cent for the last month. An attenuation of negative forces could also cause a renewed outbreak of labour conflicts and strikes, thereby reducing the chances of a production upturn before 1983.

In June, the employment level declined 1.5 per cent in consumer goods industries and 0.3 per cent in service industries, and this decrease was evident in each of the eight main groups. However, manufacturing industries in Ontario seem primarily to account for the decline, based on the seasonally unadjusted employment level. This loss of 50,000 jobs in Ontario, occurring after two consecutive monthly increases,

which were themselves primarily due to the recovery of automobile production, could be attributable in part to the sudden downturn in private investment expenditures since the beginning of the year. The list of layoffs for this month collected by the Canada Employment Centres showed that several of the Ontario layoffs occurred in this component of final demand. The provinces of British Columbia and Quebec were affected to a lesser extent, as each lost 19,000 jobs. Employment varied little in the other provinces or regions. The decline in layoffs announced during the summer for the fall suggests that the impact of the reversal in the components of demand had already been largely absorbed by production and employment. The average workweek also increased in June in all other major industries. The apparent contradiction between the longer workweek and the decline in employment is attributable to a much smaller seasonal employment increase than in previous years, as firms will boost hours worked before new hiring.

In June, the employment decline was distributed more evenly between the various age and sex groups. After hovering around its February low between March and May, employment in the 25 and over age group (-26,000) declined at a rate similar to that recorded for persons in the young ages. The level of youth employment has declined almost 100,000 since February and 36,000 in June. Moreover, the seasonally adjusted employment data for this age group were biased by the fact that a larger number of students were attending school in June than in the previous year (especially in Ontario). This, in turn, overestimated the part-time employment level (+1.3 per cent), since a much larger number of students held a part-time job in June than a year ago because of their school attendance, and underestimated the level of full-time employment (-1.3 per cent), since fewer students were available for full-time work than in the previous year.

The labour force continued to increase in June (+0.2 per cent) and July (+0.7 per cent), helping to raise the unemployment rate to 11.8 per cent. In June, however, this increase seems to have been primarily attributable to adult males, particularly in Quebec. Even though the labour force can be expected to increase, particularly in Quebec where it declined by 54,000 during this recession (seasonally unadjusted data), the concomitant increase in Quebec's male unemployed in June points up a certain inconsistency in the data variations between the two months; age group data by provinces are unavailable. The average duration of unemployment ceased to increase at a rapid rate, stabilizing at around 17 weeks for Canada.

**Retail sales** grew by 1.1 per cent in volume in May, in a continuation of the firming of sales that began in April after a hefty 3.2 per cent decline in the first quarter. The upturn in retail sales has been evident in all three durability classifications in April and May. Durable goods led the increase in May, up 2.2 per cent, although the division of demand among the components does not indicate that the gain in sales marks the beginning of a cyclical upturn. In particular, sales of furniture and appliances declined by over 1.0 per cent while passenger car sales edged up by 0.7 per cent. These components normally are the most cyclically-sensitive components of retail sales, in the sense that they typically lead cycles in consumer demand as a whole and they explain much of the cyclical movement of retail sales. The sluggishness in these components in May, then, mutes the emphasis that should be placed on the sharp gains recorded for recreation equipment (+5.1 per cent) and auto accessories (+4.5 per cent). Demand for semi-durable and non-durable goods rose 0.7 per cent and 0.3 per cent respectively, as purchases of clothing, footwear, and food rose for the second consecutive month. By region, the upturn in nominal retail sales was concentrated in central Canada. Ontario rose by 4.7 per cent, while demand in Quebec jumped 6.6 per cent to record the first significant gain since January 1981 despite a further erosion in labour market conditions. Consumers in these provinces may have been anxious to purchase retail goods before sales taxes were raised in the provincial budgets.

The increase in **personal expenditure** on goods and services in the second quarter is likely to be marginal, compared to the 0.8 per cent upturn in retail sales in April and May from the first quarter average. This is partially due to sharply lower consumption of energy products for household use and sluggish demand for consumer services, neither of which are included in retail sales. The leading indicator properties of the Conference Board Quarterly Survey of consumer sentiment tend to confirm that personal expenditure will soften again in the short-term. An analysis by the Bank of Canada<sup>1</sup> finds that consumer sentiment, which fell to a record low in the second quarter, has a significant lead on the underlying course of consumer demand. The analysis also found that the index of consumer buying plans is not a good predictor of consumer demand in the short-term.

## Prices

*The effects of ongoing weak demand conditions continued to be evident in June in the moderate 0.5 per cent increase*

<sup>1</sup>The Leading Indicator Properties of Surveyed Consumer Attitudes and Buying Intentions by Bruce Rayfuse; Bank of Canada Technical Report 3, Feb. 1982.

*in the Industry Selling Price Index (seasonally adjusted) and the 0.3 per cent drop in the Raw Material Price Index. The recession continued to put downward pressure on sensitive prices such as primary metals. The sharp appreciation of the U.S. dollar against the Canadian dollar was a major contributor to increases at the industry selling level, as prices rose for those export products which are priced in U.S. dollars. Further increases in food prices and the effects of recent provincial sales tax increases helped to push the Consumer Price Index up by 1.0 per cent in June. Declines in beef prices in the Raw Material and Industry Selling Price Indices were signs that the upward pressure on food prices from the red meat sector may ease over the summer months.*

The Consumer Price Index rose 1.0 per cent in June (not adjusted for seasonality) following a 1.4 per cent increase in May and a 0.5 per cent increase in April. As in May there were several provincial budget measures such as the temporary increase in the sales tax rate to 9 per cent in Quebec and the introduction of sales tax on various services in Ontario, which contributed to the monthly increase. The 1.0 per cent increase in prices of goods represents a substantial slowing from the 1.7 per cent increase recorded in May. The slowing was partially attributable to the deceleration of prices of durable goods to a 0.2 per cent increase from a 1.3 per cent increase in May. This more restrained increase is in line with the weak trend in durable goods prices, most evident in a decline in the aggregate from December 1981 to April 1982. The 0.2 per cent increase in June was largely the result of a 0.4 per cent increase in auto purchase prices in a continuation of the winding down of rebate programs offered earlier in 1982. There was a sharp increase in major household appliance prices. Other durable goods prices remained weak. Prices of semi-durable goods rose at a moderate 0.6 per cent, similar to the 0.4 and 0.6 per cent increases of the two previous months. These restrained increases are largely reflective of the increases in clothing prices over this period as clothing demand has picked up slightly in April and May from very weak levels in the first quarter. The 1.4 per cent increase in prices of non-durable goods was the major contributor to the jump in prices of goods, although this increase was substantially slower than the 2.3 per cent increase recorded in May. Food prices continued to rise rapidly as the food-purchased-from-stores component jumped 2.1 per cent following a similar increase in May. An additional 4.8 per cent increase in meat prices was the major factor as beef and pork prices continued to rise in response to increased demand and restrictive supply conditions. There were signs in June, however, that prices for red meat would ease in the near term.



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as slaughtering and processing, and farm gate prices declined for beef and eased for pork. A sharp increase in fresh vegetable prices also contributed to the increase in food prices. This was partly due to seasonal price increases in storage vegetables such as cabbages and potatoes as stocks from last year's crop are low, and partially due to increases in tomatoes and celery which may be related to the sharp increase in the U.S.-Canadian exchange rate. Domestic supplies will become available in July and August to help offset these increases. The 2.1 per cent jump in tobacco and alcohol prices, related to various provincial budget measures, also contributed to the increase in non-durable prices.

Service prices advanced 1.0 per cent in June following 0.8 per cent increases in April and May. The 2.2 per cent rise in prices of food purchased from restaurants was largely attributable to the introduction of changes to the retail sales tax on restaurants and carry-out meals in the province of Ontario. Other notable increases in the service components were the 0.6 per cent increase in shelter and increases in air fares and movie admissions.

The Industry Selling Price Index rose 0.5 per cent on a seasonally adjusted basis, following a similar increase in May. A 0.6 per cent increase in prices of non-durable goods was the major contributor. As in the past four months, price increases in the food and beverage industries (0.6 per cent in June), particularly in slaughtering and processing, were the major stimulant. The 1.9 per cent increase in slaughtering and processing prices represented a substantial slowdown from the previous four months. Pork prices slowed due to moderating export demand and beef prices declined. Red meat prices had risen sharply over the last four months in response to increased export demand and restrictive supply conditions. A 1.6 per cent increase in paper and allied selling prices was due to the sharp increase of the U.S. dollar against the Canadian dollar in June, as these prices are quoted in U.S. funds. Demand for newsprint remains weak on export markets. Selling prices in other non-durable goods-producing industries such as clothing, petroleum, and chemical products, remained weak.

Durable goods selling prices rose 0.3 per cent following a similar increase in May. As in May, a sharp increase in prices for transportation equipment was a major contributor. The increase in June, however, was recorded in the automobile parts industries, likely related to the sharp exchange rate increase. (In May the increase was due to the ending of rebate programs by the major auto producers.) The other increase came in wood products industries. The increase in softwood prices appears to be due to supply constraints (as many mills are shut down) while export demand to the U.S. of

lumber products is staging a mild recovery. These increases were partially offset by a 0.5 per cent drop in primary metal prices. Copper prices fell to a new cyclical low in June. Prices in other durable goods-producing industries, particularly electrical product and metal fabricating industries, recorded moderate increases of about 0.3 per cent.

The Raw Materials Price Index recorded a 0.3 per cent decline in June following a 1.2 per cent increase in May. The major sources of weakness were similar to those in the Industry Selling Price Index. Animal product prices fell due to drops in prices for cattle and calves (following four months of sharp increases). Non-ferrous metal prices fell due to the 10 per cent decline in copper, and declines in precious metal prices. Prices for wood products declined and many saw mills were shut down in B.C., as demand for logs is weak as the recovery in export demand for softwoods has not as yet been reflected back to demand for unprocessed logs. Partially offsetting these declines were increased prices of vegetable products (mostly seasonal price increases for storage vegetables) and for fuels, textiles, and ferrous metals.

## Business Investment

*Business fixed investment appears to have been the weakest component in the large decline in aggregate demand in the second quarter. Residential construction recorded a large decline, as housing starts plummeted 35 per cent in the quarter while house sales weakened. Business investment in plant and equipment continued to retreat after a 6.9 per cent drop in volume in the first quarter. Both the machinery and construction components fell sharply and the medium-term outlook is not encouraging, as indicated by cutbacks in investment plans for 1982 and by the poor liquidity in the financial position of corporations, especially in the mining and manufacturing sectors. (For a more extensive discussion of these latter points, see the Analytical Note in this issue: The Financial Status and Investment Intentions of Non-Financial Corporations.)*

The related indicators suggest that the decline in real business outlays for plant and equipment in the second quarter will approximate the 6.9 per cent drop in the first quarter.

**Non-residential construction** will likely record the most striking weakness, based on the related indicators for April and May. The decline was accentuated by a sharp increase in strike effects in the industry, notably in Ontario and Saskatchewan. At the same time, energy companies continue to cut back exploration and development. The volume of drilling

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declined 19 per cent in April and May, based on data from RDP, and 30 per cent so far this year. By comparison, drilling rig activity has dropped 40 per cent in the United States because of the glut of crude oil.

The decline in business investment in **machinery and equipment** in the second quarter was evident in all the components of demand. Vehicle sales were pulled down by a 6.4 per cent decline in purchases of trucks in April and May. This ongoing weakness in commercial vehicle sales, compared to the recovery of passenger car sales in North America in the second quarter, reflects the increasing concentration of weakening final demand emanating from the business sector within the total economy. Domestic shipments and net imports of machinery and equipment recorded widespread declines. By final use category, the largest drops in April and May occurred in farm equipment, industrial machinery, and office furniture.

Total construction activity in the second quarter will be weighed-down by an 11 per cent decline in the volume of **work-put-in-place**. Unrelenting weakness in the construction of single-family homes, off nearly 14 per cent, and renewed weakness in the construction of multiple units account for this decline. The reversal for multiple units reflects the end of the construction of foundations required to be built for MURB tax allowances. The estimates for the second quarter may be upward-biased by the decision of many developers not to continue construction of the whole building until market conditions improve. The calculation of work-put-in-place, however, assumes that work is proceeding at a normal pace. The weakness of housing demand has served to reduce new housing prices for five consecutive months, with a cumulative decline of 1.8 per cent since January.

## Manufacturing

*A substantial upturn of export demand in the second quarter led to some improvement in the indicators of manufacturing activity in May. Shipments rose 0.8 per cent in volume, notably due to rising sales abroad of automotive and petroleum-based products. The upturn of shipments fostered a small reduction of finished goods inventories in May, as the process of inventory liquidation for finished goods has lagged significantly behind the cycle for raw materials inventories. The large (\$110 million) cuts in raw material stocks and the 0.9 per cent decline in real new orders in May, however, are consistent with the further cutbacks in output planned by firms in the third quarter (as revealed by the July results of the Business Conditions Survey, and the large drops in manufacturing employment in June and July).*

**Inventories** in the manufacturing sector were reduced by \$134 million in volume in May. The bulk (\$110 million) of the decline continued to originate in holdings of raw materials. This liquidation has been particularly evident in durable goods-producing industries, where stocks of raw materials fell by \$78 million in May following smaller declines earlier in 1982. Industries dependent on business investment led this reduction, notably in primary metal (–\$17 million), metal fabricating (–\$17 million), and machinery (–\$10 million) industries. These industries had also reduced stocks of raw materials in April, and the accelerating declines in raw materials inventories are consistent with plans to scale-down production in future months as the climate for business investment has deteriorated rapidly. These lower output schedules are evident in the July results of the Business Conditions Survey, in which 59 per cent of the construction material industry and 65 per cent of the machinery and equipment industry expect to record lower output in the third quarter. Inventories continued to slide at a rapid rate for motor vehicle parts and other transportation equipment.

While the sharp curtailment of raw materials stocks and the Business Conditions Survey augur for further drops in manufacturing production in the short-term, a positive development was the \$20 million reduction in finished goods inventories in May. The reduction in the overhang of inventories was most evident in non-durable goods inventories such as petroleum (–\$7 million), chemicals (–\$6 million), rubber (–\$6 million), and clothing (–\$3 million). All of the \$7 million reduction for durable goods occurred in primary metals.

The reduction in stocks of finished goods was the first significant decline in the current cyclical downturn, and lags significantly behind the cuts in raw materials, goods-in-process, and goods purchased for resale. These latter three components generally have been declining since December. The longer lags in the process of stock liquidation for finished goods was also evident during the 1980 recession, when stocks of raw materials began to decline in May, goods-in-process in June, goods purchased for resale in July, and finished goods in August. This sequential process in the reduction of inventories by stage of fabrication reflects technical factors in the control of inventories. Raw materials and goods purchased for resale, for example, can be reduced relatively quickly by cutting orders to suppliers as soon as a cyclical downturn becomes evident. Goods-in-process will begin to slow as soon as the manufacturing firm acts to cut back its own production. Stocks of finished goods, however, are more difficult to control as they are partly determined by demand as well as by the firm's output. The unusually long



delay in cutting finished goods inventories in the current cycle reflects the pronounced drop in shipments, which declined 13.0 per cent from last June's peak until a 0.8 per cent upturn in May. Whether the decline in May represents the beginning of a cyclical downturn of finished goods inventories, then, partly depends on whether the increase in shipments can be sustained. The ongoing erosion of new orders, down 0.9 per cent in May, is not reassuring for the short-term course of demand.

The volume of **shipments** rose 0.8 per cent in May following a 2.0 per cent drop in April. The largest increases were recorded for industries which produce non-durable goods, up 1.7 per cent in total. Shipments of chemical and petroleum products rose sharply, up 7.7 and 10.2 per cent respectively. These increases match similar increases in exports of these products in May. The short-term trend in export sales, however, was still declining despite the one-month upturn. Shipments of rubber and plastics rose 0.8 per cent. Sales in this industry have improved in recent months with the recovery in activity in the auto sector. Shipments of clothing rose 1.0 per cent following two months of steep decline, and a similar reversal was evident in food and beverages. Demand showed little sign of improvement in the clothing-related industries, as shipments fell further in the leather, textile and knitting mill industries. Shipments of paper and allied products continued to fall at rapid rates in response to weakening export demand.

Shipments of durable goods declined 0.1 per cent following declines of about 1.0 per cent in March and April. Demand was particularly weak for business investment-related goods as shipments of machinery, electrical products, and metal fabricated goods declined further in May. A 0.6 per cent decline of sales by transportation equipment industries followed a recovery over the previous three months. Partially offsetting these declines were increased shipments of wood and primary metal products. Increased export sales were recorded for both of these types of product in May.

The volume of **new orders** fell 0.9 per cent in May following a one-month upturn of 1.2 per cent in April. The decline was the result of a sharp drop in new orders for durable goods, which was concentrated in drops in orders for electrical product (-9.1 per cent) and metal fabricating (-17.7 per cent) industries. There was a further slight increase in orders for transportation equipment following the 24.0 per cent jump in April. This was further indication, in addition to the export data, that the recovery in the auto sector would continue in the near term. There were also increases recorded in orders

for machinery, non-metallic minerals, and primary metal products, all of which followed similar declines in the previous month. New orders for non-durable goods rose 0.9 per cent in May in line with increased shipments of these goods.

### External Sector

*The merchandise trade balance rose to nearly \$2.0 billion in June. There were no obvious signs of a recovery in domestic demand in June, as imports fell 4.4 per cent (on a seasonally adjusted balance of payments basis). With the inclusion of the June data the short-term trend fell 0.8 per cent. The recovery evident in previous months in imports of motor vehicle products was temporarily halted in June by the slowdown in the processing of Japanese car imports at customs clearance in Vancouver. Demand for other products continued to decline at rapid rates. The modest recovery in exports continued as the short-term trend for exports recorded a third consecutive increase, up 1.1 per cent with the inclusion of a 4.3 per cent increase in sales in June. The improvement in export demand continued to be concentrated in sales of motor vehicle products to the U.S. By country, the trend in shipments to Japan recorded an increase, the only country other than the U.S. to show improvement in demand for Canadian products.*

**Exports** rose 4.3 per cent or \$302 million on a seasonally adjusted balance of payments basis in June. With the inclusion of the June data the short-term trend (which lags the current data by two months) recorded a third consecutive increase following seven months of decline, rising 1.1 per cent in the most recent month. The recovery in the trend for export sales continued to be concentrated in higher shipments of motor vehicle products, cereals, iron and steel, lumber products, and telecommunications equipment. The short-term trend for motor vehicle products rose 9.0 per cent with the inclusion of the June data, bringing shipments of those products to levels higher than have been recorded in the previous four years. The pick-up in production and shipments of automobiles and parts has been partially matched by an increase in sales in the U.S. The upturn in sales was not sufficient, however, to prevent a build-up in auto inventories in the U.S. This may be a voluntary build-up in anticipation of a strike in the fall by Canadian Auto Workers (GM 12/7). Sharp increases in sales of wheat and barley have also contributed to the recovery in export sales. The recovery in sales of lumber products has been less dramatic than in the auto sector, and has not been reflected in improved

employment and production in these industries. Lumber exports may reflect a restocking of inventories in the U.S. as housing starts there have shown some signs of recovery in recent months. There was also an upturn in sales of telecommunication equipment and other equipment within end products. Partially offsetting these improvements was a downturn in the trend of sales of crude and fabricated metal ores. While the steep declines in shipments of nickel and copper may have been due to strikes in the mining industry in June, weak demand conditions were also reflected in low prices for these metals as copper prices fell to a new cyclical low on world markets in June. Export demand for newsprint, chemicals, petroleum, natural gas, and industrial machinery weakened further as indicated by an acceleration in the downward trend in sales of these goods. On a by-country basis, the recovery in export sales was largely due to an upturn in demand by the U.S. market while, the trend for exports to Japan also showed signs of recovery. The short-term trend in exports to other countries continued to decline.

**Imports** fell 4.4 per cent, or \$244 million in June following a similar decline in May. With the inclusion of the June data the short-term trend for imports fell 0.8 per cent following a similar decline in the previous month. This rate of decline represents a substantial slowing compared to the declines averaging 3.0 per cent per month from October to December of 1981. While the slowing in the rate of decline had been due to a rebound in imports of motor vehicle products (related to the recovery in exports of these products), in June the slowing of customs clearance of Japanese cars at Vancouver caused the trend to rise at the same rate as in the previous month. This effect should end soon as the slowdown in the clearance of Japanese cars ended in mid-July. Domestic demand remained weak for most other goods, particularly machinery and equipment, chemicals, iron and steel and crude petroleum. The short-term trend for imports of these goods declined at rates varying from 2.0 to 5.0 per cent, similar to declines recorded in the previous two months.

## International Economies

*The inflation rate in the European Economic Community (EEC) rose 0.7 per cent in June to a level 10.4 per cent above a year ago. Inflation in Europe remains substantially higher than the OECD average of 8.4 per cent, reflecting the better performance of the United States (+7.1 per cent) and Japan (+2.5 per cent). The unemployment rate in the EEC rose from 8.9 per cent to 9.1 per cent in June, although this is below the peak 9.5 per cent rate recorded in the EEC in January and the 9.5 per cent rate in the U.S. in June. Nearly*

*40 per cent of the unemployed in the EEC were less than 25 years of age, and unemployment in the EEC has risen every year since the first OPEC price shock in 1974.*

The semi-annual review of the **Organization for Economic Co-operation and Development** (OECD) says the recession that began early in 1981 in the 24 member nations is entering a new phase. The contraction of output associated with rising oil prices should end in 1983, when output is forecast to rise 2.5 per cent. Stock-building by firms and private consumption will lead the recovery, while the combined current account deficit will rise from \$15.3 billion (U.S.) to \$20.3 billion. A sustained recovery in private investment is not foreseen, and the lack of business confidence poses "uncertainties" for the recovery. Inflation will remain stubbornly high at 7.5 per cent in 1983 (versus 8.3 per cent in 1982 and a peak rate of 13 per cent in 1980) while unemployment could approach \$32 million (or about 9 per cent of the labour force). The signs of an upturn in the business cycle are threatened by continued tight monetary policies in many nations, especially the United States. The OECD report says that "there is widespread concern that real interest rates are seriously impeding the desired recovery of private investment and this is amplified by the deterioration of corporate financial positions in some countries. The longer a strong investment recovery is delayed, the more the risks in the situation mount" (GM, LeD 7/7).

The indicators of the economic performance of **West Germany** show little signs of the improvement that was widely-predicted at the start of 1982. Industrial output showed little sign of emerging from its most prolonged recession since 1945, stagnating in May after a 0.5 per cent drop in April. Most of the retrenchment reflected an 8 per cent drop in orders for export industries since February. The weakness in export orders was also reflected in the near financial collapse of the AEG-Telefunken electrical products group, until the government rescued the firm with \$241 million in loan guarantees for export contracts (FT 3-15/7). Consumer price inflation jumped 1 per cent in May (and 5.8 per cent in the past year) as taxes rose and as oil prices increased.

The economic indicators for the **United Kingdom** showed some improvement in May and June, although the gains made in inflation and output are very gradual while unemployment continues to grow at a slower rate. Manufacturing output rose 1.5 per cent in the three months ending in May, and is now 2.0 per cent above the trough level record in the second quarter of 1981. The short-term and long-term leading indicators forecast a continued gradual upturn in output in the second half of 1982. The retail price index



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accelerated slightly in the three latest months, and the level in June was 9.7 per cent above a year earlier. Average hourly earnings were up 10.3 per cent in the year to May. This gradual easing, together with a large gain in productivity, has slowed the year-over-year rate of growth of unit labour costs to 3 per cent, the lowest in the OECD nations. The easing of labour costs due to job cutbacks, however, has been reflected in a further increase in the unemployment rate to 12.3 per cent in July, compared to a peak rate of 19 per cent in 1933.

### United States Economy

Real GNP edged up by 0.4 per cent in the second quarter. Total output was 1.7 per cent below the level of a year earlier, compared to a drop of about 6 per cent in Canada over this period. A 0.7 per cent recovery of consumer demand was led by a sharp increase in auto sales. The counterpart to the firming of auto production was a sharply lower rate of inventory liquidation (down \$6.6 billion compared to -\$15.4 billion last quarter). Residential construction improved by 0.7 per cent as housing starts rose 3.9 per cent in the quarter. Business outlays for plant and equipment continued to retrench in response to a sharp cutback in equipment purchases (down 3.2 per cent) and a slowdown in the construction of structures to +0.4 per cent. Inflation as measured by the GNE deflator remained at a 4.6 per cent annual rate. The easing reflected continued moderate rates of increase for consumer prices (+3.6 per cent) and housing (+2.2 per cent) and further gains in the terms of trade (up 10.0 per cent in the past year).

The configuration of the coincident data indicates that all of the gain in GNP occurred early in the second quarter. With the arrival of data for June and July, however, there were increasing signs of a renewed faltering of economic activity. This pattern was most evident in nominal retail sales, which fell 1.5 per cent in June after gains of 1.2 per cent and 2.7 per cent in April and May. The decline in June was the largest in the current recession, and is magnified in real terms by a 1.0 per cent rise in the CPI. Unit sales of North American passenger cars fell to a 4.6 million annual rate in June from 6.3 million in May, and remained under \$5.0 million in mid-July. With auto production rising steadily to \$5.9 million units in June from \$4.7 million at the start of the quarter (and up from the cyclical low of \$3.6 million in January), there has inevitably been a build-up of inventories. Unit stocks of new cars rose to a 79-day supply at the end of June, up from 52 days a month ago. The slump in consumer demand reflects the downturn in the Conference Board Index of consumer confidence in June from 58.3 to 57.1, as interest rates turned

up, unemployment rose to 9.8 per cent in July, and real wages were squeezed by a slowdown in wage settlements and accelerating inflation.

Industrial output fell 0.7 per cent in June, carrying the peak-to-trough decline to 10.1 per cent since last July. Large cutbacks in business equipment (-2.7 per cent) and building materials (-0.7 per cent) more than offset a 0.1 per cent increase for consumer goods. The short-term prospects for industrial output are not appealing, particularly in light of the reappearance of plant closures and layoffs in the automotive industry (at least 9 auto plants were temporarily shut down in July). Renewed weakness was also evident in the drilling rig and semi-conductor industries, which had contributed to the revival of economic activity early in the second quarter. The leading indicator reflected some of this weakening, as it remained unchanged in June after two consecutive increases. The softening of the leading indicator was largely the result of declines for manufacturing orders for consumer and business goods and for the average workweek. The Consumer Price Index rose 1.0 per cent in June after a similar increase in May. Most of the increase reflected higher energy and housing prices, despite a drop in mortgage costs. The acceleration in the CPI will continue in July, according to the Bureau of Labor Statistics, although it estimates that the underlying trend of inflation will return to about 7.0 per cent by year-end.

### Financial Markets

Paul Volcker, Chairman of the **Federal Reserve Board**, told the Senate Banking Committee that the Fed is willing to tolerate "for a time" some overshoot of the monetary targets and lower interest rates. The Board is now convinced that part of the increase in money demand in 1982 has been for precautionary rather than transaction purposes, as people have shifted money into interest-bearing liquid forms such as negotiable order of withdrawal (NOW) accounts. In particular, all of the increase in M1 this year can be attributed to a shift from small savings accounts which are not included in the definition of M1 into NOW accounts, which are in M1. This institutional change would explain why velocity (the ratio of GNP to the money supply) is growing less than the 3-4 per cent anticipated by the Fed. At the same time, bank reserves have risen steadily throughout the year. This factor resolves some of the puzzle of why actual money supply growth is overshooting its target growth when interest rates, exchange rates, and the real economy all suggest very tight money (LeD 29/7, GM 29/7, FT 21/7).

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Volcker endorsed the prediction by the **Congressional Budget Office** that the federal government deficit will rise to \$140-150 billion in fiscal 1983, substantially higher than the Administration forecast of \$110-114 billion. Heavy government borrowing will keep upward pressure on interest rates, according to Volcker, while the Federal Reserve Board will maintain its monetary target for M1 at 2.5 per cent to 5.5 cent in 1983. Volcker did express the conviction that "the inflationary tide has turned in a fundamental way", especially the trend in costs and nominal wages (FT 21/7).

**Canadian interest rates** moved significantly lower in July in response to a sharp drop in American interest rates and a firming of the Canadian dollar. The Canadian bank rate fell 108 basis points to 15.5 per cent while the prime lending rate fell 100 basis points to 17.25 per cent. Twenty-year Canada bond yields fell about 50 basis points to just below 16 per cent. Despite the significant drop in Canadian interest rates, U.S. rates fell even more sharply, allowing the Canada-U.S. interest rate differential to widen. The Bank of Canada took action to limit the decline in Canadian interest rates by selling treasury bills and thereby contracting the monetary base. The widening interest rate differential enabled the Canadian dollar to recover in July most of its decline relative to the American dollar in June. The Canadian dollar rose 237 basis points to 79.85 cents (U.S. funds).

**American interest rates** moved sharply lower in July with short-term rates falling considerably more than the rates on longer-dated maturities. For instance, yields on 90-day money market instruments fell about 300 basis points compared to a decline of about 100 basis points on twenty-year Treasury bonds. The Federal Reserve Board twice cut the discount rate by 0.5 per cent, bringing it down to 11 per cent by month's end. The large surge in money supply growth that had been expected in early July was considerably smaller than forecast. As a result, the Federal Reserve Board did not have to tighten credit as the money markets had expected but instead was able to add reserves to the banking system. After the failure of the Penn Square Bank from Oklahoma, the Federal Reserve Board became more aggressive in supplying bank reserves. Projected heavy Treasury financing requirements and a desire on the part of corporations to improve balance sheet strength by switching from short-term to long-term financing both served to restrain the decline in bond yields. The announcement of a \$500 million 25-year bond registration by IBM, for example, has raised the inventory of unsold debentures in the United States to \$11.3 billion (FT 20/7).

## Banking Industry

*The health of the banking industry in North America and Europe was the center of heightened speculation in July. The concerns centered on the increasing number of bad debts held by consumer, business, and foreign governments who can no longer generate the cash flow needed to service debt at the current level of interest rates. The visible manifestation of these fears has been sharp declines in bank stock prices, deteriorating prices for bank debentures, widespread downgrading of bank debt-ratings, and sharply higher loan losses. At the same time, the collapse of the Penn Square Bank in the United States and of Banco Ambrosiano Holdings of Luxembourg demonstrate weaknesses exist in the supervision and regulation of an increasingly sophisticated and complex financial system.*

The **Bank of International Settlements** (BIS) estimates that more than \$200 billion of outstanding international bank debt "is of doubtful or potentially dubious quality". The largest risks were attached to loans made to governments in Eastern Europe (which owes \$80 billion of debt to BIS banks) and in Latin America (which owes \$220 billion of debt). The re-scheduling of debt owed by Poland, Romania, and Costa Rica in the past year, and Argentina's request to reschedule its \$36 billion of foreign debt, are examples of this risk. Concern over the \$60 billion of debt held by Mexico was not allayed by the disclosure that Mexico had to use \$600 million of its \$700 million credit line with the U.S. Federal Reserve Board to meet its import payments in April (FT 13/7).

Concern over the health of banks in Europe centered on the default of **Banco Ambrosiano Holdings of Luxembourg** on \$400 million of debt held by a consortium of 250 banks. The Italian parent bank, Banco Ambrosiano, the largest private bank in Italy, will not provide any assistance because of its own financial difficulties. It was supported by a consortium of six other banks, when investigators from the Bank of Italy asked for details on \$1.4 billion of loans made to a number of Panamanian companies said to be controlled by the Vatican's bank (the Institute per le Opere di Religione). Uncertainty remained about whether Banco Ambrosiano and its \$1.4 billion of debt would be liquidated or reconstituted under new management. The supporting banks called for the bank to be forced into liquidation to prevent large losses for these banks. The Bank of Italy, which has the sole right to initiate a liquidation procedure, preferred a bail-out to maintain confidence in the Italian financial system. On August 9, the Bank of Italy reversed this decision and decided to put Banco Ambrosiano into compulsory liquidation (GM 5/8, FT 16-17/7, Ecst 24/7, NYT 19/7).



The complications arising from the collapse of the Luxembourg subsidiary of Banco Ambrosiano demonstrate that central bank regulation and supervision has lagged behind the growth in the size and complexity of the international banking system. There is no lender of last resort in the international banking system (unlike the international trading system, as nations in balance of payments crisis can approach the International Monetary Fund as a last resort). The Italian rescue operation for the Ambrosiano group is at present being limited only to its domestic operations, not its offshore ventures. As a result, the Luxembourg subsidiary has defaulted on \$400 million of loans to 250 other banks. The major concern of bankers is not the losses involved, but rather the challenge that the default poses for the **Basle concordat** on the division of central bank responsibility for all offshore financial centers. The Basle concordat was formed in 1974 to assure central bank support for financially-troubled banks; the concordat is vague, however, as to who is responsible for overseas subsidiaries. This problem is compounded in the Ambrosiano affair since its Luxembourg operations are technically not a bank. As a result, the Bank of Italy has refused to accept responsibility for the default (FT 22/7, Ecst 24/7).

Major Canadian and American banks faced a large sell-off of their bond and equity issues in July. Investor concerns were exemplified by the factors surrounding the collapse of the Penn Square Bank on July 5 (with \$500 million of assets). The **Penn Square Bank** had 80 per cent of its business in energy-related service industries in Oklahoma. The downturn of world crude oil prices has precipitated a 40 per cent drop in drilling rig activity this year, and oil service companies have had trouble servicing their debt. Energy-related industries account for 17.6 per cent of all bank loans made in 1982. The bankruptcy of Dresco Energy Services, an oil rig company with \$250 million in assets, is the most visible example of the problems in this sector. The ripple effects from the insolvency of Penn Square resulted in a \$61 million loss in the second quarter for the Continental Illinois Bank of Chicago, the largest quarterly loss by an American bank, which had to write-off \$220 million of the \$1 billion of loans it purchased from Penn Square. The Bank announced that it had temporarily withdrawn from trading in certificates of deposit because of its low credit rating following this quarterly loss. The Chase Manhattan Bank also reported a \$6 million loss in the second quarter, as \$285 million was lost when **Drysdale Government Securities** was unable to pay interest in May; in total, eight of the fifteen largest American banks reported lower profits in the second quarter (Ecst 24/7, BW 26/7, GM 22/7, FT 1-10/7, CP 29/7).

The ripple effects on major banks from the collapse of the Penn Square Bank and of Drysdale Securities highlight the interdependency of the financial system, and have raised questions about the efficacy of central bank supervision of the financial system. Investigations have now begun concerning the delay in the comptroller's office detecting the problems in Penn Square's operations. The comptroller's office currently lists 9 banks as on the verge of collapse, 32 banks as problem banks, and 260 banks as having operational weaknesses. Penn State was listed in the latter category until April 1982, at which time an audit revealed the bank was actually on the brink of collapse (Ecst 24/7, Euromoney July 1982).

The five major **chartered banks in Canada** had their credit worthiness downgraded by the Dominion Bank Rating Service in July, due to the weak economy and the high concentration of loans to individual companies. The Rating Service emphasized that the chartered banks remain superior credit risks, with little prospect of insolvency. Most of the negative sentiment of investors to the chartered banks centered on the \$4.1 billion of debt owed to them by **Dome Petroleum**, according to newspaper reports. (Dome owes a further \$1.5 billion to foreign banks.) Dome Petroleum acquired much of its debt during the takeover drive by Canadian companies following the announcement of the National Energy Program in September 1980 (in the 16 months to May 1982, takeover activity in the Canadian energy sector rose to about \$7.5 billion; the average premium of takeover bids was 55 per cent compared to the previous stock market peak in the shares of the target company). Other Canadian companies that are having trouble meeting their debt payments, according to newspaper reports, include Sulpetro Ltd. (with \$600 million in bank loans), Turbo Resources Ltd. (\$300 million), and Massey Ferguson Ltd. (\$400 million). Loan loss provisions by chartered banks are expected to rise from \$773 million in fiscal 1981 to about \$1.7 billion in fiscal 1982. The increase in non-performing loans helped to reduce the bank index of the TSE to a four-year low in July, while most European bond houses suspended the trading of paper issued by the Canadian Imperial Bank of Commerce. The Canadian Imperial Bank of Commerce (CIBC) took the initiative of imposing a maximum limit on loans to individual customers of 15 per cent of its basic capital. (The Inspector General of Banks has suggested a 50 per cent limit for banks.) The \$1 billion it loaned to Dome Petroleum in the past two years represents slightly over 40 per cent of the CIBC's \$2.3 billion of capital and reserves on April 30.

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## News Developments

### International

**Crude oil prices** in the Rotterdam spot market fell to about \$31 (U.S.) early in July before firming in reaction to renewed hostilities between Iran and Iraq. A step-up in OPEC production to about 1.1 million barrels per day (bl/d) in excess of the target ceiling of 17.5 million bl/d accounted for the softening of prices compared to June. The bulge in production was particularly evident in Venezuela (where output is 1.8 million bl/d compared to a quota of 1.5 million), Libya (1.3 million bl/d versus a quota of 0.75 million), Iran, and Nigeria. These nations have exceeded the quotas set at the OPEC meetings in March because of their deteriorating balance of payments situation. The Bank of International Settlements (BIS) estimated that the trade surplus of OPEC nations virtually disappeared in the first half of 1982, compared to surpluses of \$121 billion in 1980 and \$66 billion in 1981. The BIS noted that a similar reversal occurred in the mid-1970's following the first OPEC price increase in 1973. The reversal in 1982, however, has been the result of a one-third drop in the volume of oil exports, whereas the decline in the mid-1970's was the result of higher import demand (LeD 14/7, GM 28/7, FT 2-19/7).

**Energy economists** remain guarded about the prospects for a continuing glut of oil on world markets. In particular, there were signs that inventory reductions by oil companies will not be sustained at the rapid rates of the previous year. For example, the Shell Oil and British Petroleum conglomerates announced that they would end their policy of cutting oil inventories (in the past year, Shell has sold 50 million barrels of crude oil inventories worth \$1.5 billion on spot markets while BP has sold 60 million barrels worth \$2 billion). In the longer-run, the International Energy Association warned that the risks of another oil price shock are increasing. This risk is the result of the continued high reliance on oil and oil imports in industrialized nations. The IEA said that the recent decline in oil prices has retarded investment in alternative energy sources such as coal and synthetic fuels (LeD 7/7, FT 29/6, GM 9/8).

The seventeen member states of the OECD's development assistance committee report that direct aid by industrialized nations fell 3.8 per cent in volume last year. The decline largely reflected the 50 per cent drop in American aid to multilateral agencies. As a proportion of GNP, direct aid by OECD nations fell to 0.35 per cent in 1981, from 0.38 per cent in 1980 and 0.52 per cent in 1961. Less-developed countries will find the alternatives to direct aid more expensive following the announcement by the World Bank that it will shorten the term of its loans and adjust the interest rate on loans every six months. This represents a substantial

change in World Bank lending policies, which last year charged an average of 11.6 per cent on loans with an average maturity of 15 years (Ecst 3/7, LeD 5/7). The managing director of the International Monetary Fund, Jacques de Larosi re, said that restrictive trade policies and high interest rates in industrialized nations have led to cuts in per capita income for the great majority of non-oil less-developed countries (NYJC 14/7). The major developments in terms of the deteriorating economic conditions for less-developed countries in July were in Sudan and Argentina. Sudan failed to pay \$22 million in interest on commercial bank debt (which itself was rescheduled last December) because of a liquidity crisis resulting from weak commodity prices. Argentina announced that it will seek to reschedule its \$36 billion of foreign debt. The government at the same time announced a 22 per cent devaluation of the peso (the third devaluation of the year) and abandoned its six-year old program of free-market and monetarist economic policies (GM 7/7, FT 3/7).

### Domestic

The Conference Board survey of **business attitudes** in the second quarter revealed a deep-rooted pessimism about the short-term course of the Canadian economy. Nearly half (47.8 per cent) the respondents believe that the economy will continue to deteriorate in the second half of the year, compared to 40.8 per cent in the survey results for the first quarter. A record 79.3 per cent of firms felt that it is a bad time to invest, as deteriorating corporate liquidity has touched virtually all sectors of the economy. Aside from the obvious financial difficulties of major corporations such as International Harvester, Massey-Ferguson, and Dome Petroleum, the Bank of Montreal has identified sectors in the real estate, construction, department store, motor vehicle dealers, and auto and lumber manufacturing industries as experiencing the greatest squeeze in liquidity (FT 12/7, GM 2/7).

The Canadian **mining industry** enters the summer months with a wave of extended vacations and production shutdowns at mines and processing plants. The Mining Association of Canada estimates that nearly 50 per cent of production capacity will be idle by early autumn, and that 60,000 of the 130,000 workers in the industry will be on layoff this summer. David Thomas, president of Sherritt Gordon Mines Ltd., called the industry's plight "the biggest depression in this century", particularly in terms of profits. A Financial Times of Canada survey of second quarter profit results for the 20 largest mining firms in Canada found a combined loss of \$117 million from a \$156 million profit a year earlier. Only 6 of the 20 firms did not report losses in the second quarter. The



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huge decline in mining profitability reflects an average 31 per cent price decline for base and precious metal prices in the last year. This weakness has triggered a 45 per cent drop in mining stocks on the TSE in the past year. The recent moderate wage settlements (exemplified by the recent settlement by Inco workers in Sudbury) reflects the indifference of employers to strike threats and more co-operative attitude by trade unions in the current economic setting. The effect of layoffs on labour income extracted in the mining industry is magnified by the high relative wages in this industry (average weekly earnings in the mining industry in April of 1982 were \$599.40, compared to the economy-wide industrial average of \$386.90) (LeD 15/7, FP 10/7).

The Conference Board index of **consumer attitudes** fell to a post-1960 low of 54.8 in the second quarter, down 41 points from the peak in early 1981. Concern over rising unemployment and deteriorating financial conditions explains the continued weakness of consumer confidence in the economy. There was a small increase from 11.7 per cent to 12.0 per cent in the percentage of consumers who plan to make a major purchase. The Board concluded, however, that because of the fear of further layoffs, "the personal savings rate will remain at or near record high levels and consumer expenditure will remain weak" in the short-term (FP 24/7).

The federal government's request to the provinces to follow the 6 per cent and 5 per cent **wage and price guidelines** contained in the June budget has received little direct support. Nova Scotia will apply the guideline to non-union employees, while British Columbia has agreed to the controls. Almost immediately thereafter, however, nearly 50,000 civil servants in B.C. went on strike. The federal government has aggressively pursued the application of the wage and price guidelines within its jurisdiction. The government will not give aid to Canadian companies which fail to observe the guidelines. The new measures will affect the 1,800 companies which received about \$7.0 billion in direct grants, subsidies, or preferential loans last year. These figures do not include the aid recently given to Dome Petroleum (which has received \$100 million in loan guarantees from Petro-Canada, pending direct government assistance being negotiated in conjunction with the chartered banks that hold \$4.1 billion of debt for Dome Petroleum) and Maislin Ltd. (which received \$34 million in loan guarantees). The government also announced that regulated companies, notably Bell Canada and Air Canada, would be strictly held to 6 per cent and 5 per cent price increases over the next two years despite the initial objections of these firms (FT 26/7, GM 7/8).

The Conference Board of Canada joined a growing list of analysts who expect a recovery of output in the third quarter. The Board expects a 0.6 per cent upturn in the third because of a reduced rate of liquidation of stocks. The recovery will strengthen in the fourth quarter when consumer and export demand are expected to rejuvenate. Data Resources Inc. of Canada agrees that GNP will improve in the third quarter, but it forecasts that a strike by auto workers will reduce output in the fourth quarter (FTC 2/8). The Toronto-Dominion Bank expects strengthening consumer and export demand and an end to inventory-cutting will boost output by the end of the summer, while the Royal Bank says that the end to the recession is in sight (OC 29/7). McLeod Young Weir Ltd. suggested that the economic data for May "signalled a possible turning point", particularly as orders and output for manufacturing rose. None of these forecasting firms expect interest rates to ease significantly over the second half of the year. Pitfield MacKay Ross Ltd. contended that this will contribute to a further deterioration of corporate balance sheets and output in the third quarter, although the rate of decline will ease (FTC 2/8). The release in early August of data indicating July was marked by a steep drop in auto sales, a sharp jump in unemployment, and a rash of strikes in B.C. has caused analysts (such as Woods Gordon) to quickly begin re-evaluating the probability of a gain in output in the third quarter (GM 20/7, 10/8). The July survey of purchasing managers reported the sharpest fall in output and new orders since last December. The U.S. survey of purchasing managers also reported "no evidence at all of any pickup in the industrial sector" in July (GM 10/8).

Contract talks began on July 14 between the Canadian United Auto Workers and the auto companies. The current contract expires on September 15, and Ford and General Motors acknowledge that they are stockpiling auto parts and chassis in the U.S. in the expectation of a strike in Canada at one of these firms. General Motors opened negotiations with demands for a reduction in paid holidays and a relaxation of work-rules in order to boost productivity. The UAW response was emphatically against concessions and in favour of the traditional full indexing of wages to inflation plus a 3 per cent wage increase. Robert White, Director of the Canadian UAW, argued that concessions granted by the American UAW were not warranted in Canada because of a competitive advantage in labour costs arising from the lower value of the Canadian dollar and the broader scope of government social security and medical programs in Canada (which are subsidized in Canada, but are paid by industry in the U.S.). The U.S. Bureau of Labor Statistics found that in 1981 these factors helped to reduce total hourly compensation in the Canadian auto industry to only 71 per cent of the U.S. level. At the

same time, the increase in the share of the U.S. auto market accruing to large cars has risen from 9.4 per cent in 1981 to 10.5 per cent in 1982. This has helped boost demand at Canadian auto plants which produce large cars (by contrast, the inexorable rise in gasoline prices in Canada has reduced the share of large cars in Canada from 12.4 per cent to 7.2 per cent in the past year) (BW 26/7, GM 12-19/7, LeD 13/7).

The release of the budget estimates by all provinces permits a global assessment of the fiscal stance of the **provincial governments**. Total provincial government revenues are projected to grow by 11.9 per cent in fiscal 1982-1983, while planned expenditures rise by 13.4 per cent. As a result, the combined provincial budgetary deficit rises nearly 30 per cent to \$7.5 billion, while gross financial requirements rise 23.7 per cent to \$9.3 billion (compared to federal financial requirements of \$17.1 billion). The inclusion of Crown corporations would raise the estimated growth of provincial financing requirements by 29.9 per cent to \$21.8 billion, according to McLeod Young and Weir Ltd. Most of the increase in borrowing requirements reflects large increases in Manitoba, Saskatchewan, and Alberta. Only Nova Scotia and Quebec have planned to lower their borrowing requirements. This relative austerity, however, did not prevent a down-grading of the credit-worthiness of Hydro-Quebec, Quebec and Nova Scotia government bonds by Standard and Poor's Corp. Standard and Poor's cited the high debt loads in these provinces that must be serviced at high interest rates and the relative severity of the recession in these provinces (GM 28/7, LeD 5/8).

Virtually all of the provinces have plans to lend some direct stimulus to the depressed **housing industry**. These programs, summarized below, are in addition to the \$300 million in housing aid in the June federal budget. Ontario provides \$5,000 in interest-free loans, repayable over 15 years, to new home buyers; British Columbia grants \$2,500 to purchasers of new homes; Nova Scotia has introduced a \$750 sales tax rebate to purchasers of new homes to offset sales taxes on building materials, and the Saskatchewan government will subsidize all mortgage rates above 13.25 per cent (up to a \$50,000 limit) until 1985. The Manitoba and Quebec governments have promised some form of housing aid will be forthcoming. The proposal in Quebec is to subsidize mortgage rates above 13.5 per cent retroactively to July 12 for new home purchases up to \$60,000 until April 1984. The initial proposal was partly contingent on the willingness of chartered banks to lower their mortgage rates by 0.5 percentage points. The chartered banks initial response to this proposal was negative, and the Quebec government threatened to retaliate by raising the tax on bank capital from 0.9 per cent to 1.2 per cent (FTC 5-19/7, MG 17/7, LeD 23/6, FP 3/7, 7/8). Industry officials generally welcomed these measures which,

in themselves, are expected to boost housing starts by about 25,000 units in 1982. Most forecasts of **housing starts** are being revised down from the consensus forecast of 157,000 made in March (see FP 27/3) because of the end of the MURB incentives and the limited scope of these aid programs relative to the current weakness of household incomes relative to house prices. Clayton Research Associates Ltd., for example, predicts that housing starts will decline to 148,000 in 1982 (GM 23/7). The more extensive mortgage rate assistance programs in Quebec and Saskatchewan were held to be of little importance in stimulating new construction because home-owners are unwilling to incur mortgage debts today without some assurance that mortgage rates will not remain at high levels when the subsidies end in the mid-1980's (a similar situation occurred under the federal government's Assisted Home Ownership Program, which encouraged many home-owners to incur mortgage debts in the mid-1970's which they could not afford when mortgage renewals were made after interest rates jumped in 1979) (FTC 19/7).

## News Chronology

**July 9** The federal government reintroduced quotas on imported leather footwear at a level of 11.1 million pairs annually until November 1984. The European Economic Community threatened to retaliate with a surcharge on Canadian newsprint.

**July 20** The U.S. Federal Reserve Board lowered its discount rate from 12.0 per cent to 11.5 per cent, in response to the recent reduction in monetary growth and an easing of short-term interest rates.

**July 21** The Canadian Wheat Board has signed an agreement with Brazil to deliver 4.5 million metric tons of wheat over the next three years, valued at \$750 million.

## Legend

BW— Business Week  
 CP— Canadian Press  
 Ecst— The Economist  
 FP— Financial Post  
 FT— U.K. Financial Times  
 FTC— Financial Times of Canada  
 GM— Globe and Mail  
 LeD— Le Devoir  
 MG— Montreal Gazette  
 NYJC — New York Journal of Commerce  
 NYT — New York Times  
 OC — Ottawa Citizen



## Analytical Note: The Financial Status and Investment Intentions of Non-Financial Corporations

### Introduction

Business firms have been seriously affected by the current recession, as corporate profits before taxes, as a percentage of GNP, declined in the first quarter to 6.7 per cent, the lowest level since the Great Depression. There is no indication of any improvement in profits for the second quarter, while the mid-year survey of investment intentions<sup>1</sup> exhibited the largest single downward revision in nominal terms<sup>2</sup> during a semester, both in absolute terms (-\$5.8 billion) and in relative terms (-9.1 per cent). The early year results for the Private and Public Investment Survey (PPI) indicated that firms intended to invest \$63.1 billion in 1982, an increase of \$7.8 billion (+14.2%) compared to 1981. According to the mid-year review of this survey, firms now plan to invest \$57.4 billion in 1982, which is only \$2.0 billion (+3.6%) more than in 1981. Moreover, the principal coincident indicators show that investment outlays must rise substantially in the second half of the year if even the downward revised mid-year intentions are to be realized. This situation has motivated the present study, which proposes to analyze the financial balance sheets as of the first quarter of 1982 and the mid-year investment intentions of industrial corporations. Indications are that many industries will not be able to realize their mid-year estimate of planned investment outlays due to the increase of the burden of debt. This is particularly true for the mining and manufacturing industries, which have recorded the largest deterioration of profitability in the quarter and which posted the largest downward revision to investment intentions.

*The analysis used necessitates a sectoral approach<sup>3</sup>, with the emphasis on net profits (or losses) and reserves (the*

<sup>1</sup>The Private and Public Investment Intentions (PPI) survey is conducted twice a year. The first survey, the PPI forecast, is completed by the end of January to reveal the investment plans forecast for the rest of the year. The second survey, the PPI mid-year review, is completed by the end of June to yield the revised investment intentions for the year in progress. The preliminary estimate of actual outlays is released in the PPI forecast for the next year, and the final results for actual investment are released in the same survey a year after the provisional estimates.

<sup>2</sup>All the data are not seasonally adjusted and are in nominal terms, unless indicated otherwise in the text.

<sup>3</sup>All the sectors in the PPI survey and in the survey of the profits of non-financial enterprises do not strictly correspond with each other in terms of coverage, particularly in the trade and commercial services sectors. Sometimes, the industries in one or the other surveys have been regrouped to minimize these discrepancies. Moreover, for this reason, the agriculture and fishing, forestry, and finance, insurance and real estate sectors have not been included in the analysis.

*balance of retained earnings and cash-on-hand at the end of the period) as measures of the financial capability to invest; operating income (loss) as a proportion of sales (that is, profit or loss margins) as a measure of profitability; and interest payments as a percentage of operating expenses and long-term debt as a percentage of net worth (loans of affiliated companies plus the value of shareholders' equity) as measures of the burden of debt and also of the financial capability to invest in the long-run. (Summary tables of the variables used in this analysis are included at the end of the text).*

### Mining

The mining, quarrying and drilling sector reduced its investment intentions for 1982 by \$1.1 billion (-9.7 per cent). Despite this reduction, however, mining companies planned to invest \$901 million (+9.5 per cent) more in 1982 than in 1981, even though this sector was among the most seriously affected by the deterioration in income and liquidity. Between the first quarter of 1981 and the first quarter of 1982, net profits for this sector fell by 69 per cent, compared with 44 per cent for non-financial corporations as a whole, while reserves decreased by 4.3 per cent.

Metallic mineral mines experienced the most serious deterioration of their financial balances among all non-financial corporations. During 1981, seasonally adjusted net profits fell from \$312 million in the second quarter to a loss of \$131 million in the fourth, reserves declined by 3 per cent and operating costs exceeded sales by nearly 4 per cent in the final quarter of 1981. Nevertheless, at the beginning of the year these companies planned to reduce their capital investments by only \$166 million (or 9.4 per cent compared with 1981). Despite further deterioration in their financial statements in the first quarter (a seasonally adjusted loss of \$100 million represents an operating deficit of 6.1 per cent of sales) and dim prospects for a strong economic recovery in the second half of the year, these companies decreased their initial intentions by only \$67.6 million (-4.0 per cent). This implies that the requirement for outside financing is likely to persist in 1982, but this is unlikely to materialize in view of the companies' very poor financial state. Long-term debt increased by 69 per cent between the first quarter of 1981 and the first quarter of 1982, raising the ratio of debt load to net worth from 20 per cent to 30 per cent and the ratio of interest payments to operating costs from 6.1 per cent to 9 per cent. One can expect, then, that the mid-year forecast of investment will likely not be realized.

The energy component explains most of the downward revision to the mid-year investment intentions of the mining sector as well as the increase in forecast investment for 1982 in the mid-year survey compared to 1981. In fact, despite a \$1.2 billion drop (-14.3 per cent) in investment intentions for oil and gas exploration and drilling in the first semester, the increase in capital investment planned by this industry and the coal mining industry relative to 1981 investment (+\$1.1 billion or +14.8 per cent in total) accounts for more than the entire increase in the mining sector as a whole. The downward revision in oil and gas appears correlated with that industry's poor financial performance in the first quarter. Seasonally adjusted net profits declined sharply in this industry, registering a drop of 16.7 per cent, even while demand for coal was fairly strong. This income effect on intentions was reinforced by a taxation effect since some government exploration incentives are given in the form of tax credits. Moreover, the taxation effect also accounts for part of the increase in investment planned (+8.7 per cent or +\$570 million) by this industry compared with 1981, as it pays to invest profits even if they are meagre. In view of this taxation effect, it is apparent that investment intentions in oil and gas exploration will be very sensitive to changes in oil company revenues. The economic recession, energy conservation and higher prices for petroleum products are likely to reduce demand.

With regard to operating costs, the 57 per cent (+\$261 million) jump in taxes on mineral fuels in the first quarter, which turned a 7 per cent increase in seasonally adjusted profits-before-taxes into a 16.7 per cent decline in seasonally adjusted net profits, clearly shows the importance of the National Energy Program's taxation system for the oil industry. External financing of takeovers and capital expenditures further contributed to the rise in long-term debt (+126 per cent) and current liabilities (+84 per cent) between the first quarter of 1981 and the first quarter of 1982. This along with the increase in interest rates, boosted interest payments to 18.3 per cent of operating costs in the first quarter of 1982 from 12 per cent and 9.2 per cent for the same period in 1981 and 1980 respectively. As might be expected, the financing of investments in coal mining, the only mining industry that raised its investment intentions between the beginning of the year and mid-year (+24.8 per cent or +\$209 million, which is +85.1 per cent or +\$483 million relative to 1981), contributed to increased debt in the mineral fuels industries. Even if investment planned by this industry can be justified in terms of future profits, the external financing it will require and the debt load it will create will leave these companies in poor financial shape and very sensitive to changes in their markets.

## Manufacturing

Financial balances in the manufacturing sector deteriorated substantially during the first quarter. This, together with the gloomier economic outlook, led to large cuts in the investments forecast at the beginning of the year (-\$1.9 billion or -14 per cent). At mid-year, manufacturing businesses planned to invest \$504 million less than in 1981 (-4 per cent). Among the 19 manufacturing industries, only the primary metals industry exhibited growth in seasonally adjusted net profits in the first quarter. Only one other industry, oil and gas by-products, planned more investment at mid-year than at the beginning of the year. Only two industries planned to invest over \$50 million more in 1982 than in 1981. In general, there have been cuts in profits and in planned investment outlays in this sector.

The largest downward revisions in investment intentions between the beginning of 1982 and mid-year occurred in the paper and allied industries (-\$711 million or -28 per cent, a decrease of \$353 million or 16 per cent relative to 1981) and the primary metals industry (-\$488 million or -27 per cent, to a drop of \$205 million or 14 per cent relative to 1981). The size of these revisions is due in part to excessive optimism among the businessmen at the beginning of the year, as they planned to boost capital investment by \$358 million (+17 per cent) and \$283 million (+19 per cent) respectively, despite record declines of 67 per cent and 60 per cent in their net profits in 1981. In the paper and allied industries, a large portion of the investment expenditures planned for 1982 resulted from a renovation and modernization program subsidized directly by governments. These expenditures, coupled with a further drop of 13 per cent in seasonally adjusted net profits in the first quarter relative to the previous quarter, contributed to the increase in the industries' long-term debt burden from 36 per cent of net worth in the last quarter of 1981 to 48 per cent in the subsequent quarter and reduced their reserves by 2.8 per cent compared with the first quarter of 1981. These financial constraints as well as weakening demand resulted in the cancellation of planned increases in the price of newsprint in the spring, and led to the largest downward revision of investment intentions in the manufacturing sector, in spite of the government programs. The primary metals industry, on the other hand, was the only manufacturing industry to register higher seasonally adjusted net profits in the first quarter of 1982 compared with the preceding quarter (+43 per cent), though they were down by 56 per cent relative to the first quarter of 1981. This fairly



good performance, due to firmer export demand for the industry's products caused by an anticipation of strikes at Stelco and Algoma Steel Corp., enabled it to control debt growth and accumulate reserves. The slump in export demand and primary metals prices in the second quarter indicates that the improvement in the financial position was short-lived and that the industry would have to curtail its investment intentions if it wished to maintain a favourable financial position.

Four manufacturing industries posted operating losses in the first quarter of 1981 and substantially decreased their investment intentions at mid-year compared with their initial intentions and with 1981 investments. In the first quarter of 1982, transportation equipment industries experienced their third consecutive operating loss. The ratio of these losses to sales fell from 3.5 per cent to 2 per cent and then rose to 2.1 per cent. The seasonally adjusted net loss totalled \$83 million in the first quarter, compared to a \$156 million profit in the second quarter of 1981. Reserves fell by about 12 per cent between the first quarter of 1981 and the first quarter of 1982, while long-term debt declined from 19.8 per cent of net worth to 17.5 per cent during the same period, compared with 9 per cent in the first quarter of 1980. This poor financial position, along with the setbacks (strikes and lower prices) suffered by the industry in the second quarter, forced it to reduce its initial intentions by 13 per cent (-\$110 million), the largest decrease relative to 1981 (-\$450 million or -38 per cent) in the manufacturing sector. Non-metallic minerals industries also registered a large operating deficit in the first quarter (12.4 per cent relative to sales). Seasonally adjusted net profits dipped sharply from \$62 million in the second quarter of 1981 to a net loss of \$1 billion in the first quarter of 1982. This trend was reflected in an increase in the ratio of long-term debt to net worth from 47 per cent in the first quarter of 1981 to 62 per cent in the fourth quarter of that year and to 67.8 per cent in the first quarter of 1982. Reserves remained at the same level. The percentage of operating costs accounted for by interest payments rose from 5.0 per cent to 6.8 per cent to 10.1 per cent for the first quarters of 1980, 1981 and 1982 respectively. As a result, the industry plans to invest \$120 million less than in 1981 (-35 per cent), a downward adjustment of \$38 million (-14 per cent compared with its initial intentions).

The two other industries with deficits, wood and furniture and fixtures, are directly connected with residential construction. The wood industry, the more seriously affected, experienced operating losses from the third quarter of 1981 to the first quarter of 1982 (-4.3 per cent, -7.4 per cent and -7.4 per cent relative to sales). With debt rising, interest costs

increased from 2.8 per cent of total operating costs in the first quarter of 1980 to 6.7 per cent a year later and to 4.6 per cent in the first quarter of 1982. Reserves declined by about 10 per cent over the year. Consequently, wood industries were forced to reduce their initial investment intentions by \$131 million (-36 per cent), a drop of \$218 million (-49 per cent) compared with 1981. In view of the industry's unfavourable financial position, further cuts should be expected if the unpromising outlook for construction becomes a reality. The furniture and fixtures industry is not in such dire financial straits: the companies have been able to increase their reserves (+52 per cent) since the first quarter of 1981 and reduce the ratio of long-term debt load to net worth from 25.4 per cent to 23 per cent. However, the prospects for this industry are just as gloomy due to the weak demand for housing; it may be forced to further reduce its investment intentions, already 21 per cent (-\$11 million) below 1981 investments, if it wishes to maintain a good financial position.

Of the four industries intending to increase investment by less than \$50 million in 1982, food and beverages and tobacco products were less seriously affected by the recession, as their seasonally adjusted net profits fell in the first quarter for the first time since the beginning of the recession (by 15.6 per cent and 4.9 per cent respectively compared with the previous quarter). Moreover, the tobacco companies were in good financial shape. Reserves in the tobacco industry increased by 21 per cent between the first quarter of 1981 and the first quarter of 1982. However, reserves declined 1.0 per cent in the food and beverage industry, and the ratio of long-term debt to net worth rose from 25.9 per cent to 34.3 per cent over this period, which should affect the financial capacity to invest this year and next. The electrical appliances and fixtures industry, which plan to invest \$14 million more in 1982 (+4.0 per cent), did not fully reflect the effects of the recession until the fourth quarter of 1981, as its seasonally adjusted net profits for that period declined by 20 per cent compared with the preceding quarter, followed by a 21.5 per cent drop in the first quarter of 1982. However, the industry succeeded in controlling its operating costs well enough to post operating revenues of 4.7 per cent of sales in the first quarter, compared with 5.8 per cent and 5.7 per cent for the same period in 1981 and 1980 respectively. Interest payments rose by only 16 per cent, which reduced the percentage of operating costs accounted for by this expense item from 2.3 per cent in the first quarter of 1981 to 1.8 per cent in the first quarter of 1982. Reserves increased by 16.8 per cent during the same period. Despite this good financial position, the electrical appliances and fixtures industry have lowered their initial investment plans by 16 per cent (-\$76 million).

The two industries that plan in the mid-year survey to sharply increase investment in 1982 relative to 1981, petroleum by-products (+74 per cent or +\$454 million) and chemical products (+31 per cent or +\$610 million), nevertheless experienced serious declines in revenues. Their seasonally adjusted net profits for the first quarter of 1982 fell by 25 per cent and 49 per cent respectively compared with the preceding quarter and 66 per cent and 46 per cent compared with the first quarter of 1981. However, these industries have sufficient control over costs that profit margins, though historically small, are above 5 per cent. Despite this positive note, investment intentions by these industries will require large external financing. Oil and gas by-products industries have already experienced a 93 per cent rise in long-term debt in the year to the first quarter of 1982, which now represents 23.2 per cent of net worth compared with 12.1 per cent in the first quarter of 1981. Interest payments jumped by 148 per cent during this period, though they accounted for only 2.1 per cent of operating costs in the first quarter of 1982. Reserves grew by a mere 5 per cent, compared with 24 per cent and 28 per cent for the same quarter in 1980 and 1981. The chemical products industries are in almost the same situation. Since these two industries have already begun reducing their reserves, it appears that their capital expenditures will require still greater debt, which they were able to afford at the end of the first quarter of 1982.

With the exception of machinery industries, other manufacturing companies (rubber, leather, textiles and knitting, printing, publishing and related industries) have only recently reflected the effects of the recession as net profits did not start slipping until the final quarter of 1981 or the first quarter of 1982. These companies were in a fairly satisfactory financial position at the end of the first quarter: they either had sufficient reserves or were controlling their debt effectively. Nevertheless, the deteriorating economic outlook has prompted them to cut planned investments at the beginning of the year by 7 to 15 per cent.

These downward adjustments in investment intentions also had an impact on the machinery industry, which at mid-year reduced its initial intentions by 14.6 per cent, almost matching the downward revision in the manufacturing sector as a whole (-13.9 per cent). This reduction reflects the financial difficulties faced by these companies: in the past year, net profits have fallen by 64 per cent, long-term debt has grown by 215 per cent and reserves have increased by only 2.5 per cent.

## Construction

The data on investment forecast and realized in the construction industry are estimated in a different manner from the survey used for most other industries. In the mid-year, there is no revision to forecast investment as the construction industry plans to increase capital expenditures (+\$174 million or +13.5 per cent) compared with 1981, even though its financial statements are in very bad shape. In fact, in the first quarter this industry's operating costs exceeded sales by 0.4 per cent while net profits fell 74 per cent between the first quarter of 1981 and the first quarter of 1982. The evolution of net profits demonstrates well the problems in this sector since 1979 (see Table 2). Nevertheless, long-term debt was reduced by 11 per cent between the first quarter of 1981 and the first quarter of 1982, which resulted in an 8 per cent decline in reserves during the same period. In light of the situation in the first quarter and the deterioration of the construction market during the second quarter, it is most likely that this industry will not realize its investments planned at the beginning of the year, even if this industry could assume greater liabilities since interest payments are no more than 3 per cent of total costs.

## Public Utility Services

Even though their initial plans for 1982 have been revised downward by \$720 million (-3.8 per cent), the public utility services were planning at mid-year a \$2.2 billion (13.4 per cent) increase in capital expenditures over 1981, the largest increase among all sectors. This sector was not affected by the recession until the first quarter, when seasonally adjusted net profits were off 5.3 per cent from the previous quarter, leaving a decline of 13 per cent compared with the first quarter of 1981; this contrasts with a drop of 44 per cent for the non-financial sector as a whole. There was slow growth in reserves (+3.0 per cent over the first quarter of 1981) while the short-term debt level was reduced. Thus, interest payments in the first quarter accounted for 6 per cent of operating expenses compared with 6.6 per cent in the fourth quarter of 1981 and 5.4 per cent in the first quarter of 1981. The financial situation among the various industries in this sector requires a more detailed analysis.

Energy-related industries (pipelines, electric power and natural gas distribution) all experienced healthy first quarter growth in their net seasonally adjusted profits (+45.6 per cent, +8.0 per cent and +20.7 per cent respectively). Moreover, the mid-year intentions survey indicates that electric power and natural gas distribution sectors have scaled down their investment plans by only 0.2 per cent (\$16 million) and 1.2 per cent (\$7.9 million), with capital spending planned



to rise 16 per cent (+\$1.2 billion) and 45 per cent (\$195 million) in 1982 compared with 1981. The electric power industry should realize its mid-year intentions due to its healthy financial position (from the first quarter of 1981 to the first quarter of 1982, reserves were up 16 per cent and interest payments as a proportion of operational costs, although high, declined from 16.8 per cent to 15.9 per cent). The financial position of the natural gas distribution industry is also such that its plans will probably be implemented. The percentage of operating costs allocated to interest payments fell from 4.3 per cent in first quarter 1981 to 3.3 per cent in first quarter 1982. However, the reduction in debt was made at the expense of reserves, which fell by 2 per cent during this period. The pipeline industry opted at mid-year to cut back its initial projected expenditures by \$305 million (-13.0 per cent), in spite of exceptional earnings amounting to \$38 million in the first quarter which led to an increase of 45.6 per cent in seasonally adjusted net profits (compared to +8.5 per cent for before-tax profits). This downward revision is probably due in part to a desire to control long-term debt, which now represents 132 per cent of net worth in the first quarter as compared with 98 per cent and 90 per cent for the same period in 1981 and 1980, and interest payments account for 9.7 per cent of costs as compared with 5.5 per cent and 4.7 per cent in 1981 and 1980.

The non-energy utilities all reported first-quarter declines in their income. Transport companies ran deficits in the first quarter, when operating losses represented 1.5 per cent of sales. Seasonally adjusted net profits were down 25 per cent from the fourth quarter of 1981 and down 63 per cent from first quarter 1981. These losses had a noticeable effect on reserves, which declined by 13.8 per cent in comparison with first quarter 1981. In spite of this deterioration in their balance sheets and the mid-year cuts in projected investments from initial plans (-252 million or -6.7 per cent), transport companies expect to increase their capital expenditures by 3.0 per cent (+\$100 million) in 1982 over 1981 levels. It should be noted that all of this growth originates in railways (+\$16 million), and the water and surface transportation industries (+\$249 million) which benefit from government subsidies (tunnel and railway construction in B.C. and a grain port in Prince Rupert). Furthermore, the reduction in planned investment in 1982 is due in large part to declining activities in the road transport (-\$76 million) and air transport (-\$130 million) sectors. Despite a drop in seasonally adjusted net profits (down 10.7 per cent from the previous quarter and down 34 per cent from first quarter 1981), the storage sector<sup>4</sup> should implement its planned 36 per cent (+\$37 mil-

lion) increase in capital expenditures in 1982 as a result of effective control over increasing indebtedness, healthy reserves and a 10 per cent decrease of first intentions (-\$16 million). In spite of an 11.2 per cent decline in seasonally adjusted net profits in the first quarter of 1982 compared to the preceding quarter, communication companies posted a 15.7 per cent increase in profits and a 16 per cent growth in reserves (compared with first quarter 1981), while maintaining effective control over indebtedness. Moreover, at the mid-year point, communication companies are projecting the same level of expenditures for 1982 as they did six months earlier. However, it is conceivable that these plans will never be fully realized, in view of Bell Canada's July announcement of a \$784 million reduction in planned capital expenditures over the next five years. Moreover, this announcement preceded the Cabinet order restricting telephone rate increases to 6 per cent and 5 per cent, though Bell was asking the CRTC to approve increases in the order of 25 per cent and 35 per cent.

## Trade

Trade was the only sector to record an increase in its seasonally adjusted net profits in the first quarter (+58 per cent over the previous quarter and 7.8 per cent over the first quarter of 1981) and the only sector to raise its level of projected investment (+\$72.8 million or +3.8 per cent, an increase of \$9 million or 0.4 per cent over 1981). However, these encouraging figures mask a deterioration of operating profits. The higher net profits are a result of exceptional earnings (+\$481 million) in a single category (department stores), while overall profit margins for the sector fell from 2.1 per cent in the first quarter of 1981 to 1.2 per cent in the first quarter of 1982. These exceptional earnings facilitated a rebuilding of reserves and a reduction of current liabilities for this category and the sector as a whole.

The upward revision of projected investments by wholesale merchants (+\$60.0 million or +11.0 per cent) occurred despite a noticeable decline in seasonally adjusted net profits (-23.8 per cent compared to the fourth and -52.0 per cent over the first quarter of 1981). It should be noted, however, that the decline in revenues is concentrated among wholesale dealers in machinery and equipment and construction materials, and that the increase in planned investments is concentrated nearly exclusively in the purchase of railway cars by the Canadian Wheat Board.

<sup>4</sup>According to the PPI survey, this component includes only grain storage while the survey of profits also includes storage in general.

## Commercial Services

The methodological differences between the survey of profits of non-financial corporations and the PPI survey for this sector are such that direct comparisons of their findings would be a risky undertaking. We should mention in any event that seasonally adjusted net profits showed a decline of 16 per cent from the fourth quarter of 1981, and a decline of 18.4 per cent from the first quarter of 1981. However, the

other financial indicators for these corporations have remained virtually unchanged for a year. On the investment side, it is worth noting that the reduction in planned investments (–\$602 million) since the beginning of the year is centered in the "other business services" category (–\$623 million). At the beginning of 1982, this category was forecasting a \$598 million (+16 per cent) increase in its capital expenditures.

Table 1  
Investment Outlays

Industrial Sectors	1981 Preliminary Actual	1982 First Intentions (January)	1982 Revised Intentions (July)	1982 Revised Intentions over 1982 First Intentions		1982 Revised Intentions over 1981 Preliminary Actual	
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	%	\$'000,000	%
Mining	9,437	11,454	10,338	–1,116	–9.7	+901	+9.5
Manufacturing	12,432	13,860	11,928	–1,932	–13.9	–504	–4.0
Construction	1,290	1,464	1,464	–	–	+174	+13.5
Public Utility							
Services	16,309	19,221	18,499	–722	–3.8	+2,190	+13.4
Trade	1,990	1,926	1,999	+73	+3.8	+9	+0.4
Commercial Services	4,311	4,834	4,232	–602	–12.4	–80	–1.8
Total	45,769	52,759	48,460	–4,299	–8.1	+2,691	+5.7
Total-Business	55,369	63,133	57,369	–5,764	–9.1	+2,000	+3.6
Energy Industries	17,684	22,277	21,059	–1,219	–5.5	+3,374	+19.1
Non-Energy Industries	60,828	64,895	59,519	–5,376	–8.3	–1,309	–2.2

Source: Private and Public Investment in Canada, mid-year Review 1982 (Statistics Canada Catalogue #61-206).

Table 2  
Quarterly Percentage Change in the Seasonally Adjusted Net Profits

	Industrial Total	Mining	Manufacturing	Construction(1)	Public Utility Services	Trade	Commercial Services
79 1	8.28	10.06	10.27	-29.68	6.25	6.43	-1.25
79 2	9.41	19.70	4.56	58.43	18.12	4.28	15.82
79 3	5.60	18.61	-0.53	-25.73	-3.89	10.74	7.65
79 4	11.39	24.69	16.83	2.27	4.13	-6.21	-10.41
80 1	-0.70	1.79	-2.15	-15.74	0.20	2.90	3.40
80 2	-7.17	-22.25	2.11	-2.18	-8.30	-7.54	-6.30
80 3	-0.02	-5.77	-4.87	-14.76	32.11	-5.82	26.61
80 4	-2.66	-20.87	5.40	-25.97	-9.95	7.42	-8.08
81 1	-4.14	-14.25	-2.22	57.35	10.69	-7.16	-9.79
81 2	0.12	16.10	-1.33	-10.24	-14.24	1.24	-1.38
81 3	-13.94	-21.87	-16.81	-11.28	-2.29	-7.07	-5.31
81 4	-30.07	-65.22	-35.54	-7.24	10.16	-27.09	8.85
82 1	-4.79	-7.47	-24.17	-11.59	-5.32	58.03	-15.99

Source: Industrial Corporations, Financial Statistics, First Quarter 1982 (Statistics Canada Catalogue #61-003).

(1) The procedure X11-ARIMA was used for seasonal adjustment.

Table 3  
Year-Over-Year Percentage Change of Reserves (1)(2)

	Industrial Total	Mining	Manufacturing	Construction	Public Utility Services	Trade	Commercial Services
79 1	11.01	8.86	14.63	-1.98	9.36	12.05	24.55
79 2	12.81	18.85	15.75	5.95	10.39	12.59	25.03
79 3	15.71	22.27	16.79	12.18	12.75	13.67	24.31
79 4	17.35	31.71	19.18	22.14	18.60	15.39	25.14
80 1	21.38	25.18	18.16	26.91	18.89	18.91	21.50
80 2	19.84	25.46	17.39	23.78	15.85	17.48	17.22
80 3	18.94	21.36	16.55	5.81	14.27	17.08	12.71
80 4	17.33	16.20	17.27	8.63	12.17	15.54	18.35
81 1	16.40	18.11	15.97	20.71	11.48	13.43	13.34
81 2	15.67	17.14	14.82	16.18	10.74	14.54	16.02
81 3	14.96	12.06	13.04	14.20	3.64	12.92	22.21
81 4	12.16	6.03	7.52	12.71	5.17	7.89	18.00
82 1	7.27	4.31	3.32	-8.43	3.13	9.49	17.41

Source: Industrial Corporations, Financial Statistics, First Quarter 1982 (Statistics Canada Catalogue #61-003).

(1) The reserves correspond to the balance at the end of the period.

(2) Companies having \$10 million or more of total assets.



Table 4  
Profit or Loss Margins (Percentage of Net Operating Revenues/Sales)

	Industrial Total	Mining	Manufacturing	Construction	Public Utility Services	Trade	Commercial Services
79 1	6.00	24.94	6.77	0.64	7.77	2.48	4.85
79 2	6.56	26.21	7.67	2.47	8.58	2.27	7.24
79 3	6.60	27.79	7.28	3.82	8.20	2.59	8.02
79 4	6.82	30.32	7.72	3.71	6.92	2.63	5.76
80 1	6.75	30.85	7.39	0.69	6.96	2.70	4.76
80 2	6.24	27.91	7.39	1.02	6.77	1.90	5.55
80 3	5.89	23.73	6.66	2.56	8.14	1.85	7.65
80 4	5.93	23.11	6.73	2.16	7.30	2.18	6.38
81 1	5.62	20.77	7.00	0.25	6.50	2.08	4.60
81 2	5.30	18.26	6.82	0.46	6.11	1.63	5.43
81 3	3.82	11.92	4.64	2.59	5.40	1.25	5.37
81 4	3.24	9.34	3.44	2.36	5.99	1.24	5.00
82 1	2.63	9.86	2.25	-0.36	5.33	1.21	3.47

Source: Industrial Corporations, Financial Statistics, First Quarter 1982 (Statistics Canada Catalogue #61-003).

Table 5  
Percentage of Interest Payments Relative to Operating Expenses

	Industrial Total	Mining	Manufacturing	Construction	Public Utility Services	Trade	Commercial Services
79 1	1.95	5.66	1.57	1.91	5.02	1.19	3.42
79 2	1.94	5.68	1.52	1.89	5.17	1.22	3.61
79 3	2.10	6.41	1.71	1.95	5.14	1.30	3.92
79 4	2.11	5.76	1.74	1.94	4.94	1.37	3.62
80 1	2.31	7.01	1.87	2.41	5.01	1.51	3.74
80 2	2.38	7.17	2.02	2.21	5.29	1.54	3.55
80 3	2.32	7.20	1.94	2.02	5.20	1.46	3.70
80 4	2.25	6.74	1.90	2.36	5.14	1.38	3.42
81 1	2.62	8.82	2.27	2.61	5.41	1.59	3.70
81 2	2.71	9.89	2.28	2.97	5.93	1.67	3.53
81 3	3.34	12.93	2.96	2.49	6.80	1.90	3.86
81 4	3.37	12.20	2.96	2.52	6.64	1.99	3.72
82 1	3.50	13.72	3.04	2.82	6.01	1.97	4.11

Source: Industrial Corporations, Financial Statistics, First Quarter 1982 (Statistics Canada Catalogue #61-003).

Table 6  
Percentage of Long-Term Debt Relative to Net Worth(1)(2)

	Industrial Total	Mining	Manufacturing	Construction	Public Utility Services	Trade	Commercial Services
79 1	35.02	31.46	23.72	57.75	76.40	31.91	48.12
79 2	35.07	31.00	23.87	63.63	75.33	34.24	52.28
79 3	33.76	28.22	23.49	65.95	74.31	32.60	49.82
79 4	32.75	26.59	23.31	71.79	72.07	28.93	56.01
80 1	31.71	26.63	22.22	77.33	72.18	25.01	54.51
80 2	30.90	27.14	21.41	80.07	67.14	24.48	57.56
80 3	30.86	27.12	20.91	75.27	66.59	26.19	62.02
80 4	31.97	28.30	22.43	72.66	68.10	25.83	60.84
81 1	31.94	26.83	23.67	57.60	67.53	25.26	58.99
81 2	35.46	36.12	23.65	60.27	79.24	27.00	61.94
81 3	37.66	40.60	26.28	58.29	81.11	24.90	59.03
81 4	40.51	44.79	28.99	56.39	82.45	25.82	59.72
82 1	43.67	51.25	31.59	52.94	83.77	26.10	56.90

Source: Industrial Corporations, Financial Statistics, First Quarter 1982 (Statistics Canada Catalogue #61-003).

(1) Net worth is composed of loans of affiliated companies plus the value of shareholders' equity.

(2) Companies having \$10 million or more of total assets.

# Special Study: The Behaviour of Regulated Prices in the Consumer Price Index

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## Abstract

*This special study analyzes the cyclical behaviour of 'regulated' and 'non-regulated' consumer prices in the Canadian economy over the period April 1973 to June 1982. Although regulation of prices is imposed for a variety of reasons and by various means, in most cases the pricing mechanism tends to be based more on costs than on cyclical fluctuations in demand. The implication is that prices in the regulated sector may be less responsive to cycles in demand than prices in the non-regulated sector, which are set under more competitive conditions. The long-run price behaviour in the two sectors is not investigated in this study.*

Several components of the Consumer Price Index (CPI) are selected as being determined largely under regulation. These components are then combined to calculate a 'regulated' sub-aggregate of the CPI. (This is not to be interpreted as an official index of regulated prices, for various reasons outlined in the paper.) The remaining components, termed the non-regulated sector, are used to calculate a 'non-regulated' sub-aggregate. The cyclical behaviour of the two sub-aggregates is compared. Proxy variables for costs are calculated and used to indicate whether the difference in the cyclical behaviour of the two price aggregates can be explained through differing cyclical behaviour of costs.

The statistical results tend to support the postulated behaviour of regulated prices. In the 1974-1975 and 1980-1981 cyclical downturns, prices in the non-regulated sector decelerated earlier than prices in the regulated sector. Comparisons with the cyclical behaviour of the proxy variables of costs indicate that in the non-regulated sector the peak in inflation of prices occurred in advance of that of costs, while in the regulated sector prices peaked significantly later than costs.

## Introduction

Since the onset of the current recession the year-over-year increase in the Canadian Consumer Price Index has slowed from 13.0 per cent in July 1981 to 11.2 per cent in June 1982. The marginal slowing has been especially puzzling in light of the considerable easing in import and industry selling prices over the same period, as both of these indices have some impact on the CPI. Import prices actually fell 1.1 per cent (as measured by the Paasche index) and the Indus-

try Selling Price Index has decelerated from year-over-year increases of 11.4 per cent in July of 1981 to 6.5 per cent in June of 1982. In monitoring consumer prices on a monthly basis, an easing trend in prices was apparent for many goods, such as automobiles, clothing, and furniture, while much of the continued high rate of inflation was observed in price increases for energy, telephone rates, air fares, and urban transit fares. This suggested that the continued high rate of increases in the CPI had been partially due to a continuing high rate of increase of prices governed by legislation or regulatory bodies, despite a weakening of aggregate demand. This possible non-responsiveness may be due to the inter-play of a number of factors, such as the larger role that costs play in the determination of regulated prices, and the continued rapid rates of indirect tax increases (e.g. taxes included in the retail price of tobacco, alcohol and energy products).

The present study analyzes the cyclical behaviour of 'regulated' and 'non-regulated' prices over the period 1973 to 1982. Components of the CPI that are determined predominantly through regulation are identified, and then combined to calculate a 'regulated' sub-aggregate of the CPI. (This sub-aggregate is *not* an official index of regulated prices as there are various methodological difficulties associated with calculating such an index which are not amenable to treatment by the methodology used here)<sup>2</sup>. The remaining components can be termed the 'non-regulated' sector, and a non-regulated sub-aggregate of the CPI can be similarly calculated. The cycles of the regulated aggregate are compared to the cycles of non-regulated prices and to cycles of costs and profit margins. The results indicate that regulated prices lag non-regulated prices during cyclical downturns in demand.

## Identification of Regulated Prices

To study the cyclical behaviour of regulated prices, several components of the CPI were identified as being largely determined through regulation. These components can be characterized in terms of one or more of four major categories of government direct influence on prices:

- 1) Prices of goods provided by government-owned enterprises.

<sup>1</sup>Karen Wilson is an economist in the Current Economic Analysis Division of Statistics Canada. Thanks are due to officials of Prices Division of Statistics Canada who commented on earlier drafts of the paper and provided valuable advice and consultation throughout the preparation of this study.

<sup>2</sup>For more detail, see the methodology section of this paper.



- 2) Prices which must be approved by a government agency.
- 3) Prices which a government or government agency has the power to fix through legislation.
- 4) Prices which represent a tax or payment for a government service.

Many components of the CPI can be classified into one or more of these categories. For example, gasoline and fuel oil prices are determined to a great extent by the wellhead price agreement for crude oil under the National Energy Program and a large portion of the retail price includes federal and provincial indirect taxes. The following are the components of the CPI which clearly meet one or more of the four criteria:

- 1) Public transportation: Included are prices for local transit services such as bus and taxi fares which are, in most cases, set by municipal agencies. Also included are inter-city transportation such as air and railway fares which are approved by the Canadian Transport Commission, and inter-city bus fares which are regulated by the provinces.
- 2) Communications: Postal and telephone rates are the major contributors to this component. Postal rates are now set by a crown corporation. Telephone rates are partially regulated by the Canadian Radio-Television and Telecommunications Commission or in some cases by provinces and municipalities.
- 3) Dairy products, poultry products, and eggs: Prices of these goods are set at the farm-gate by federal or provincial supply management marketing boards.
- 4) Vehicle registration fees and drivers licences: These are a form of tax levied by provincial governments.
- 5) Water: This utility is provided by municipalities.
- 6) Property taxes: These are taxes levied by municipalities to cover the costs of municipal services, including school services.
- 7) Energy: This component includes gasoline, fuel oil, and natural gas, prices which are largely determined by wellhead prices set under the national energy pricing agreement and also include a large proportion of federal and provincial taxes at the retail level. Also included is electricity, which is mostly provided by

provincially-owned companies. The charges for distribution for natural gas and electricity are largely determined by provincial and municipal governments.

- 8) Tobacco and alcohol: A considerable portion of retail tobacco prices includes federal and provincial taxes, while the farm-gate price is also set by a provincial marketing board. Provincial commissions generally set prices of beer, liquor, and wine, and federal and provincial taxes make up a large portion of the final retail price.
- 9) Cablevision: This is regulated by the C.R.T.C., similar to the determination of telephone rates.

Other prices were considered for inclusion in the regulated aggregate but were rejected because it was not clear that a substantial proportion of the price was determined by one of the four categories of government regulation, or because inclusion of the prices would have entailed a major data aggregation project that goes beyond the purposes of this study. Paid rent, for example, falls under different kinds of regulations in many provinces and the regulations within provinces have changed over time. Mortgage interest costs are not included, although some economists would argue that the Bank of Canada has considerable influence on mortgage rates through its influence over the general level of rates.<sup>3</sup> The education component of the Consumer Price Index includes university tuition fees. While universities are highly subsidized by provincial and federal governments, the setting of tuition fees is regulated only in some provinces. Sales taxes should also be included in this analysis. As explained in the methodology section of this paper, this study does not attempt to impute their effects on the Consumer Price Index because of the detailed calculation of sales taxes by province and by type of good that is required. The behaviour of the share of nominal personal expenditure on goods that accrued to sales taxes in the last decade suggests that sales taxes have not risen appreciably faster than inflation. In general, the components included in the regulated sector are those which unquestionably fall under the scope of regulation as defined here. In those cases where inclusion of a component in the regulated index would be subject to some doubt, the component is retained in the non-regulated index.

<sup>3</sup>A regulated sub-aggregate including mortgage interest rates was calculated and the inclusion of this component in the regulated sector did not significantly alter the cyclical behaviour. This is in part attributable to the methodology employed in the calculation of the mortgage interest component of the CPI, namely, a sixty-month moving average.

## Expected Price-setting Behaviour

In some instances the government has undertaken to be the single producer of a good, generally in markets which are characterized by a 'natural monopoly'. This particular type of regulation, and thus the resulting price behaviour, applies to public utilities such as electricity, water, and urban transportation. In these types of markets the minimum optimal scale of production is so large that there is room for only one large firm to operate efficiently. In other terms, the long-run unit cost function declines to a point where demand is saturated. Regulation is imposed to prevent the exploitation of monopoly power in price setting, and prices are generally set on costs plus a 'fair' rate of return. For this reason, one would expect that a cyclical downturn in demand would not be reflected in slower price increases until costs have also begun to ease. During cyclical upturns, prices in these industries will lag behind the acceleration in competitive markets since costs tend to lag behind cyclical fluctuations in demand.

In the case where the good is provided by a few large firms, some degree of price-setting power exists. In lieu of becoming the single producer, the government has established agencies like the Canadian Radio-Telecommunications Commission and Canadian Transport Commission to regulate these industries. An example of this would be the provision of telephone services, which tends to be dominated by a few large firms. Similar industries are cablevision, air transport, and railway transportation. Conventional regulatory practice would be to allow prices to be set which yield a 'fair' rate of return on capital, given current costs (or some estimate of future costs).<sup>4</sup> One would expect prices in these industries to move in tandem with fluctuations in costs, which tend to lag cyclical movements in demand.

Another type of regulation is when the government becomes the seller of privately-produced goods. The pricing mechanism would be similar to the regulated monopoly case; that is, the price would tend to be based on full cost. Examples of this type of regulation would be federal food marketing boards. Another example is provincial distribution of beer, liquor, and wine.

Prices that represent a tax or payment for a government service include property taxes, vehicle licence fees, and indirect taxes on tobacco, alcohol, and energy. There is some basis for argument that these prices are directly related to costs. For example, property taxes are levied to cover costs of municipal services including education while vehicle registration fees and provincial gasoline taxes are levied to help

<sup>4</sup>See F.M. Scherer, *Industrial Market Structure and Performance*: Chapter 22, 'Public Regulation in Theory and Practice', 1970.

finance road maintenance. Due to transfer programs between governments and the complexity of the public finance system, however, there is no argument that these prices are directly related to the costs of government-provided services during the course of the cycle.

While regulatory pricing is enacted through various means, the 'full-cost-pricing' mechanism is predominant in the first three of the four major types of regulation, and evident to some degree in the fourth. The implication is that regulated price changes are likely to correlate highly with cost changes over the cycle. As demand falls during the course of a cyclical downturn, prices which are determined in relatively competitive markets should begin to slow more quickly than regulated prices as sellers reduce profit margins to maintain sales. Once the recession reaches the point where costs also begin to ease, regulated prices should begin to slow. Therefore, one would expect the cycle of non-regulated prices to lead the cycle of regulated prices.

## Methodology

The Consumer Price Index is split into two sub-aggregates in this study, the regulated CPI (CPIR) inclusive of the nine components mentioned above, and the non-regulated CPI (CPINR). The sub-aggregates are calculated for the time period beginning in April 1973 to present on an April 1973=100 basis. The time period chosen is not extended further back in time due to constraints in the availability of data. To isolate the cyclical behaviour of the CPI, and the two special aggregates, the monthly percentage change of each is smoothed using an autoregressive-moving average filter.<sup>5</sup> This filter is designed to remove cycles less than 15 months in length, including seasonality and noise, enabling a more accurate dating of the cyclical turning points in inflation of regulated and other consumer prices.

Before proceeding to the analysis of the results a few notes of caution must be presented. While the components of the CPI which are identified as largely determined through regulation are useful for comparing the cyclical behaviour of these

<sup>5</sup>See "Converting Timeliness into Reliability in Economic Time Series or Minimum Phase-shift Filtering of Economic Time Series" by Darryl Rhoades, *Canadian Statistical Review*, February, 1980. The data was filtered first forwards and then backwards. The backwards filtering cancels phase shifts caused by the forwards filtering, and also further smooths the data. The autoregressive moving average used required the estimation of the autoregressive 'starting values' for filtering in each direction. For this reason, data-points at the ends of the series are not as reliable estimates of the cyclical component as are the interior data points.



prices to that of other prices, **the sub-aggregate CPIR should not be interpreted as an official index of regulated prices.** To calculate such an index several factors would have to be taken into account which could not be dealt with in the above methodology. The major omission is provincial sales taxes. These taxes are clearly a government-controlled component of price that is paid by consumers. Due to the detailed nature of the sales tax regimes from province to province, it was not undertaken in this study to impute a sales tax component of the CPI to include in the CPIR aggregate. Since the focus of the study is the cyclical behaviour in inflation rates, the analysis presented here should not be altered by this omission since, for a given commodity, the inflation rate for sales taxes would diverge from the measured rate only when tax rates change. Given that these sales tax rate changes occur at discrete points in time, they would not contribute greatly to the business cycle fluctuations in inflation rates. It should also be noted that sales taxes applied to regulated prices as defined in this paper will be included in the regulated portion of the CPI; what is omitted from CPIR is the sales tax portion of the retail price of the non-regulated CPI.

The other major problems associated with the calculation of an official index of regulated prices are related to the different regulations from province to province, and measuring the regulated portion of certain prices. An example of the former would be rent, the price of which is strictly controlled in some provinces and not in others. An example of the latter would be separating out the portion of tobacco prices which is determined solely by market forces. In the case of tobacco prices, much of the final retail price is determined by federal and provincial taxes. There is a portion of the final price which is attributable to market forces, however, as retailers have some flexibility in setting cigarette prices.

As a result of the above problems, **the weights associated with the nine components of CPIR are not a precise quantitative measure of the importance of regulated prices in the CPI.** The qualitative aspects of the analysis should be relatively unaffected by these problems.

## Analysis of Results

The filtered percentage changes of the regulated and non-regulated aggregates are presented in Figure 1, showing a very sharp acceleration of the regulated aggregate beginning in 1980. Much of it can be explained by the importance of the energy component in the regulated sector over that period. (Energy accounts for 25 to 30 per cent of the aggregate regulated CPI over the period covered by this paper). This

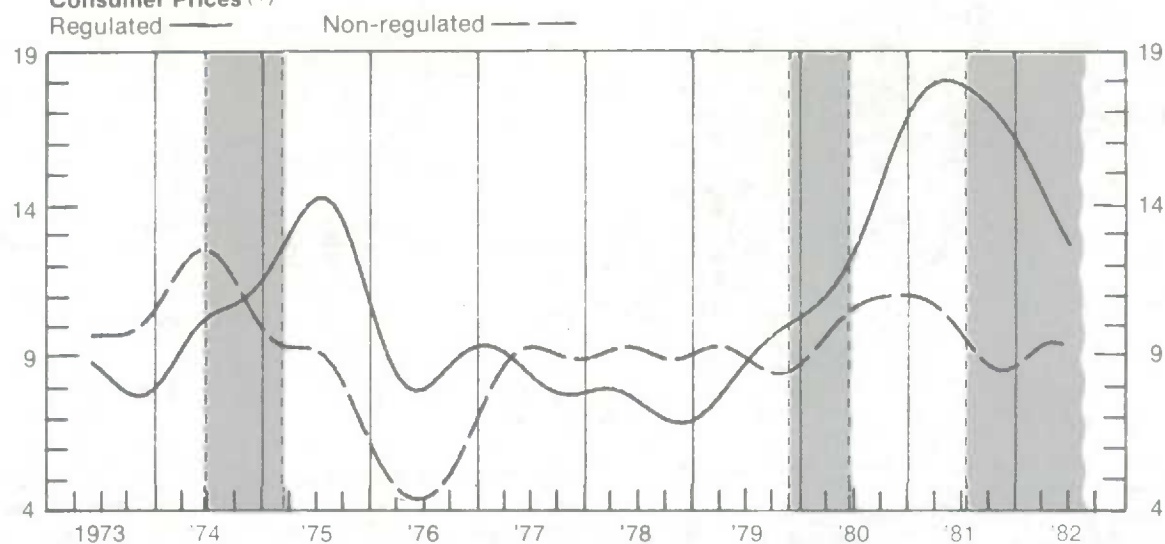
acceleration of energy prices is a special case in regulation in that the timing of the price changes reflects agreements between the federal and provincial governments as part of the National Energy Program in 1980. So as not to distract from the analysis of the cycle of regulated prices, a second sub-aggregate excluding gasoline, fuel oil, natural gas, and motor oil is calculated. The filtered monthly percentage changes of this sub-aggregate and the non-regulated series are presented in Figure 2. A comparison of the cycles of the regulated (excluding oil and gas energy) and the non-regulated aggregates in Figure 2 reveals two important results:

- 1) Following the 1973-1974 wage-price spiral, there was a sharp deceleration of both sub-aggregates in reaction to the 1974-1975 recession. (The peaks of inflation for both non-regulated and regulated sub-aggregates occur well before the enactment of wage and price controls in October 1975). The peak of inflation in the regulated sub-aggregate appears to lag significantly behind the peak in the non-regulated series. The deceleration also was greater and lasted for a longer time period for the non-regulated sector.
- 2) There is a distinct slowdown in both aggregates near the end of the period under analysis (1980-1982). The deceleration in the non-regulated sector starts at an earlier date than that of the regulated sector, and may be a reaction to the 1980 and 1981 recessions together in light of the fact that it starts in November 1980 (about seven months prior to the onset of the 1981 recession). The November 1981 peak in inflation for the regulated component lags the onset of the 1981 recession by four months.

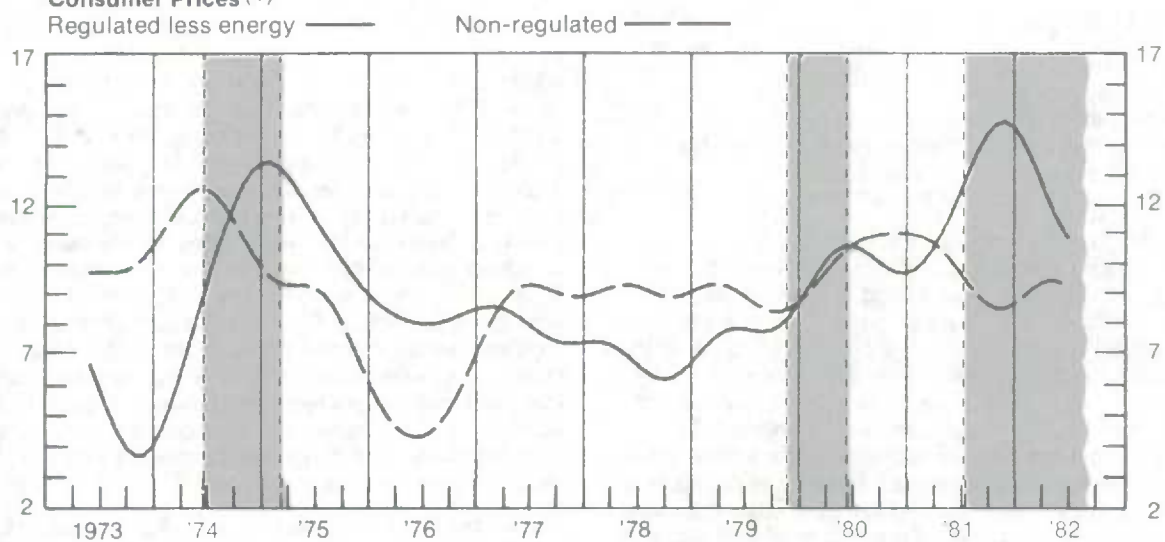
Table 1 presents the dates of corresponding peaks and troughs of non-regulated and regulated price inflation. The downturn in the rate of inflation of non-regulated prices leads that of regulated prices by 8 and 12 months in the 1974-1975 and 1980-1981 cycles respectively. Over these cycles, regulated prices appear to be less responsive to cyclical downturns in demand. Prices in the non-regulated sector appear to have reacted much sooner to these cycles in aggregate demand.



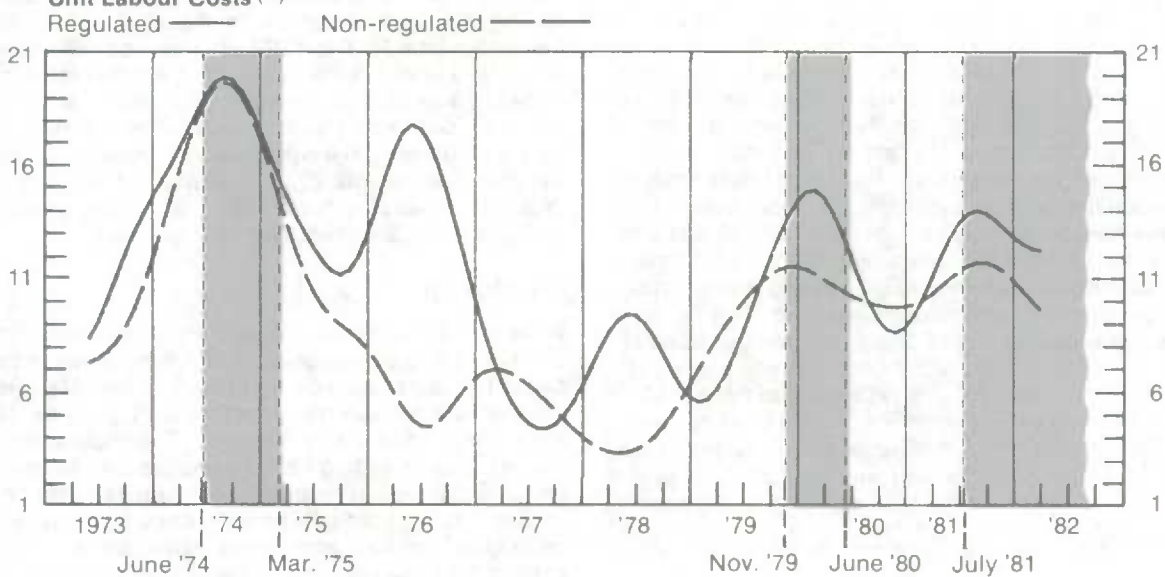
**Figure — 1**  
**Consumer Prices (1)**



**Figure — 2**  
**Consumer Prices (1)**



**Figure — 3**  
**Unit Labour Costs (1)**



(1) Filtered monthly percentage change (annual rates)

Table 1  
Comparison of Peaks and Troughs  
Regulated versus Non-Regulated Inflation

	1974-1975	1980-1981
Regulated Prices (excluding energy)		
Peak	Jan. 1975	Nov. 1981
Trough	July 1976	
Non-Regulated Prices		
Peak	May 1974	Nov. 1980
Trough	May 1976	

As postulated earlier in this paper, the cycle of regulated prices is likely to correlate with the cycle of costs by the nature of the regulatory price-setting system. In the non-regulated sector, prices may also correlate with costs in the long-run. As a result of more competitive market forces in the non-regulated sector, however, there is an incentive during a cyclical downturn to reduce prices (and profit margins) in order to stimulate demand and reduce inventories. The hypothesis proposed, then, is that the difference in the cycles of the regulated and non-regulated aggregates results less from a difference in the respective cycles of costs than from an earlier response of prices in the non-regulated sector.

There is no comprehensive monthly measure of costs. Since labour costs account for the largest proportion of costs in the economy, a unit labour cost variable was calculated to approximate the cycle of costs. This is done by dividing the monthly estimates of nominal labour income by real domestic product. The resulting unit labour cost variable was split into two components to determine whether the cycle of costs in the regulated sector differs substantially from that of the non-regulated sector. First, as a proxy for unit labour costs in the regulated sector, labour income in the non-commercial sector plus transportation, communication, and utilities was divided by a corresponding measure of output. The remainder of labour income (or commercial industries less transportation, communication and utilities) was divided by the corresponding measure of output to yield an approximation of labour costs in the non-regulated sector. These proxies of unit labour costs do not correspond exactly to the prices included in the regulated and non-regulated sectors, however, as the unit labour cost measures correspond to production of goods and services for economy-wide distribution, and therefore are not specific to the consumer sector (as the price measures are).

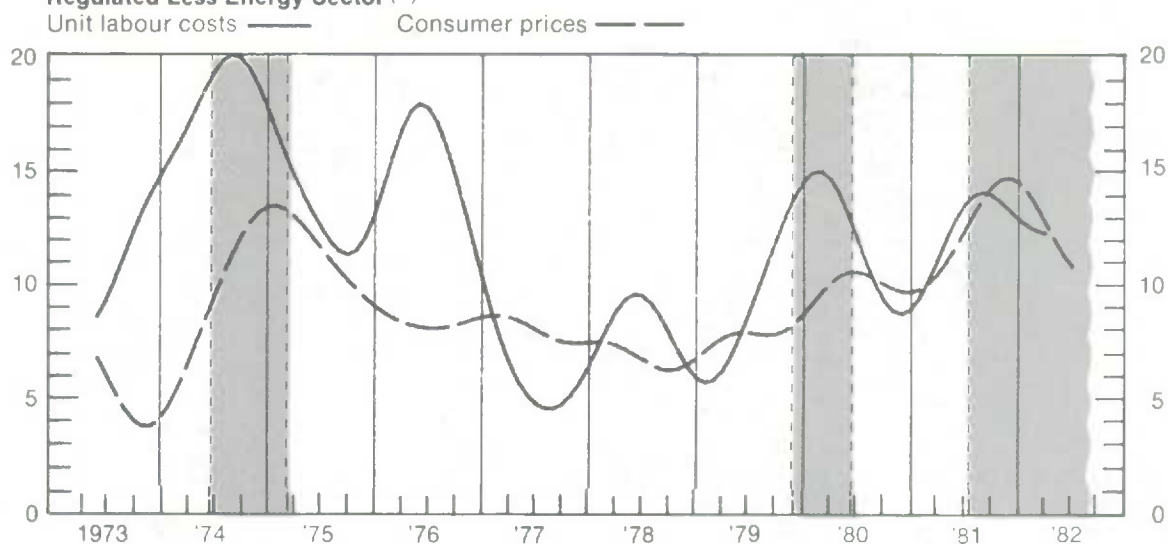
The filtered monthly percentage change of the two cost variables is presented in Figure 3. The cycles of the two cost measures do not differ substantially over the period under analysis, except for an additional large peak in the regulated sector following the 1974-1975 recession. In the 1980-1982 phase, the timing of the cycles of the two cost variables is very similar. From Figure 5 however, it is evident that the peak of inflation in the non-regulated sector occurred well in advance of the peak of the unit labour cost proxy in the 1974-1975 cycle. The lead-lag relationship is unclear in the 1980-1982 cycles as the unit labour cost variable exhibits two cycles while the price variable has only one. These two cycles in unit labour costs however, may be due more to shifts in production away from high unit labour cost industries than to a deceleration in wage rates. In any event, this is consistent with the hypothesis of a different relationship between prices and costs in the two sectors over the cycle. In addition, as evident in Figure 4, the rate of inflation in the regulated sector lags the proxy of unit labour costs in both cycles. These results would tend to support the hypothesis that profit margins are reduced in the non-regulated markets during a cyclical downturn to slow prices and to stimulate demand, while regulated prices decelerate with a lag following a reduction in inflation of costs.

A price per unit labour cost variable is often used as an indicator of profit margins over the cycle. Such a variable was calculated for the non-regulated sector. From Figure 6 it is apparent that the downturns of inflation in that sector correlate highly with the downturns in the profit margin proxy in that sector from 1976 to 1982. The reaction of profit margins appears to have led the downturn of inflation rates in the 1974-1975 cycle. This anomaly, however, is consistent with the sharp cost-push pressure on inflation leading up to that recession resulting in a deterioration in profit margins prior to the downturn in demand. The behaviour of the profit margin proxy is consistent with the slowing and subsequent decline in profits associated with the 1981 recession.

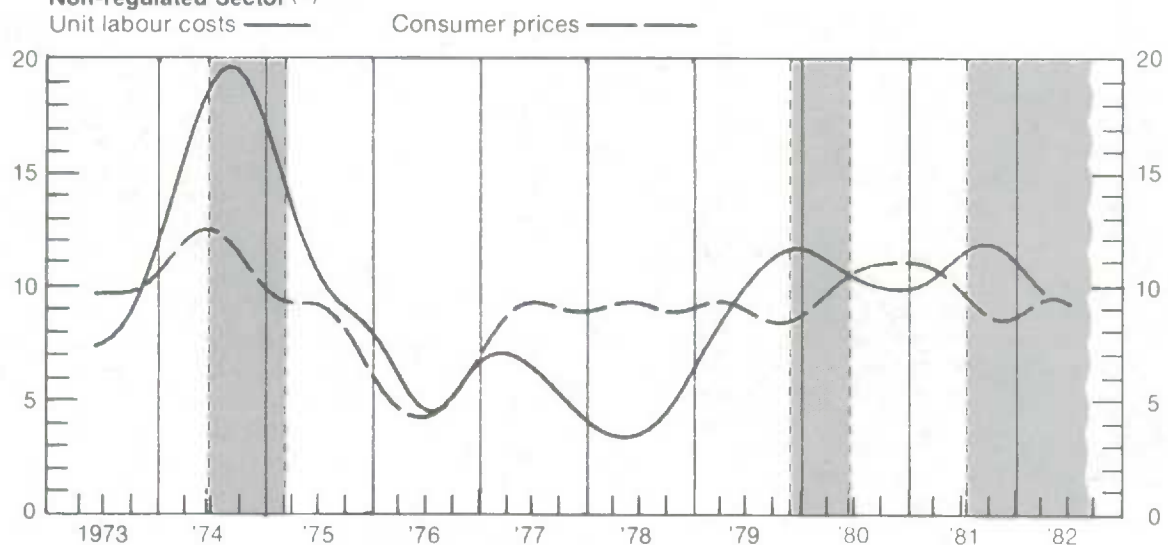
## Conclusion

While sub-dividing the Consumer Price Index into regulated and non-regulated components and the subsequent comparison to cost proxies does not account for all factors bearing on such a division, the results are analytically tractable in the study of inflation over the cycle. The implications of the regulatory price-setting mechanisms are that these types of prices tend to be less responsive to changes in demand. This implies that inflation in the non-regulated sector would react more quickly to fluctuations in demand, due to the more competitive nature of these markets. The results presented in

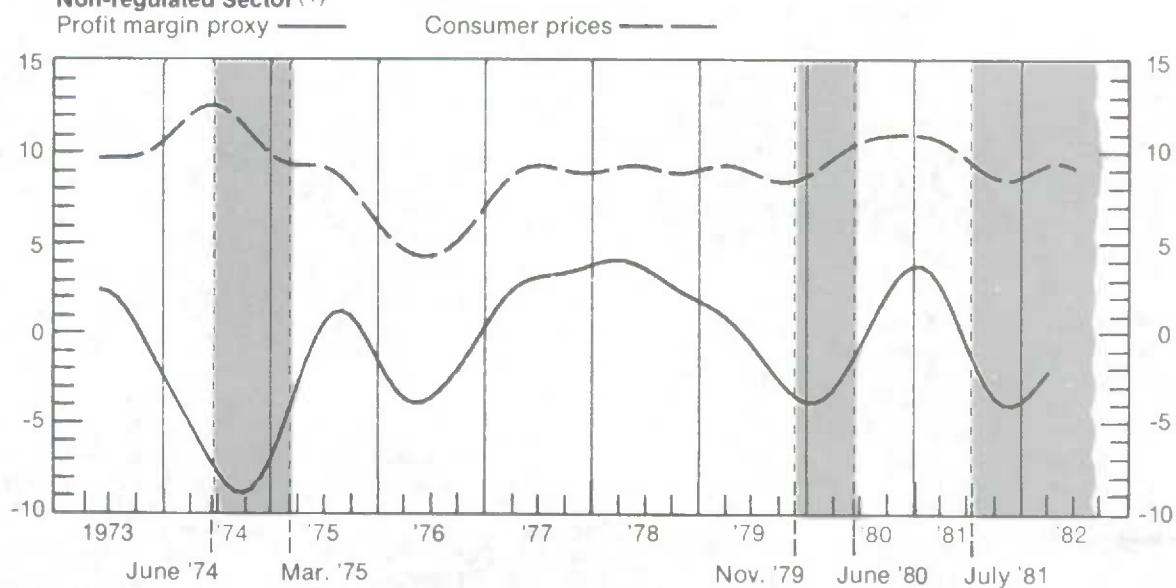
**Figure — 4**  
**Regulated Less Energy Sector (1)**



**Figure — 5**  
**Non-regulated Sector (1)**



**Figure — 6**  
**Non-regulated Sector (1)**



(1) Filtered monthly percentage change (annual rates)



this study tend to support this hypothesis of the cyclical behaviour of the regulated and non-regulated CPI during downturns.

The lag observed between a slowdown in regulated prices relative to non-regulated prices in cyclical downturns helps to explain why regulated prices appear to be contributing to higher inflation rates in the contractionary phase of the business cycle. In the current downturn, energy prices governed under the National Energy Program are clearly a major contributor to the difference in the inflation rates of regulated and non-regulated prices. At their most recent peak rates of increase (April 1981) total regulated prices were rising at 18.0 per cent (filtered monthly percentage change expressed at annual rates), and regulated prices excluding oil and gas energy were rising at 14.7 per cent (November 1981), compared to 11.0 per cent (November 1980) for the non-regulated prices. Since the peaks, all three measures have decelerated and as of June 1982 total regulated prices were rising at a rate of 12.7 per cent, regulated prices excluding energy were rising at 10.8 per cent while non-regulated prices were rising at 9.2 per cent. The charts indicate that there had been about twelve months of slowing inflation in the non-regulated sector before regulated price inflation peaked in the current cycle. This behaviour is consistent with economic theory, and this type of lag may result during any cyclical downturn in demand.

## Appendix A

The Consumer Price Index is a chain of Laspeyres indices as explained in Catalogue 62-546 'The Consumer Price Index'. Under this methodology, the weights used to aggregate to the total level are changed at discrete points in time and the indices are 'linked' at these points. The link periods of the CPI since 1961 were January 1961, April 1973, September 1978 and March 1982. To calculate a special sub-aggregate of the total, the different weighting periods must be taken into account such that the sub-aggregate will be 'linked' and will be comparable to the published CPI.

Since many of the components identified as regulated begin in 1971 or later, a consistent sub-aggregate could be calculated beginning only in April 1973 on an April 1973=100 basis. This time period is convenient in that it contains the major post-1970 inflationary period, and begins at about the time when the Federal marketing boards were created to regulate dairy, egg and poultry prices.

The procedure begins by calculating the regulated portion of the CPI (CPIR) for the period April 1973 to September 1978 as follows:

$$(1) \text{ CPIR}(t) = \left[ 0.023 \times \frac{\text{PUBTR}(t)}{\text{PUBTR}(\text{April } 1973)} + 0.015 \times \frac{\text{COMM}(t)}{\text{COMM}(\text{April } 1973)} + 0.040 \times \frac{\text{MEGGS}(t)}{\text{MEGGS}(\text{April } 1973)} + 0.003 \times \frac{\text{TURK}(t)}{\text{TURK}(\text{April } 1973)} + 0.004 \times \frac{\text{VLIC}(t)}{\text{VLIC}(\text{April } 1973)} + 0.005 \times \frac{\text{WATER}(t)}{\text{WATER}(\text{April } 1973)} + 0.030 \times \frac{\text{PRT}(t)}{\text{PRT}(\text{April } 1973)} + 0.015 \times \frac{\text{ELECT}(t)}{\text{ELECT}(\text{April } 1973)} + 0.012 \times \frac{\text{FOIL}(t)}{\text{FOIL}(\text{April } 1973)} + 0.29 \times \frac{\text{GASO}(t)}{\text{GASO}(\text{April } 1973)} + 0.007 \times \frac{\text{GAS}(t)}{\text{GAS}(\text{April } 1973)} + 0.003 \times \frac{\text{MOIL}(t)}{\text{MOIL}(\text{April } 1973)} + 0.059 \times \frac{\text{TOBALC}(t)}{\text{TOBALC}(\text{April } 1973)} \right] \times \frac{1}{0.245}$$

where  $t$  = April 1973 to September 1978.

The above expression<sup>1</sup> calculates a sub-aggregate for CPIR based in April 1973 using weights based on 1967 expenditure patterns evaluated at April 1973 prices.

$$(2) \text{ CPIR}(t) = \text{CPIR}(\text{Sept. } 1978) \times \left[ 0.019 \times \frac{\text{PUBTR}(t)}{\text{PUBTR}(\text{Sept. } 1978)} + 0.014 \times \frac{\text{COMM}(t)}{\text{COMM}(\text{Sept. } 1978)} + 0.030 \times \frac{\text{MEGGS}(t)}{\text{MEGGS}(\text{Sept. } 1978)} + 0.002 \times \frac{\text{TURK}(t)}{\text{TURK}(\text{Sept. } 1978)} + 0.003 \times \frac{\text{VLIC}(t)}{\text{VLIC}(\text{Sept. } 1978)} + 0.004 \times \frac{\text{WATER}(t)}{\text{WATER}(\text{Sept. } 1978)} + 0.028 \times \frac{\text{PRT}(t)}{\text{PRT}(\text{Sept. } 1978)} + 0.016 \times \frac{\text{ELECT}(t)}{\text{ELECT}(\text{Sept. } 1978)} + 0.012 \times \frac{\text{FOIL}(t)}{\text{FOIL}(\text{Sept. } 1978)} + 0.034 \times \frac{\text{GASO}(t)}{\text{GASO}(\text{Sept. } 1978)} + 0.01 \times \frac{\text{GAS}(t)}{\text{GAS}(\text{Sept. } 1978)} + 0.002 \times \frac{\text{MOIL}(t)}{\text{MOIL}(\text{Sept. } 1978)} + 0.005 \times \frac{\text{CHICK}(t)}{\text{CHICK}(\text{Sept. } 1978)} + 0.002 \times \frac{\text{CABLE}(t)}{\text{CABLE}(\text{Sept. } 1978)} + 0.063 \times \frac{\text{TOBALC}(t)}{\text{TOBALC}(\text{Sept. } 1978)} \right] \times \frac{1}{0.244}$$

where  $t$  = September 1978 to March 1982.

<sup>1</sup>The mnemonics are CPI = Consumer Price Index, PUBTR = Public transportation, COMM = Communication, MEGGS = Dairy products and eggs, TURK = Turkey, VLIC = Vehicle licence premiums, WATER = Water, PRT = Property taxes, ELECT = Electricity, FOIL = Fuel oil, GASO = Gasoline, GAS = Natural gas, MOIL = Motor oil, CHICK = Chicken, CABLE = Cablevision, TOBALC = Tobacco and alcohol, and CPIR = Regulated CPI.

The previous expression calculates CPIR for the period September 1978 to March 1982 with September 1978 as the base period and using weights based on 1974 expenditure patterns evaluated at September 1978 prices. This is 'linked' to the previous index by multiplying it by the value for September 1978 obtained from equation (1). Cablevision and chicken prices are included from September 1978. These inclusions reflect the fact that cablevision was only included in the official CPI from this point forward and that the chicken marketing board came into effect at that time.

$$\begin{aligned}
 (3) \quad \text{CPIR}(t) = & \text{CPIR}(\text{March } 1982) \times \left[ 0.021 \times \frac{\text{PUBTR}(t)}{\text{PUBTR}(\text{March } 1982)} \right. \\
 & + 0.015 \times \frac{\text{COMM}(t)}{\text{COMM}(\text{March } 1982)} + 0.027 \times \frac{\text{MEGGS}(t)}{\text{MEGGS}(\text{March } 1982)} \\
 & + 0.002 \times \frac{\text{TURK}(t)}{\text{TURK}(\text{March } 1982)} + 0.004 \times \frac{\text{VLIC}(t)}{\text{VLIC}(\text{March } 1982)} \\
 & + 0.003 \times \frac{\text{WATER}(t)}{\text{WATER}(\text{March } 1982)} + 0.023 \times \frac{\text{PRT}(t)}{\text{PRT}(\text{March } 1982)} \\
 & + 0.016 \times \frac{\text{ELECT}(t)}{\text{ELECT}(\text{March } 1982)} + 0.015 \times \frac{\text{FOIL}(t)}{\text{FOIL}(\text{March } 1982)} \\
 & + 0.048 \times \frac{\text{GASO}(t)}{\text{GASO}(\text{March } 1982)} + 0.10 \times \frac{\text{GAS}(t)}{\text{GAS}(\text{March } 1982)} \\
 & + 0.002 \times \frac{\text{MOIL}(t)}{\text{MOIL}(\text{March } 1982)} + 0.006 \times \frac{\text{CHICK}(t)}{\text{CHICK}(\text{March } 1982)} \\
 & \left. + 0.002 \times \frac{\text{CABLE}(t)}{\text{CABLE}(\text{March } 1982)} + 0.055 \times \frac{\text{TOBALC}(t)}{\text{TOBALC}(\text{March } 1982)} \right] \times \frac{1}{0.249}
 \end{aligned}$$

where  $t$  = March 1982 to present.

The above equation calculates the sub-index for March 1982 on, based in March 1982, using weights based on 1978 expenditure patterns evaluated at March 1982 prices. Multiplying the expression by the March 1982 value obtained in equation (2) links the last period to the previous sub-indices.

The non-regulated portion of the index (CPINR) is a weighted subtraction of CPIR from the total CPI done in three steps as above.

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## Glossary

### Diffusion index

a diffusion index is a measure, taken across a group of time series, that indicates the uniformity of movement exhibited by the group. More precisely, for any given period the diffusion index is equal to the percentage of series in the group that are expanding during that period. The diffusion index thus indicates the dispersion or diffuseness of a given change in the aggregate. Since business cycle changes generally affect many economy processes diffusion indexes are useful in determining whether a change is due to cyclical forces.

### End point seasonal adjustment

this procedure uses the data for the current period in estimating the seasonal factor for that period. In contrast the projected factor procedure calculates the seasonal factor for the current period by extrapolating past data. The end point procedure therefore allows changing seasonal patterns to be recognized sooner than the projected factor procedure.

### External trade

Balance-of-payments basis

data which reflect a number of adjustments applied to the customs totals to make them consistent with the concepts and definitions used in the system of national accounts.

Customs basis

totals of detailed merchandise trade data tabulated directly from customs documents.

Net exports

exports less imports.

Terms of trade

the ratio of merchandise export prices to merchandise import prices. This ratio can be calculated monthly on a customs basis from External Trade data, or quarterly on a balance of payments basis from GNP data.

in general the term filtering refers to removing, or filtering out, movements of the data that repeat them-

### Final demand

selves with roughly the same frequency. In the context used here we refer to removing the high frequency, or irregular movements, so that one can better judge whether the current movement represents a change in the trend-cycle. Unfortunately all such filtering entails a loss of timeliness in signalling cyclical changes. We have attempted to minimize this loss in timeliness by filtering with minimum phase shift filters.

final domestic demand plus exports. It can also be computed as GNP excluding inventory changes.

### Final domestic demand

the sum of personal expenditure on goods and services, government current expenditure, and gross fixed capital formation by Canadians. Final domestic demand can also be viewed as GNP plus imports less exports and the change in inventories; that is, it is a measure of final demand by Canadians irrespective of whether the demand was met by domestic output, imports or a change in inventories.

### Inventories

By stage of processing

within a given industry inventories may be classified depending on whether processing of the goods, from that industry's point of view, is complete, is still underway, or has not yet begun. Inventories held at these various stages of processing are referred to as finished goods, goods in process, and raw materials respectively. Note that in this context the term raw materials does not necessarily refer to raw or primary commodities such as wheat, iron ore, etc. It simply refers to materials that are inputs to the industry in question.

### Labour market

Additional worker effect

refers to the hypothesis that as the unemployment rate rises, the main income earner in the family unit may



	become unemployed, inducing related members of the unit who were previously not participating in the labour force to seek employment. This is also referred to as the 'secondary worker effect'.		labour market, in the reference period. Inmates of institutions and full-time members of the Canadian Armed Forces are excluded because they are considered to exist outside the labour market.
Discouraged worker effect	refers to the hypothesis that as the unemployment rate increases, some persons actively seeking employment may become 'discouraged' as their job search period is extended, and drop out of the labour force.	Large firm employment	includes all persons drawing pay for services rendered or for paid absence during the survey reference period and for whom an employer makes CPP or QPP and/or UIC contributions. The employee concept excludes owners of unincorporated businesses and professional practices, the self-employed, unpaid family workers, persons doing non-remunerative work, pensioners, home workers, members of elected or appointed bodies, military personnel and persons providing services to an establishment on a contract basis. It is based on data collected in the Employment, Payrolls and Manhours Survey.
Employed	persons who, during the reference period for the Labour Force Survey: a) did any work at all, for pay or profit in the context of an employer-employee relationship, or were self-employed. It includes unpaid family work which is defined as work contributing directly to the operation of a family farm, business, or professional practice owned or operated by a related member of the household. b) had a job but were not at work due to own illness or disability, personal or family responsibilities, bad weather, labour dispute or other reasons (excluding persons on lay-off and those with a job to start at a future date).	Paid worker	a person who during the reference period did work for pay or profit. Paid workers do not include persons who did unpaid work which contributed directly to the operation of a family farm, business, or professional practice owned and operated by a related member of the household.
Employment, Payrolls and Manhours Survey	a monthly mail census of firms employing 20 or more employees, collecting payroll information on the last week or pay period in the reference month, including figures on average hours, earnings, and employment.	Participation rate	represents the labour force as a percentage of the population 15 years of age and over. The participation rate for a particular group is the percentage of that group participating in the labour force.
Employment rate	represents employment as a percentage of the population 15 years of age and over.	Unemployed	those who during the reference period: a) were without work, and had actively looked for work in the past four weeks (ending with the reference week) and were available for work, or b) had not actively looked for work in the past four weeks but had been on
Labour force	persons in the labour force are those members of the population 15 years of age and over who, in the reference period were either employed or unemployed.		
Labour Force Survey	is a monthly household survey which measures the status of the members of the household with respect to the		

	layoff (with the expectation of returning to work) for 26 weeks or less and were available for work, or c) had not actively looked for work in the past four weeks but had a new job to start in four weeks or less from the reference week, and were available for work.		
<b>Monetary base</b>	the sum of notes in circulation, coins outside banks, and chartered bank deposits with the Bank of Canada. Also referred to as the high-powered money supply.	Laspeyres price index	Selling Price Index is a set of base weighted price indices designed to measure movement in prices of products sold by Canadian Establishments classified to the manufacturing sector by the 1970 Standard Industrial Classification.  the weights used in calculating an aggregate Laspeyres price index are fixed weights calculated for a base period. Thus changes in a price index of this type are strictly due to price movements.
<b>Prices</b>		Paasche price index	the weights used in calculating an aggregate Paasche price index are current period weights. Changes in a price index of this type reflect both changes in price and importance of the components.
Commodity prices	daily cash (spot) prices of individual commodities. Commodity prices generally refer to spot prices of crude materials.		
Consumer prices	retail prices, inclusive of all sales, excise and other taxes applicable to individual commodities. In effect, the prices which would be paid by final purchasers in a store or outlet. The Consumer Price Index is designed to measure the change through time in the cost of a constant "basket" of goods and services, representing the purchases made by a particular population group in a specified time period. Because the basket contains a set of goods and services of unchanging or comparable quantity and quality changes in the cost of the basket are strictly due to price movements.	<b>Valuation</b> Constant dollar	represents the value of expenditure or production measured in terms of some fixed base period's prices. (Changes in constant dollar expenditure or production can only be brought about by changes in the physical quantities of goods purchased or produced).
		Current dollar	represents the value of expenditure or production measured at current price levels. A change in current dollar expenditure or production can be brought about by changes in the quantity of goods bought or produced or by changes in the level of prices of those goods.
Implicit prices	prices which are the by-product of a deflation process. They reflect not only changes in prices but also changes in the pattern of expenditure or production in the group to which they refer.	Nominal	represents the value of expenditure or production measured at current price levels. 'Nominal' value is synonymous with 'current dollar' value.
Industry prices	prices charged for new orders in manufacturing excluding discounts, allowances, rebates, sales and excise taxes, for the reference period. The pricing point is the first stage of selling after production. The Industry	Real	'real' value is synonymous with 'constant dollar' value.

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## Chart

1	Gross National Expenditure in Millions of 1971 Dollars, Percentage Changes of Seasonally Adjusted Figures	3
2	Gross National Expenditure in Millions of 1971 Dollars, Seasonally Adjusted at Annual Rates	4
3	Real Output by Industry, Percentage Changes of Seasonally Adjusted Figures	5
4	Demand Indicators, Seasonally Adjusted Figures	6
5	Labour Market, Seasonally Adjusted Figures	7
6	Prices and Costs	8
7	Gross National Expenditure, Implicit Price Indexes, Percentage Changes of Seasonally Adjusted Figures	9
8	Gross National Expenditure, Implicit Price Indexes and National Income, Selected Components, Percentage Changes of Seasonally Adjusted Figures	10
9	External Trade, Customs Basis, Percentage Changes of Seasonally Adjusted Figures	11
10	Canadian Balance of International Payments, Millions of Dollars	12
11	Financial Indicators	13
12	Canadian Leading and Coincident Indicators	14
13-14	Canadian Leading Indicators	15-16



**Chart — 1**  
**Gross National Expenditure in Millions of 1971 Dollars**  
 (Percentage Changes of Seasonally Adjusted Figures) 1961 Q2 - 1982 Q1

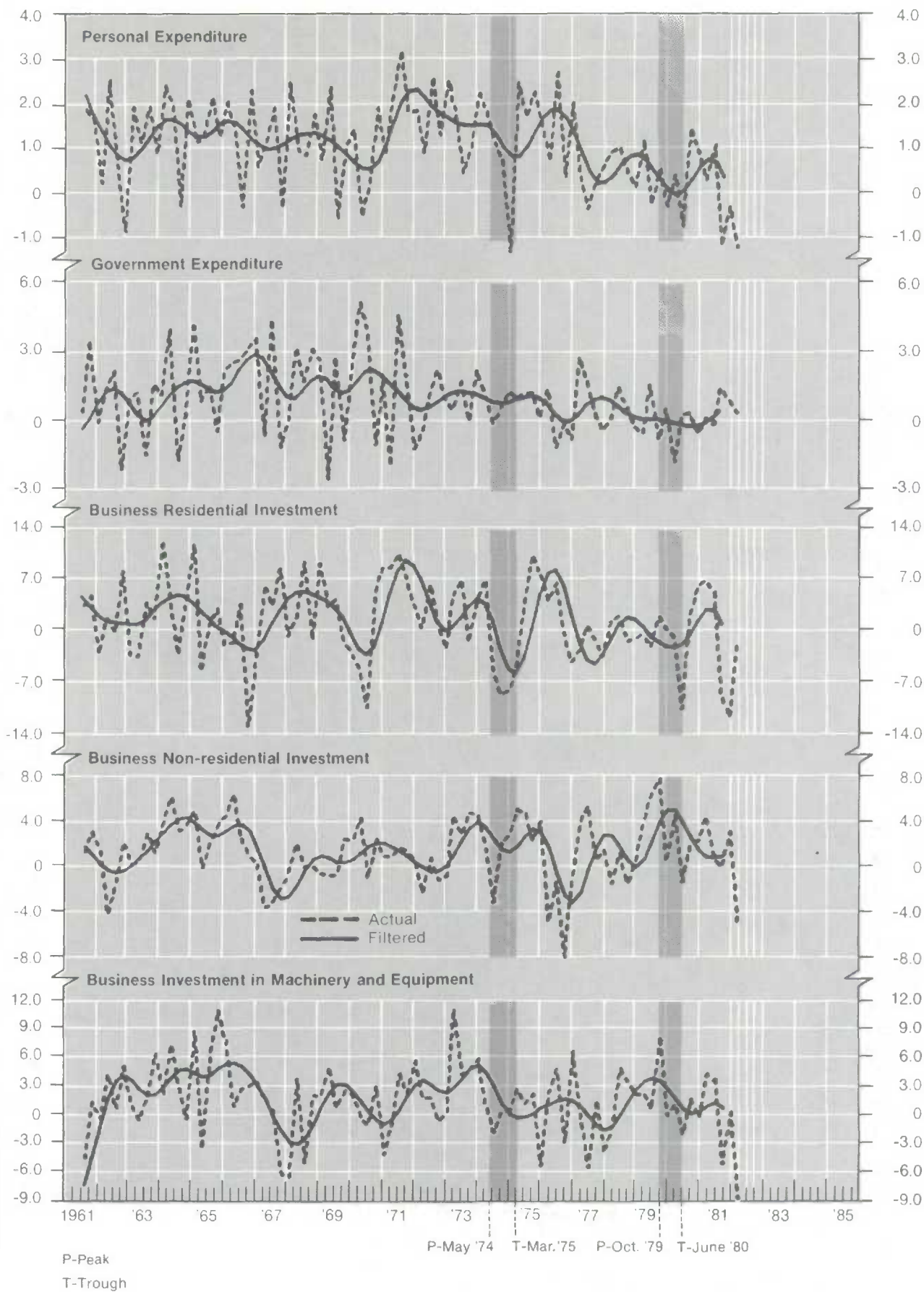
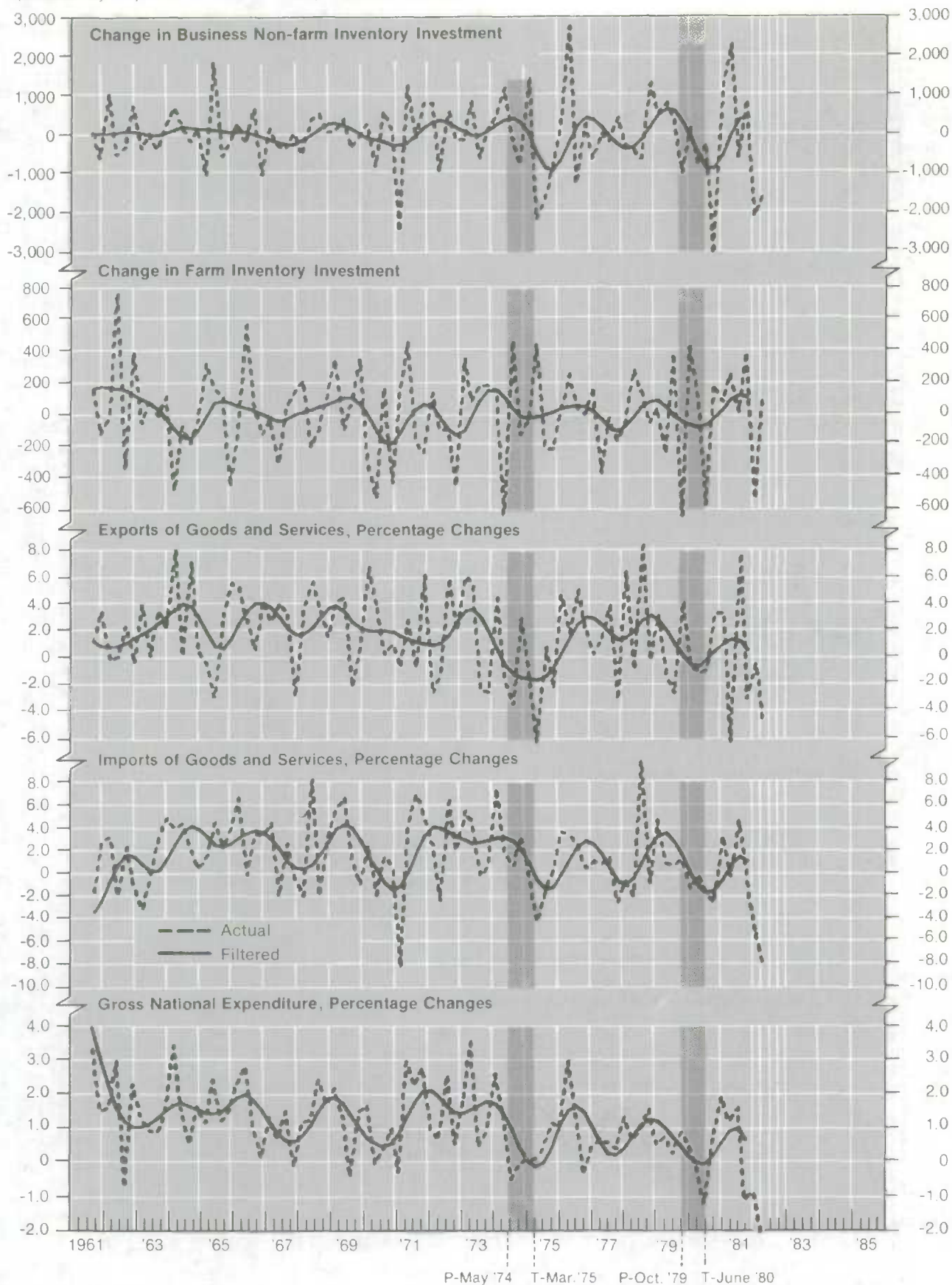


Chart — 2

**Gross National Expenditure in Millions of 1971 Dollars**

(Seasonally Adjusted at Annual Rates) 1961 Q2-1982 Q1



P-Peak

T-Trough

Chart — 3

**Real Output by Industry**

(Percentage Changes of Seasonally Adjusted Figures) June/61-Jan./82

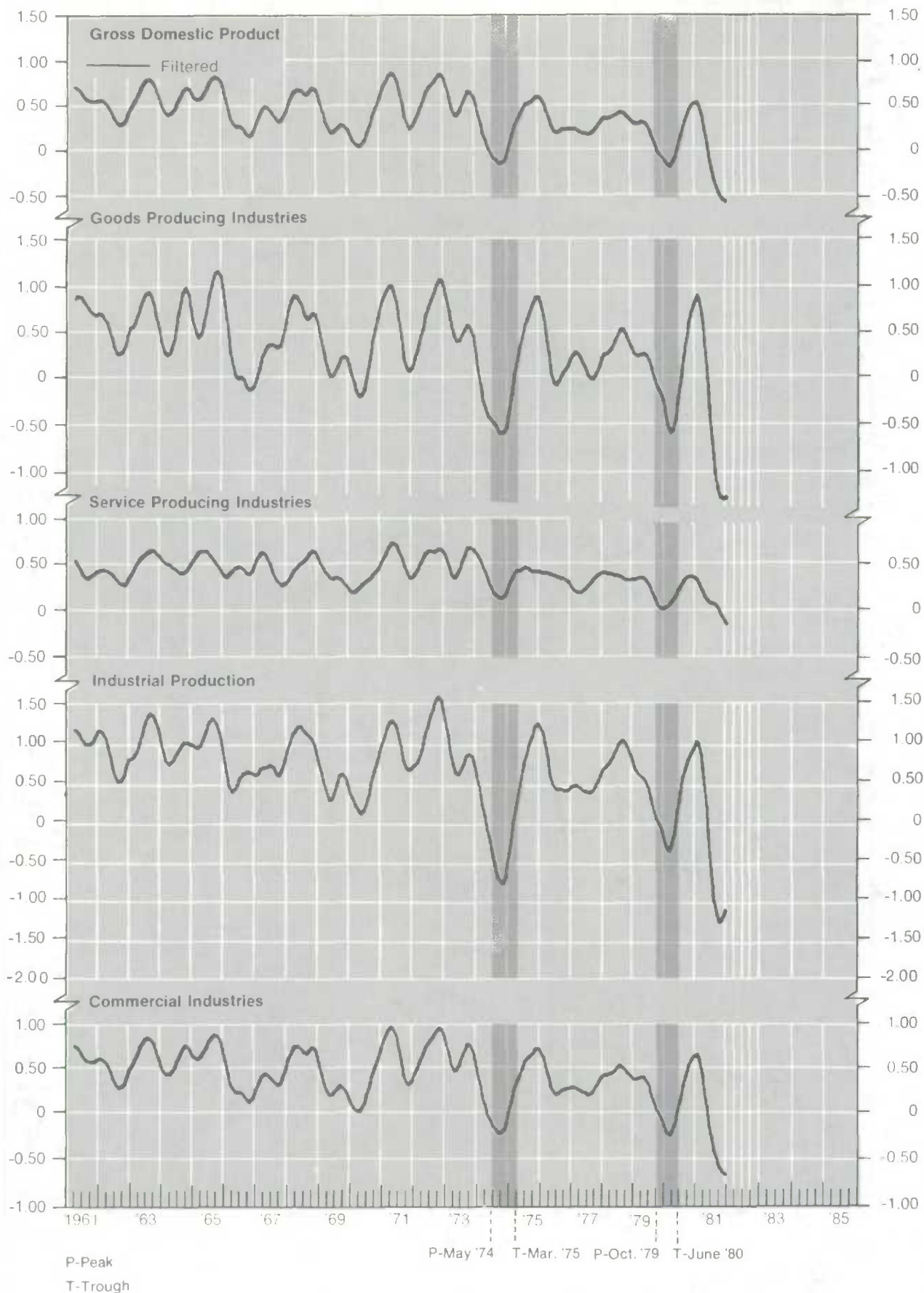
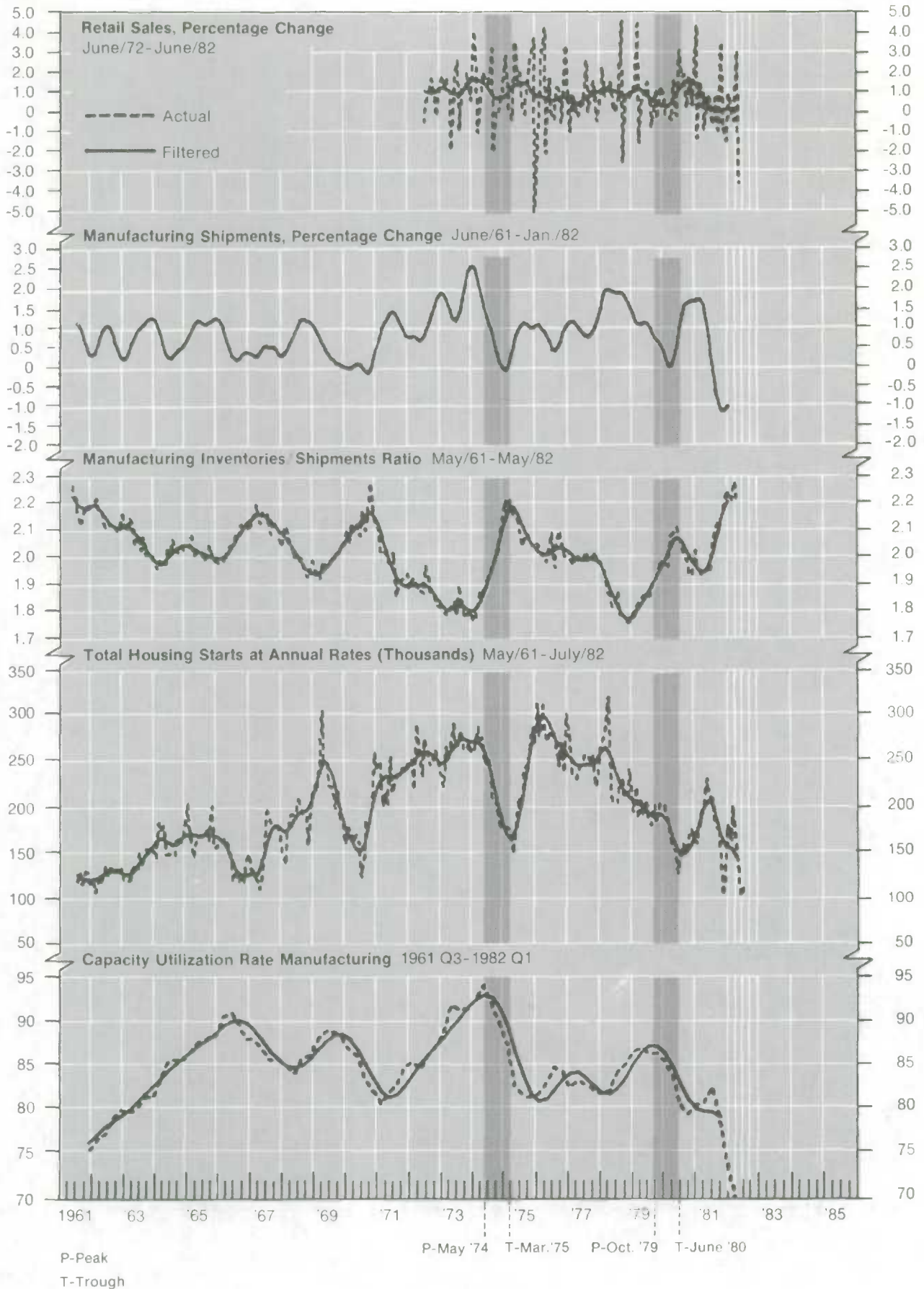




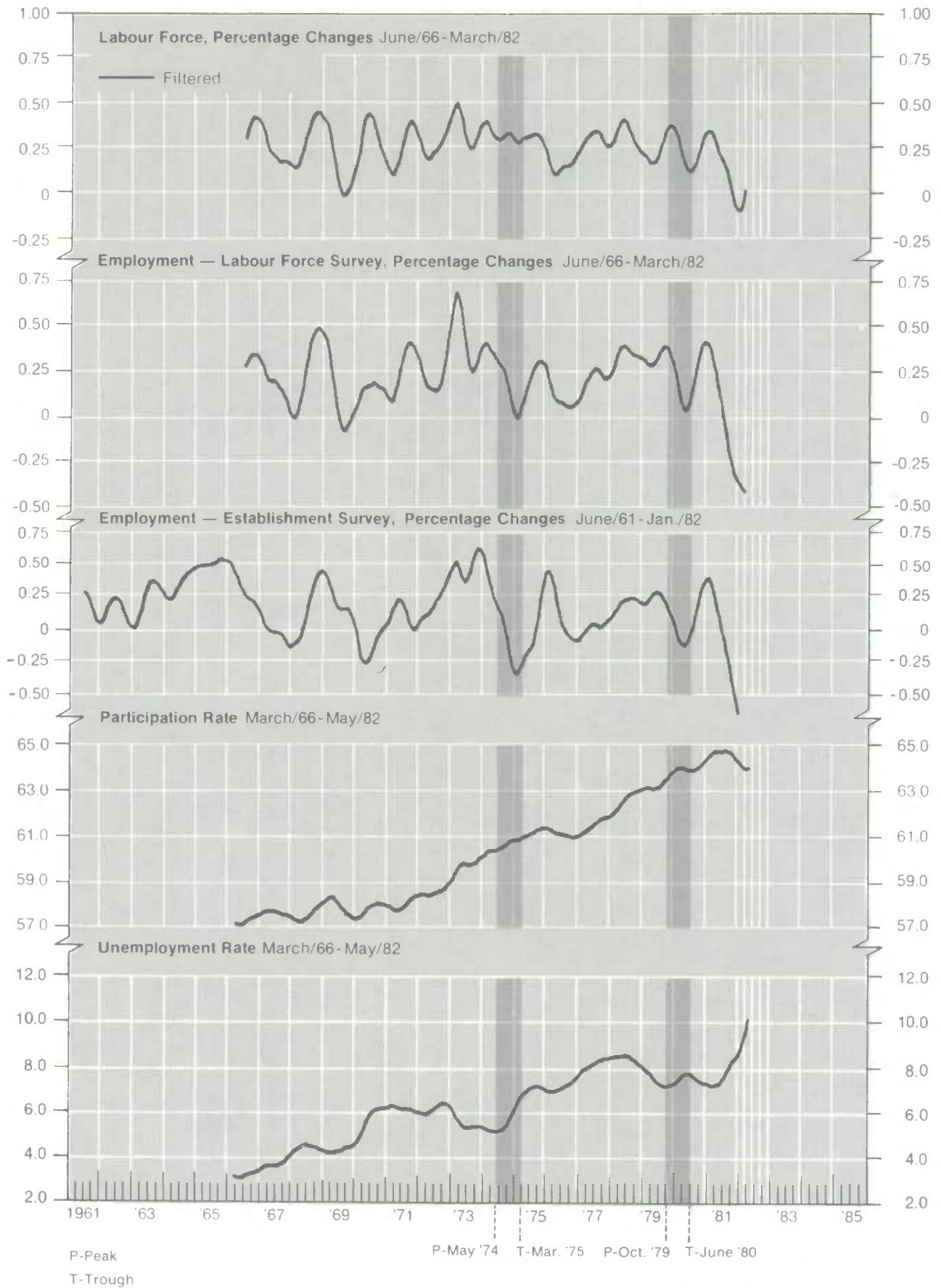
Chart — 4

**Demand Indicators**

(Seasonally Adjusted Figures)



**Chart — 5**  
**Labour Market**  
 (Seasonally Adjusted Figures)



**Chart — 6**  
**Prices and Costs**

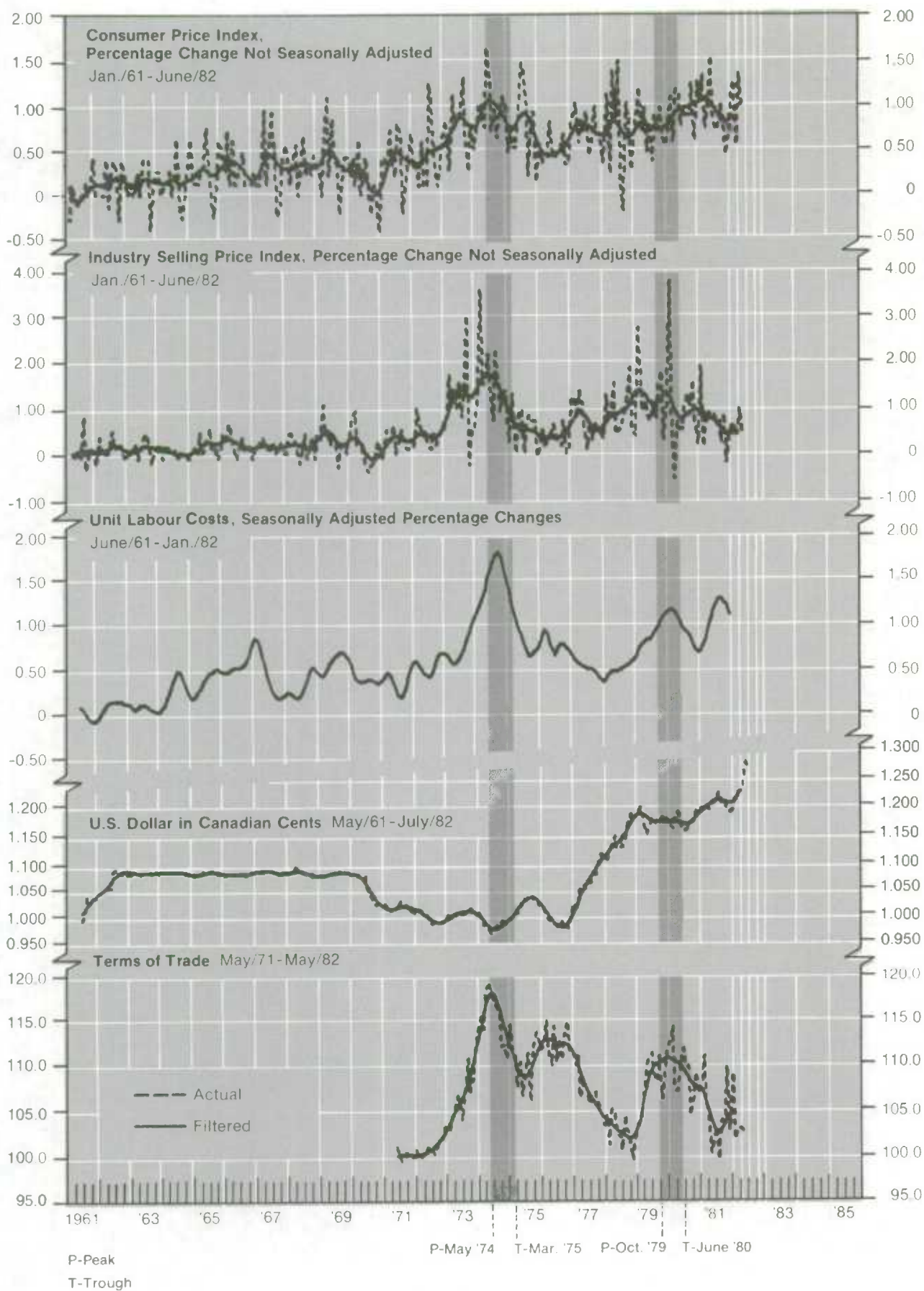




Chart — 7

**Gross National Expenditure, Implicit Price Indexes**

(Percentage Changes of Seasonally Adjusted Figures) 1961 Q2-1982 Q1

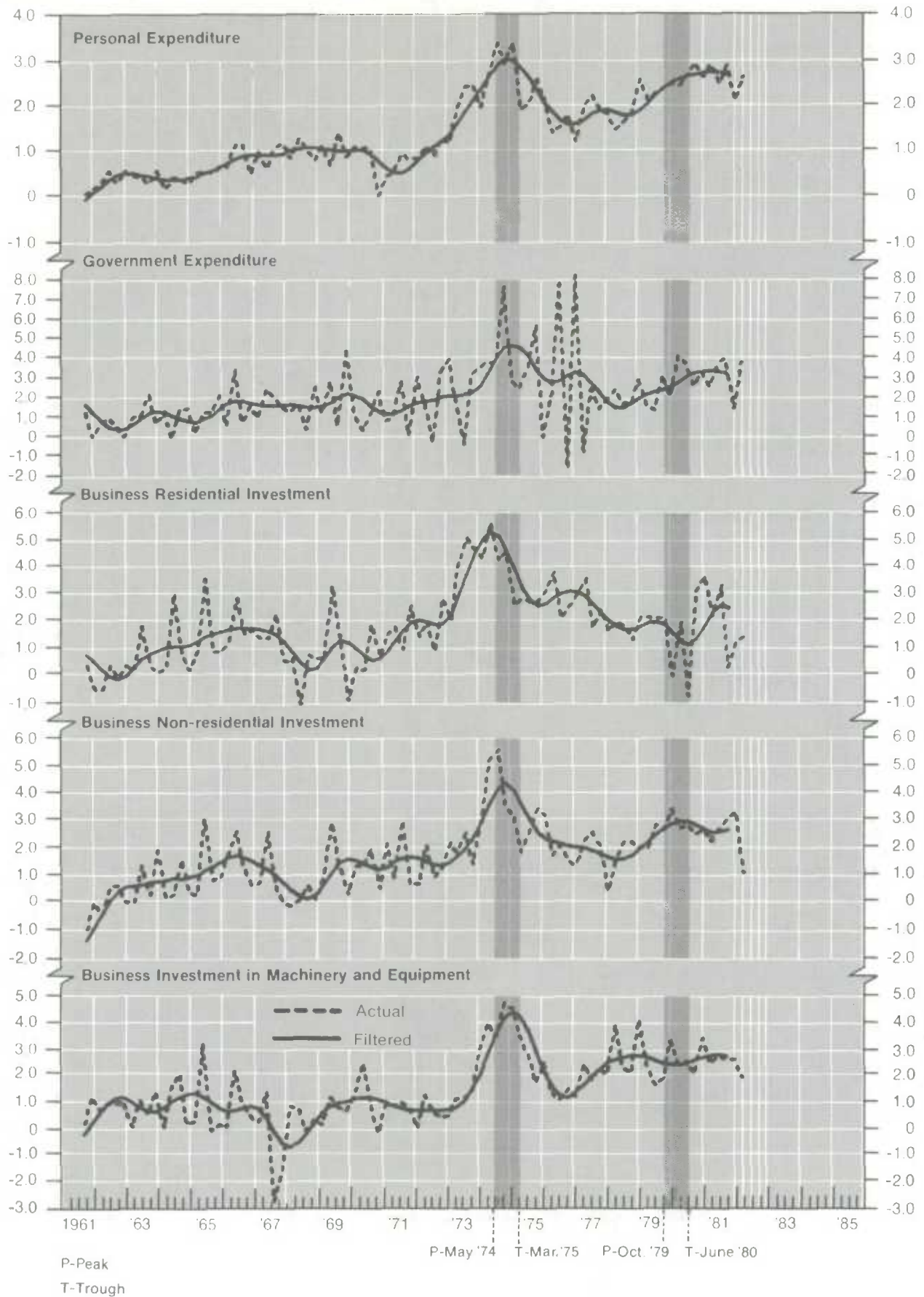


Chart — 8

**Gross National Expenditure, Implicit Price Indexes and National Income, Selected Components**

(Percentage Changes of Seasonally Adjusted Figures) 1961 Q2-1982 Q1

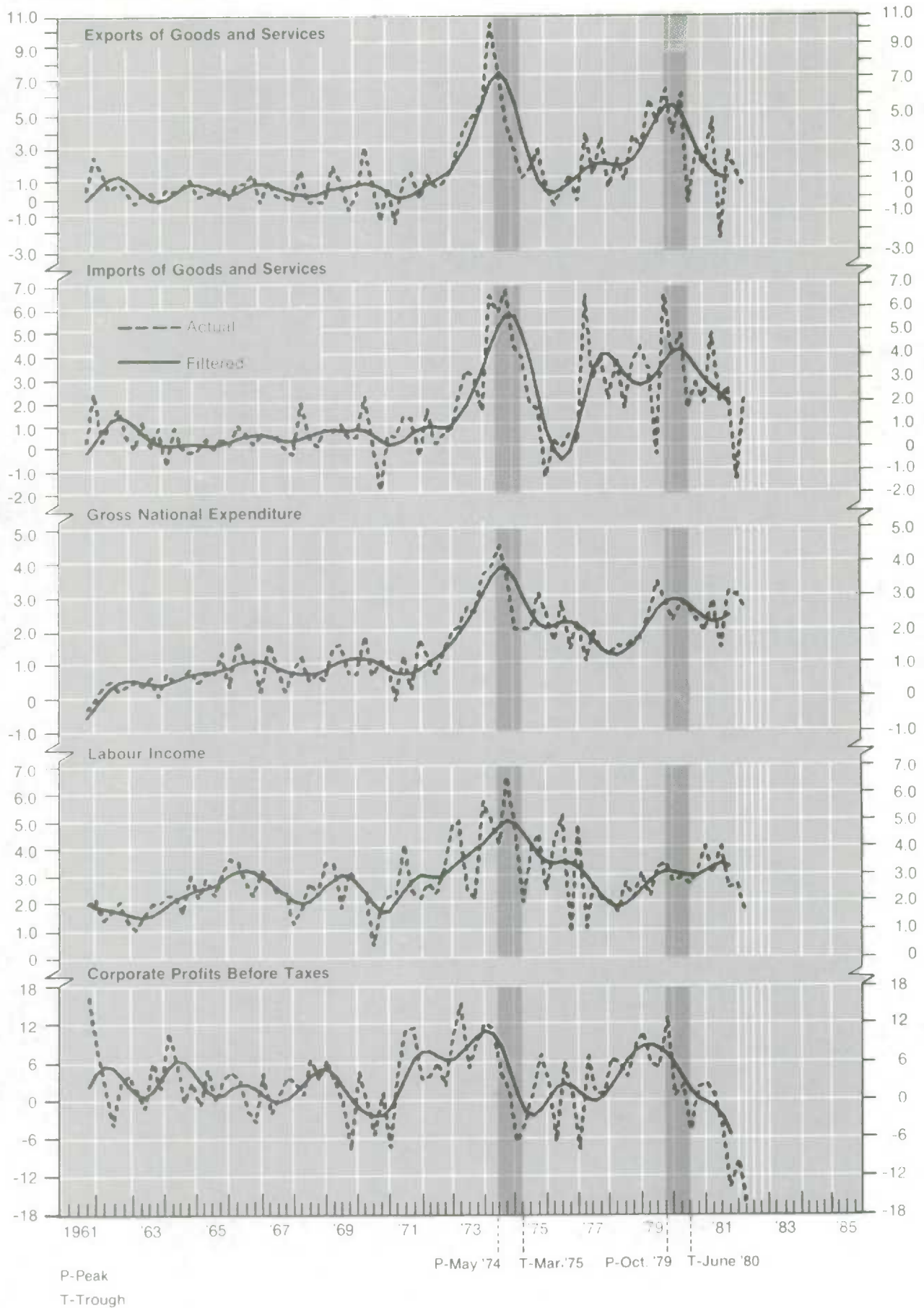
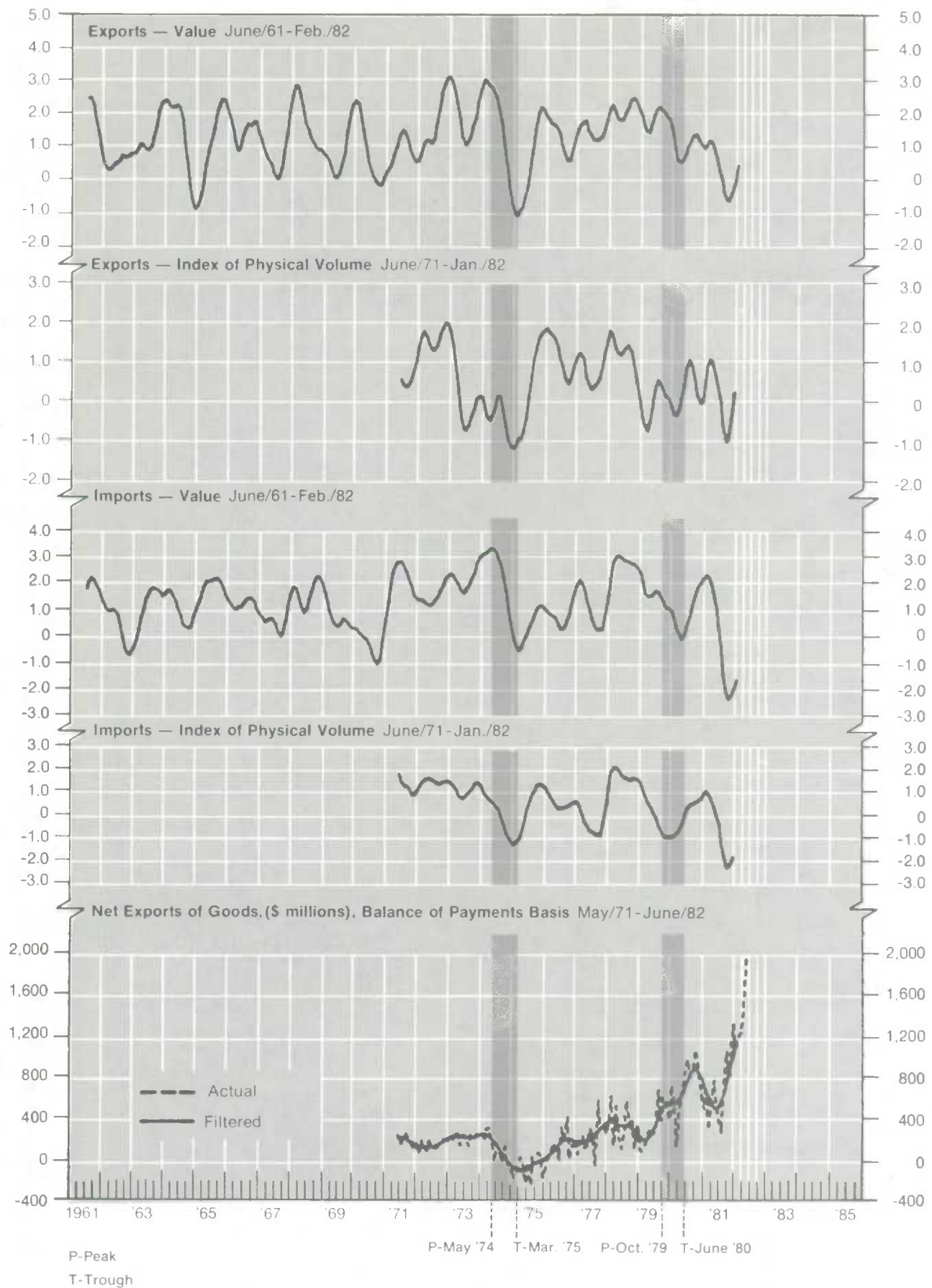


Chart — 9

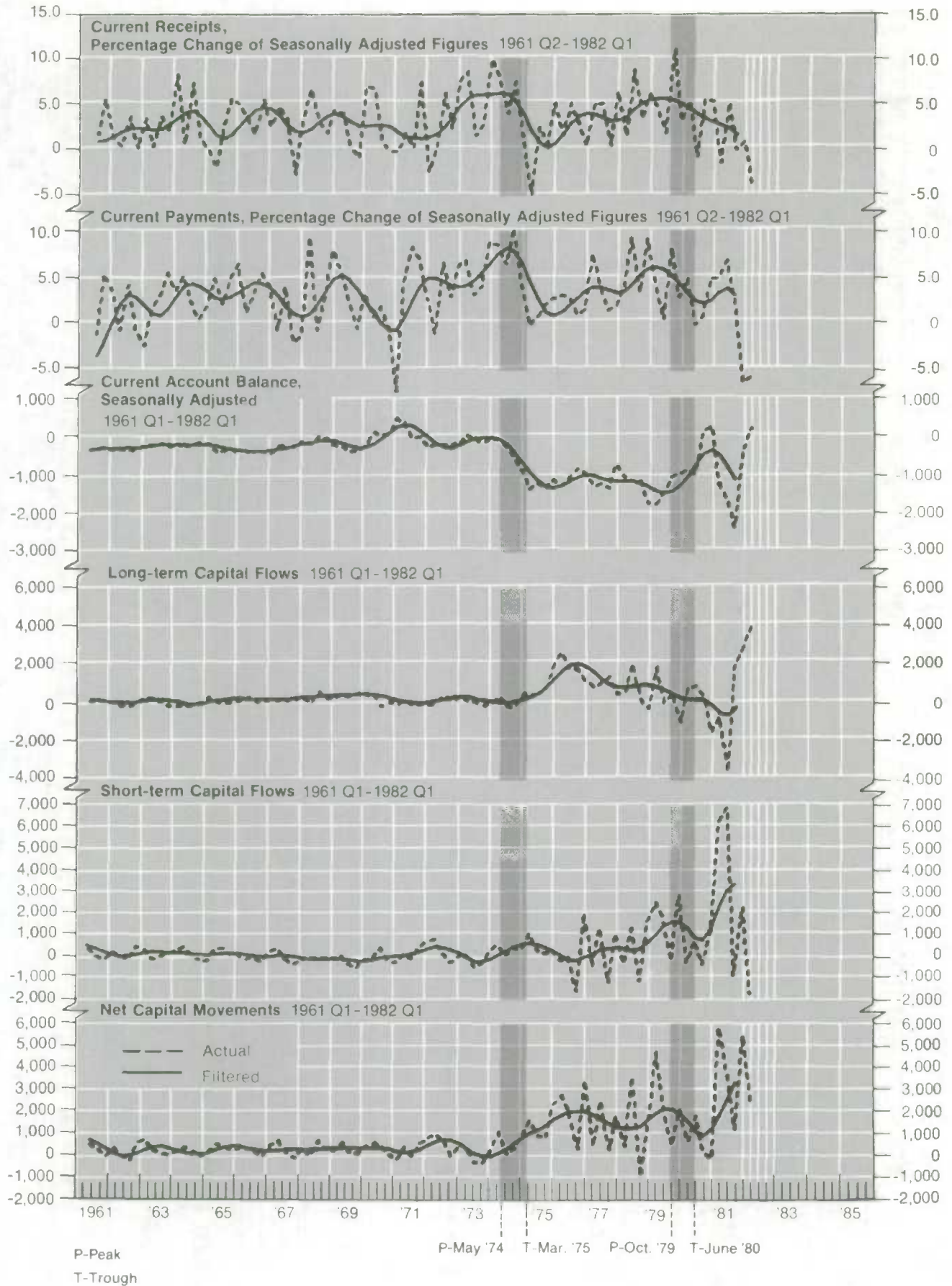
External Trade, Customs Basis

(Percentage Changes of Seasonally Adjusted Figures)

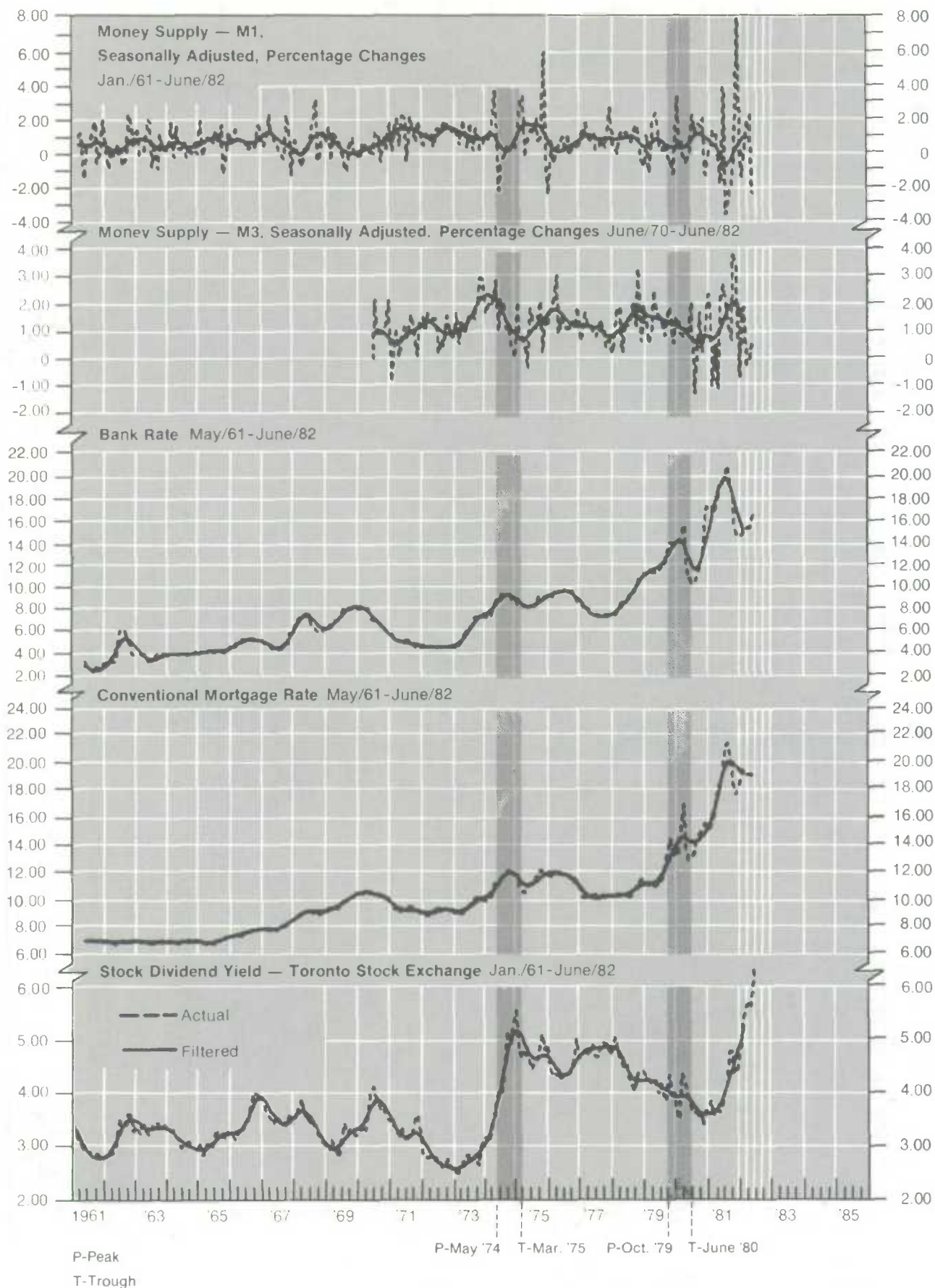




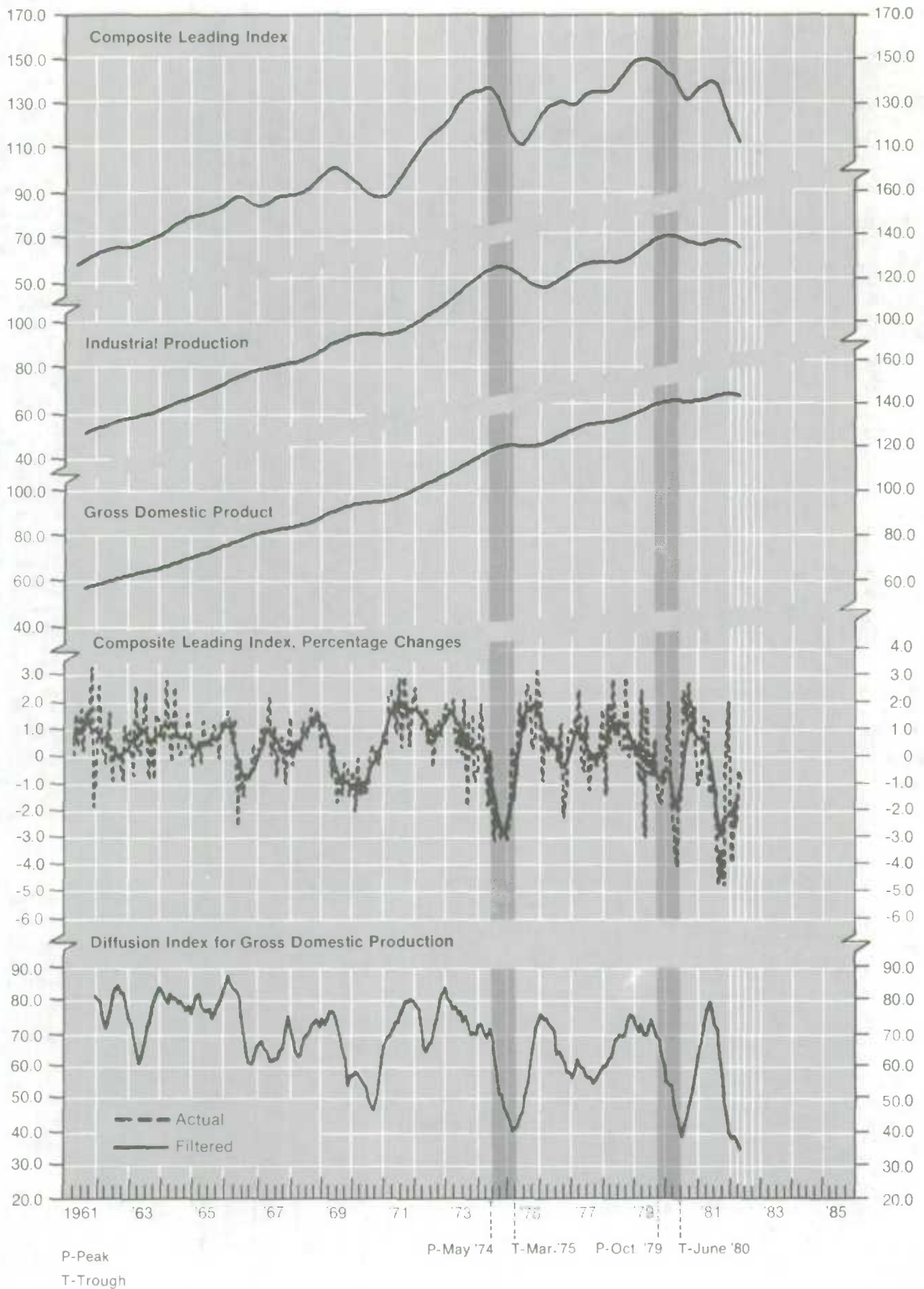
**Chart — 10**  
**Canadian Balance of International Payments**  
(Millions of dollars)



**Chart — 11**  
**Financial Indicators**



**Chart — 12**  
**Canadian Leading and Coincident Indicators Jan./'61-May/'82**





SUPPLEMENT TO THE JULY-SEPTEMBER, 1986,  
ISSUE OF CONSUMER PRICES AND PRICE INDEXES

SUPPLEMENT AU NUMÉRO DE JUILLET-SEPTEMBRE, 1986,  
DE PRIX À LA CONSOMMATION ET INDICES DES PRIX

CPI "REGULATED" PRICES  
by K. Hannett and J. Degan\*

PRIX "RÉGLEMENTÉS" DE L'IPC  
par K. Hannett et J. Degan\*

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\* Keith Hannett is the Head of the Development and Analysis Unit of Prices Division and John Degan is a Statistical Officer in the Unit. They can be contacted at (613)-993-4776/7. This project was carried out under the general guidance of B.J. Slater, the Director of Prices Division. The authors would like to thank their colleagues (in Prices Division, in Industry Measures and Analysis Division, and in International and Financial Economics Division) for their assistance in the preparation of this study. In particular, we would like to thank K. Purcell, for her preparation of much of the research material we used, and K. Wilson (the author of an earlier study, upon which this one is based), for her review of our findings.

---

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## TABLE OF CONTENTS

	Page
Charts	3
Summary	4
Introduction	5
Background	5
Improvements of Current Study Over Previous Study	6
Analysis of Filtered Data	6
Methodology and Data	8
a) Study Period and Coverage	8
b) A Sorting Exercise	8
c) Categorization of Government Actions and Allocation of Commodities	9
d) Possible Use of High Taxes as One Criterion for Allocation	11
e) Basket Adjustments and Other Methodological Considerations	11
f) Deregulation	13
g) Weights	14
h) Price Indexes	15
Future Developments	16
<b>Appendix</b>	
A. CPI Components Identified as Regulated in the Original Statistics Canada Study	17
B. Categorization of Government Actions as They Affect Consumer Prices	18
C. Provincial Regulation of Rent	20
D. Provincial Regulation of University Tuition Fees	23
<b>Table</b>	
1. Weights for CPI "Regulated" Prices	25
2. CPI "Regulated" Prices	27
3. "Approved Prices"	30

## TABLE DES MATIÈRES

	Page
Graphiques	3
Sommaire	4
Introduction	5
Historique	5
Améliorations de la présente étude par rapport à l'étude précédente	6
Analyse des données filtrées	6
Méthodologie et données	8
a) Période à l'étude et champ d'observation	8
b) Exercice de classement	8
c) Catégorisation des interventions de l'État et répartition des produits	9
d) Possibilité de considérer des taxes élevées comme critère de détermination	11
e) Ajustements du panier et autres considérations méthodologiques	11
f) Déréglementation	13
g) Pondérations	14
h) Indices des prix	15
Développements à venir	16
<b>Annexe</b>	
A. Composantes de l'IPC considérées comme réglementées dans l'étude originale de Statistique Canada	17
B. Catégorisation des interventions de l'État influant sur les prix à la consommation	18
C. Réglementation du loyer par les provinces	20
D. Réglementation, par les provinces, des frais de scolarité universitaires	23
<b>Tableau</b>	
1. Pondérations des prix "réglementés" de l'IPC	25
2. Prix "réglementés" de l'IPC	27
3. "Prix approuvés"	30

# CPI "Regulated" Prices - Filtered Monthly Percentage Changes Prix "réglementés" de l'IPC - Variations mensuelles filtrées en pourcentage

Chart 1

Graphique 1

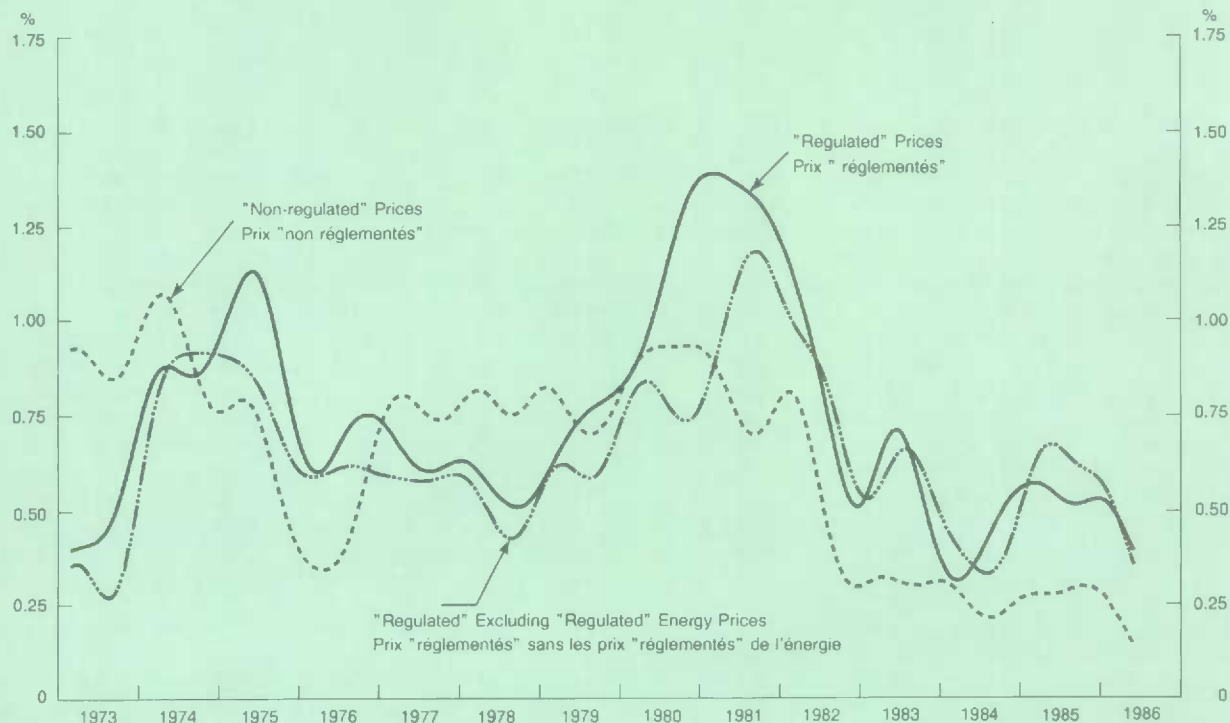
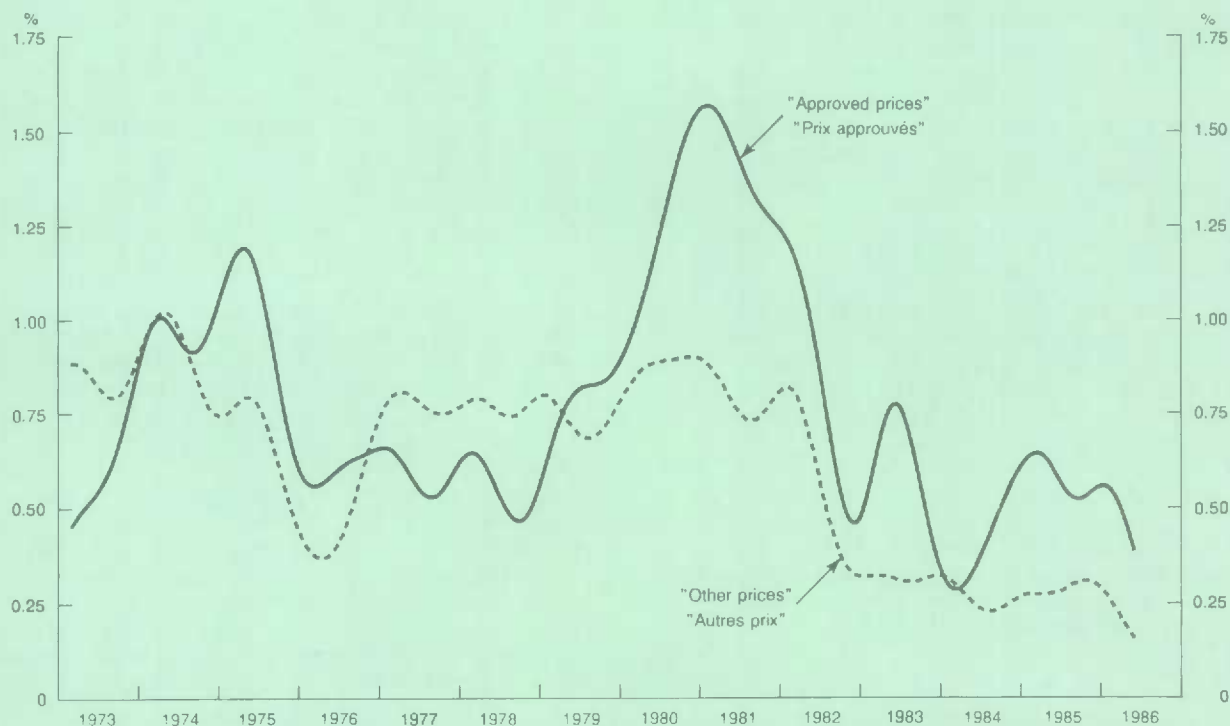


Chart 2

Graphique 2





## Summary

This study contains indexes and other information relating to CPI "Regulated" Prices. The different commodity indexes are sorted into either a regulated or a non-regulated category, and several special aggregates are provided, which give a variety of perspectives about regulated prices. Only five of the various categories of government actions that have an impact on the prices of the commodities covered by the CPI were selected as being "regulatory" in nature, and the commodities allocated to these five were grouped into a regulated sub-index. "Regulated" Prices thus essentially includes commodities whose price is reviewed by a government agency and commodities that have a portion of their price set by legislation.

The period covered by this study is from April 1973 (the month in which the 1967 basket was introduced into the CPI) to June 1986 (the most current month available at the time of completing the empirical sections of the study). It also incorporates an adaptation of CPI calculation methodology that allows for the differentiation of prices of commodities that are regulated in only some provinces and for varying periods. The indexes contained in the study are also affected by the recent government initiatives to deregulate parts of several industries; the effect of these initiatives on the calculation of regulated prices is discussed in some detail.

The weights applicable to each of the four CPI baskets that cover the more than fourteen years of the study period show the importance of the regulated commodities through time. Indexes for several different aggregates, which were constructed using these weights, are contained in the tables. Filtered data derived from these indexes show that the cyclical movement of regulated prices tends to lag that of non-regulated prices, and that regulated energy prices play a very large role in the price change for regulated commodities as a whole.

## Sommaire

La présente étude contient des indices et d'autres informations ayant trait aux Prix "réglementés" de l'IPC. Les différents indices des prix des produits sont classés soit dans la catégorie des prix réglementés ou dans celle des prix non réglementés. Plusieurs agrégats spéciaux sont fournis, lesquels montrent les prix réglementés sous divers angles. Seulement cinq des diverses catégories d'interventions de l'État qui influent sur les prix des produits pris en compte dans l'IPC ont été retenues comme étant des "mesures de réglementation", et les produits assignés à ces catégories ont été réunis dans un sous-indice de prix réglementés. Ainsi, les Prix "réglementés" ne concernent essentiellement que les produits dont le prix est approuvé par un organisme public et ceux dont le prix est fixé en partie aux termes d'un texte législatif.

La présente étude porte sur la période allant d'avril 1973, soit le mois au cours duquel le panier de 1967 a été introduit dans l'IPC, à juin 1986, qui est le mois le plus récent pour lequel des données étaient disponibles au moment de compléter la partie empirique de l'étude. Les auteurs ont adapté la méthode de calcul de l'IPC afin de différencier les prix des produits qui sont réglementés dans certaines provinces seulement et pour des périodes différentes. Les indices contenus dans cette étude sont également touchés par les interventions récentes de l'État visant à déréglementer en partie plusieurs branches d'activité. Les conséquences de ces interventions sur le calcul des prix réglementés sont présentées de façon relativement détaillée.

Les pondérations qui s'appliquent à chacun des quatre paniers de l'IPC portant sur les quatorze années et plus de la période à l'étude témoignent de l'importance des produits réglementés dans le temps. Les indices de plusieurs agrégats différents, calculés à l'aide de ces pondérations, figurent dans les tableaux. D'après les données filtrées obtenues à partir de ces indices, le mouvement cyclique des prix réglementés a tendance à suivre avec décalage celui des prix non réglementés, d'une part, et les prix réglementés de l'énergie jouent un rôle très important dans la variation des prix réglementés des produits dans leur ensemble, d'autre part.

## Introduction

There is widespread interest in the impact of government actions on the CPI. This study was undertaken to provide some information and data about this issue. An objective was to establish a list of government actions, based upon which certain commodity price indexes were selected as being "regulated". Using this selection, the findings of an earlier study done in Statistics Canada were updated and expanded. The methodologies employed to do this enabled the calculation of several new special analytical CPIs.

## Background

In October 1982, Statistics Canada released a study<sup>1</sup> based on a selection of the components of the Consumer Price Index whose prices must be approved by government agencies or are largely determined by legislation, as well as goods provided by government-owned enterprises and prices that represent a tax or payment for a government service. In it, the components listed in Appendix A of this current study were identified as being regulated. It was noted in the original study that many of these components could have been classified into more than one category of direct government influence on prices.

It was also noted in the original study that a "substantial proportion" of a given price had to be determined by government action in order for it to have been included in the selection. Some components which should have been included, given that definition, were omitted, however, because of data aggregation problems due to their being regulated only in some provinces and for varying periods. Rent and tuition fees for post-secondary education courses were listed as examples of such components. The author also would have liked to have been able to separate out the portion of prices determined solely by market forces from the portions determined by federal and provincial taxes. In this respect, it was noted that sales taxes should have been included in the study.

<sup>1</sup> "The Behaviour of Regulated Prices in the Consumer Price Index", Current Economic Analysis, Catalogue No. 13-004, August 1982. This study was later updated, in July 1985.

## Introduction

Les répercussions des interventions de l'État sur l'IPC suscitent un grand intérêt. La présente étude a pour objet de renseigner sur cette question. Un des objectifs de l'étude a été l'élaboration d'une liste des interventions de l'État, sur laquelle les indices des prix de certains produits ont été sélectionnés en tant que "réglementés". À l'aide de cette sélection, les résultats d'une étude précédente réalisée à Statistique Canada ont pu être mis à jour et approfondis. Les méthodes utilisées ont permis de calculer plusieurs nouveaux IPC analytiques spéciaux.

## Historique

En octobre 1982, Statistique Canada publiait une étude<sup>1</sup> fondée sur certaines composantes de l'IPC dont les prix doivent être approuvés par des organismes publics ou sont fixés dans une grande mesure aux termes d'un texte législatif, sur des biens produits par des entreprises de l'État ainsi que sur des prix représentant une taxe ou un paiement contre la prestation d'un service public. Dans cette étude, les prix des composantes énumérées à l'annexe A de la présente étude étaient considérés comme réglementés. On y faisait remarquer qu'un bon nombre de celles-ci auraient pu être classées dans plus d'une catégorie d'interventions directes de l'État sur les prix.

Il est également souligné dans l'étude originale qu'une "part substantielle" d'un prix donné devait être fixée par suite d'une intervention de l'État pour que ce prix soit retenu. Toutefois, certaines composantes qui auraient dû être sélectionnées suivant cette définition ont été laissées de côté en raison des problèmes que posait l'agrégation des données. En effet, les prix de certaines composantes sont réglementés dans certaines provinces seulement et pour une période différente, par exemple, le loyer et les frais de scolarité des cours postsecondaires. L'auteur de l'étude originale aurait également aimé pouvoir distinguer la part des prix fixée uniquement par les forces du marché et celle attribuable aux taxes fédérales et provinciales. À cet égard, elle fait remarquer qu'elle aurait dû prendre en compte les taxes de vente dans son étude.

<sup>1</sup> "Le comportement des prix réglementés dans l'Indice des prix à la consommation", La conjoncture économique, n° 13-004 au catalogue, août 1982. Cette étude a été par la suite, mise à jour, en juillet 1985.

### Improvements of Current Study Over Previous Study

The specific selection of CPI components contained in the original study was reviewed. As well, the possible inclusion of other commodities was examined. Of the CPI commodities affected by government actions, Rent and Post-secondary education courses were added to the list of regulated prices.

This study also addresses the issue of the deregulation of consumer commodity prices. Using its definition of regulation, commodities are removed from the regulated grouping when their prices are no longer subject to government price-setting. Recent government initiatives in this regard have affected several CPI commodities.

In addition, this study employs a methodology that permits the commodity content of aggregates to be changed. Some commodities, such as Rent, are only regulated in certain provinces and for particular time periods. This technique also allows for changes in the commodity content to be incorporated in the month in which they occur.

### Analysis of Filtered Data

In the original study, the monthly percentage changes of the aggregates were smoothed by an autoregressive-moving average filter,<sup>2</sup> in order to isolate the cyclical behaviour of the series. The same technique has been applied in this study, and the results are presented in the charts on page 3. This analysis focuses on the filtered monthly percentage changes, as it can be misleading to try and attribute index level differences to government regulations. This is because the study examines the behaviour of specific regulated price aggregates within the CPI, and is not a study of the effects of regulation *per se* on the level of the CPI.

### Améliorations de la présente étude par rapport à l'étude précédente

La sélection spécifique des composantes de l'IPC contenues dans l'étude originale a été révisée. La possibilité d'inclure d'autres produits a également été étudiée. Parmi les produits pris en compte dans l'IPC touchés par les interventions de l'État, le Loyer et les Frais de scolarité des cours postsecondaires ont été ajoutés à la liste des prix réglementés.

La présente étude aborde également la question de la déréglementation des prix des produits de la consommation. À partir de la même définition de réglementation, les produits dont le prix n'est plus fixé par l'État sont retirés de l'agrégat réglementé. Les interventions récentes de l'État à cet égard ont touché plusieurs produits pris en compte dans l'IPC.

De plus, la méthodologie employée dans le cadre de la présente étude permet la modification du contenu en produits des agrégats. Certains prix, par exemple, le Loyer, sont réglementés dans certaines provinces seulement et pour des périodes particulières. La méthodologie retenue permet également de prendre en compte les variations du contenu des agrégats pour le mois au cours duquel elles surviennent.

### Analyse des données filtrées

Dans l'étude originale, l'auteure lisse les variations mensuelles en pourcentage des agrégats à l'aide d'un filtre autorégressif à moyenne mobile<sup>2</sup> afin d'isoler le comportement cyclique des séries. La même méthode est utilisée dans la présente étude. Les résultats sont présentés dans les graphiques de la page 3. La présente analyse porte essentiellement sur les variations mensuelles en pourcentage filtrées puisqu'il pourrait être trompeur d'attribuer à la réglementation les écarts relevés dans le niveau de l'IPC. C'est pourquoi la présente étude s'attache au comportement d'agrégats précis de prix réglementés dans l'IPC et n'est pas une étude des effets de la réglementation *en soi* sur le niveau de l'IPC.

<sup>2</sup> See "Converting Timeliness into Reliability in Economic Time Series or Minimum Phase-shift Filtering of Economic Time Series" by Darryl Rhoades, Canadian Statistical Review, February 1980.

<sup>2</sup> Voir "La conversion de l'actualité en fiabilité des séries chronologiques occasionnant un déphasage minimum", par Darryl Rhoades, Revue Statistique du Canada, février 1980.



As in the earlier study and its updating, Chart 1 shows that the cyclical movement of regulated prices tends to lag that of non-regulated prices. The decline in the rate of monthly price changes in reaction to the 1974-75 recession began in mid-1974 for non-regulated prices, but not until about a year later for regulated prices. The reaction in non-regulated prices to the 1980 and 1981 recessions began with a deceleration in the rate of monthly price changes in mid-1980, whereas regulated prices dropped from their peak rate of increase in early 1981. Throughout the period covered by this study, the magnitude of the filtered monthly percentage changes tended to be larger for regulated prices, with the peak in these changes at the beginning of 1981 at a much higher level than the mid-1980 peak for non-regulated prices.

Chart 1 also shows that the removal of regulated energy prices from the other regulated prices does not alter the cyclical movement of these prices - compared to that of non-regulated prices, they continue to lag, although there are some differences in the timing of peaks and troughs. The pattern of filtered monthly price changes for regulated prices excluding regulated energy is similar to that for all regulated prices, but the first peak was reached earlier (in late 1974); the second peak, later (in late 1981); and the magnitude of the changes was less, except for the fluctuations since 1983. As well, the reaction of regulated prices excluding regulated energy to the 1974-75 and the 1980 and 1981 recessions was similar to that of all regulated prices, except for timing differences.

Chart 2 shows that the cyclical movement of a sub-index of regulated prices - those that are government approved or legislated - is very similar to that of regulated prices, with only relatively small differences in magnitude and timing. It also shows that movements in approved prices tend to lag those of other prices (other prices consists of the remaining regulated prices as well as the non-regulated prices). For the period under review, peaks and troughs for approved and for other prices are reached slightly earlier than those for regulated and non-regulated prices, respectively. As well, the magnitude of the filtered monthly percentage changes for approved prices was greater than that of regulated prices.

Comme l'illustraient l'étude originale de même que la mise à jour qui en a été faite, le graphique 1 de la présente étude montre que le mouvement cyclique des prix réglementés a tendance à suivre avec décalage celui des prix non réglementés. La baisse du taux de variation mensuel des prix observée par suite de la récession de 1974-1975 a débuté au milieu 1974 pour les prix non réglementés, mais environ un an plus tard seulement en ce qui concerne les prix réglementés. Le taux de variation mensuel des prix non réglementés a commencé à décélérer au milieu de 1980 en raison des récessions de 1980 et de 1981, tandis que le taux de variation mensuel des prix réglementés chutait au début de 1981 de son point culminant. Tout au long de la période à l'étude, les variations mensuelles en pourcentage filtrées des prix réglementés ont eu tendance à être plus élevés que celles des prix non réglementés. Les premières ont atteint au début de 1981 un sommet nettement plus élevé que celui enregistré au milieu de 1980 au regard des deuxièmes.

D'après le graphique 1, le retrait des prix réglementés de l'énergie des autres prix réglementés ne modifie pas le mouvement cyclique de ces derniers, qui continue de suivre avec décalage celui des prix non réglementés, bien qu'il y ait quelques différences en ce qui a trait aux moments où se produisent les sommets et les creux. Le comportement des variations mensuelles filtrées des prix réglementés sans les prix réglementés de l'énergie est semblable à celle pour tous les prix réglementés, sauf que le premier sommet a été atteint plus tôt (fin 1974), le deuxième plus tard (fin 1981), et que l'importance des variations a été moindre, à l'exception des fluctuations observées depuis 1983. De plus, les prix réglementés sans les prix réglementés de l'énergie ont réagi aux récessions de 1974-1975, 1980 et 1981 de la même façon que l'ensemble des prix réglementés, sauf que la réaction s'est fait sentir à des périodes différentes.

Le graphique 2 montre que le mouvement cyclique d'un sous-indice de prix réglementés, c'est-à-dire les prix qui sont approuvés par l'État ou qui sont fixés aux termes d'un texte législatif, est très semblable à celui des prix réglementés, et présente des différences relativement mineures quant à son ampleur et à la période au cours de laquelle il se produit. Le graphique 2 montre également que les mouvements des prix approuvés ont tendance à suivre avec décalage ceux des autres prix (les autres prix étant les autres prix réglementés de même que les prix non réglementés). Pour la période à l'étude, les prix approuvés et autres atteignent leurs sommets et leurs creux un peu plus tôt que les prix réglementés et les prix non réglementés. En outre, l'ampleur des variations mensuelles en pourcentage filtrées des prix approuvés a été supérieure à celle des variations mensuelles en pourcentage filtrées des prix réglementés.

## **Methodology and Data**

### **a) Study Period and Coverage**

This study contains a variety of price indexes, at the Canada level, for the April 1973-June 1986 period.<sup>3</sup> In addition to the commodities that were included in the original study, this study also includes in its coverage, where appropriate, rent and tuition fees for post-secondary education courses. Research revealed that the regulation affecting the prices of both of these commodities varies across the country and through time; it was therefore necessary to decide which government actions could be categorized as regulatory, as opposed to actions that are unrelated to the approval of prices. A summary of these findings is contained in Appendixes C and D.

### **b) A Sorting Exercise**

A complete separation of the elements of consumer prices determined by market forces from those elements that are affected by government actions would require an enormous amount of information and data that is not now available. As well, a determination of appropriate methodologies for the complex calculations would be required. There would also have to be some way of ascertaining the impact of the numerous categories of government actions (taxes, subsidies, quotas, etc.) on each of the prices that are included in the CPI. It would also be necessary to monitor, and adjust for, the frequent and often detailed changes that take place in the various government actions. Currently, therefore, it is not possible to separate from each final consumer price the amount associated with each government action that affected it.

At this time it is only feasible to continue to sort the commodity indexes into different groups. The original study was based on a separation of CPI commodities into either the regulated or non-regulated group. This current study continues to use this separation, but the term "regulated" refers to a certain selection of specified government actions that affect consumer prices. Because it is not possible, however, to isolate the elements of a given commodity price, all of the market and government impacts are allocated in total to either the regulated or non-regulated group.

<sup>3</sup> This study thus includes the impact of the Anti-Inflation Board measures from mid-October 1975 to April 1978 and of the "6 and 5" restraint programme in 1982-83 and 1983-84.

## **Méthodologie et données**

### **a) Période à l'étude et champ d'observation**

La présente étude contient divers indices de prix, à l'échelle du Canada, se rapportant à la période allant d'avril 1973 à juin 1986.<sup>3</sup> Outre les produits visés par l'étude originale, elle porte également sur les loyers et les frais de scolarité des cours postsecondaires. Les recherches ont permis d'établir que la réglementation des loyers et des frais de scolarité varie à travers le pays et dans le temps. Par conséquent, il a fallu déterminer quelles interventions de l'État peuvent être considérées comme étant des mesures de réglementation par rapport à celles qui ne sont pas reliées à l'approbation de prix. Le sommaire des résultats figure aux annexes C et D.

### **b) Exercice de classement**

Pour distinguer complètement la part des prix à la consommation attribuable aux forces du marché de celle qui fait suite aux interventions de l'État, il faudrait disposer d'une vaste quantité d'informations et de données qui ne sont pas disponibles pour le moment. En outre, il y aurait lieu de déterminer les méthodes permettant de procéder aux calculs complexes requis et de préciser d'une façon quelconque les répercussions des nombreux types d'interventions de l'État (taxes, subventions, contingents, etc.) sur chacun des prix pris en compte dans l'IPC. Il faudrait également surveiller les modifications fréquentes et souvent détaillées que l'État apporte dans ses interventions et faire les ajustements qui s'imposent. Par conséquent, il n'est pas possible pour le moment de déterminer dans chaque prix final à la consommation la part attribuable à chaque intervention de l'État.

À l'heure actuelle, on ne peut que continuer à classer les indices des produits dans différents groupes. L'étude originale était fondée sur le groupement des produits de l'IPC soit dans l'agrégat réglementé ou dans l'agrégat non réglementé. Dans le cadre de la présente étude, cette distinction est maintenue mais le terme "réglementé" se réfère à un groupe d'interventions précises de l'État touchant les prix à la consommation. Or, comme il est impossible de ventiler les composantes du prix d'un produit donné, tous les effets dus aux forces du marché et aux interventions de l'État sont attribués soit uniquement à l'agrégat réglementé, soit uniquement à l'agrégat non réglementé.

<sup>3</sup> La présente étude porte donc aussi sur les répercussions des mesures que la Commission de lutte contre l'inflation a prises de la mi-octobre 1975 à avril 1978 ainsi que des restrictions imposées en 1982-1983 et 1983-1984 dans le cadre du programme des "6% et 5%".

### c) Categorization of Government Actions and Allocation of Commodities

In order to make a selection of commodities that can be referred to as regulated, it is first necessary to determine what government actions affect the CPI. In this regard, Appendix B contains our categorization of government actions that have an impact on the price of the commodities covered by the CPI. Only five of the government actions were selected for this study, because they were considered to be "regulatory" in nature. The CPI commodities<sup>4</sup> affected by these actions are as follows:

- a) Government agencies that approve prices  
(See No. 12 of Appendix B.)  
Fresh or frozen chicken  
Fresh or frozen turkey  
Dairy products and eggs  
Rent  
Communications  
Public transportation  
Cablevision  
Post-secondary education courses  
Tobacco products and alcoholic beverages
- b) Legislation of prices<sup>5</sup> (See No. 5 of Appendix B.)  
Fuel oil and other liquid fuel  
Piped gas  
Gasoline (including diesel fuel) for operation of automotive vehicles  
Fuel for operation of recreation vehicles
- c) Products of government-owned enterprises that are not in active competition with private enterprises (See No. 11 of Appendix B.)  
Water  
Electricity
- d) Property taxes (See No. 1.K. of Appendix B.)
- e) Provincial licence and registration fees  
(See No. 2 of Appendix B.)  
Drivers' licences for automotive vehicles  
Registration fees for automotive vehicles

### c) Catégorisation des interventions de l'État et répartition des produits

Afin de sélectionner les produits dont le prix peut être considéré comme réglementé, il faut d'abord déterminer les interventions de l'État qui influent sur l'IPC. (L'annexe B présente notre catégorisation des interventions de l'État qui influent sur le prix des produits pris en compte dans l'IPC.) Seulement cinq de ces interventions ont été retenues aux fins de la présente étude parce qu'elles étaient considérées comme des "mesures de réglementation". Suivent les produits<sup>4</sup> de l'IPC touchés par ces interventions:

- a) Organismes publics qui approuvent les prix (voir point n° 12 de l'annexe B.)  
Poulet frais ou congelé  
Dinde fraîche ou congelée  
Produits laitiers et oeufs  
Loyer  
Communications  
Transport public  
Télédistribution  
Enseignement postsecondaire  
Produits du tabac et boissons alcoolisées
- b) Prix fixés aux termes d'un texte législatif<sup>5</sup>  
(voir point n° 5 de l'annexe B.)  
Mazout et autres combustibles liquides  
Gaz naturel  
Essence (y compris le carburant diesel) pour utilisation de véhicules automobiles  
Carburant pour véhicules de loisirs
- c) Produits des entreprises de l'État qui ne concurrencent pas de façon active les entreprises privées (voir point n° 11 de l'annexe B.)  
Eau  
Électricité
- d) Impôts fonciers (voir point n° 1.K. de l'annexe B.)
- e) Frais provinciaux de permis et d'immatriculation (voir point n° 2 de l'annexe B.)  
Permis de conduire pour véhicules automobiles  
  
Frais d'immatriculation de véhicules automobiles

<sup>4</sup> The terminology for these commodities is that used for the 1982 basket of goods and services covered by the CPI.

<sup>5</sup> Legislation, for this study, refers to those federal or provincial acts of parliament that set some part of the price of CPI commodities. The term does not refer to acts that empower government agencies to set prices through time, but only to prices that are embodied in legislation.

<sup>4</sup> La terminologie relative à ces produits est celle utilisée au regard du panier de 1982 de biens et services pris en compte dans l'IPC.

<sup>5</sup> Aux fins de la présente étude, il s'agit des lois fédérales ou provinciales qui fixent une partie du prix des produits de l'IPC, et non des lois en vertu desquelles des organismes publics peuvent établir des prix pour une période donnée.



The above allocation of CPI commodities was chosen from the various actions that affect a given commodity, with the emphasis on price-setting actions. If any part of the final selling price of a CPI commodity was subject to approval by a government agency (category a) or was determined by legislation (category b), it was considered to be regulated. Prices for the products of government-owned enterprises (category c) are regulated in the sense that the prices set for their products are not necessarily subject to restrictions or to review, but they are set by a government enterprise.

The commodities contained in category b) were included in the regulated aggregate in the original Statistics Canada study, mainly because of the impact of legislated agreements between the federal government and the producer provinces as to the wellhead price of domestic crude oil and natural gas. The legislation of prices for crude oil did not begin until September 1973; accordingly, the Fuel oil and Gasoline components of the CPI, for this study, have only been included in the regulated prices aggregates since that date. Legislated wellhead prices for natural gas did not come into effect until January 1975, but the Piped gas component continues to be categorized as regulated from April 1973, for reasons discussed in the "Deregulation" section of this study. Since the original study was released, the federal-provincial agreements have been discontinued; the effect on the relevant CPI commodities is also discussed in the "Deregulation" section.

The Public transportation component of the CPI was also included in the regulated aggregate contained in the original study, because the prices for these services were subject to approval by government agencies. There have also been some recent changes in this regard; as well, more are planned. These changes, and those for the wellhead prices, are often referred to as the deregulation of the transportation and energy industries, respectively. The ramifications of these and other government initiatives on the grouping of CPI commodities into a regulated aggregate are dealt with in more detail on pages 13 and 14.

Category d) of the government actions that are covered by this study consists of property taxes, which, unlike other taxes, are not added to market-determined prices. Provincial licence and registration fees constitute category e). They are sums paid to government for the receipt of permission to perform certain functions. Like property

La répartition de produits de l'IPC présentée ci-dessus a été faite en fonction des diverses interventions de l'État influant sur le prix d'un produit donné, surtout des interventions relatives à la fixation des prix. A été considéré comme réglementé le prix de vente final d'un produit de l'IPC qui doit être approuvé par un organisme public (catégorie a) ou qui est fixé aux termes d'un texte législatif (catégorie b). Le prix des produits des entreprises de l'État (catégorie c), même s'il ne fait pas nécessairement l'objet de restrictions ou de révisions, est considéré comme réglementé parce qu'il est fixé par une entreprise publique.

Les produits de la catégorie b) faisaient partie de l'agrégat réglementé dans l'étude originale de Statistique Canada en raison surtout de l'incidence des accords conclus entre l'administration fédérale et les provinces productrices concernant le prix du pétrole brut et du gaz naturel canadiens à la tête de puits. Le prix du pétrole brut n'a commencé à être fixé aux termes d'un texte législatif qu'en septembre 1973. Par conséquent, les composantes Mazout et Essence de l'IPC ne sont comprises, aux fins de la présente étude, dans les agrégats de prix réglementés qu'à partir de cette date. Le prix du gaz naturel à la tête de puits n'a été fixé aux termes d'un texte législatif qu'à partir de janvier 1975, mais la composante Gaz naturel continue d'être considérée comme réglementée à compter d'avril 1973 pour les raisons invoquées à la section de la présente étude portant sur la déréglementation. Les ententes fédérales-provinciales relatives à l'établissement des prix à la tête de puits ont pris fin depuis la publication de l'étude originale; la section portant sur la déréglementation traite également de l'effet sur les produits concernés de l'IPC.

La composante Transport public de l'IPC faisait également partie de l'agrégat réglementé dans l'étude originale parce que les prix de ces services devaient être approuvés par des organismes publics. Des modifications ont également été récemment apportées à ce sujet, et d'autres sont prévues. Ces modifications, ainsi que celles qui se rapportent aux prix à la tête de puits, sont souvent désignées comme la déréglementation des secteurs des transports et de l'énergie. Les pages 13 et 14 portent sur les répercussions de ces modifications et d'autres interventions de l'État sur le groupement des produits de l'IPC en un agrégat réglementé.

La catégorie d) des interventions de l'État visées par la présente étude se compose des impôts fonciers qui, contrairement à d'autres taxes, ne s'ajoutent pas aux prix fixés par les forces du marché. Les frais provinciaux de permis et d'immatriculation constituent la catégorie e). Il s'agit de montants payés à l'État contre la permission de remplir certaines fonctions. Le

taxes, their "price" consists of a payment only to government for the commodity, and falls within the definition of regulated prices used for this study.

#### d) Possible Use of High Taxes as One Criterion for Allocation

There is a certain appeal to the use of the existence of a high proportion of taxes in the final price of a commodity as a criterion for determining if a particular commodity is sufficiently affected to be termed "regulated". Although the final price of some CPI commodities does include a large proportion of federal and provincial taxes, the use of some proportion is not an easily applied criterion. On the one hand, it is difficult to determine what specific proportion would be used for screening purposes, especially considering the frequency of the changes to the tax shares of final prices. On the other hand, unless some proportion is established, almost all of the priced CPI commodities would be allocated to the regulated group, because they are taxed to some degree. It was decided, therefore, for this study, to concentrate on the price-setting actions of government.

#### e) Basket Adjustments and Other Methodological Considerations

In addition to the determination of the extent of regulation by province for rent and for tuition fees for post-secondary education courses, it was also necessary to ascertain appropriate calculation methodologies that would allow for the addition or deletion of CPIs for specific commodities in particular provinces coincident with changes in government regulation of these commodities. In Alberta, for example, rents were regulated from January 1976 to June 1980. For this period, the CPIs for urban centres in Alberta were included in the CPI Regulated aggregate. Prior to 1976 and from July 1980, the CPIs for these urban centres were included in the non-regulated aggregate. In order to do this, an adaptation of CPI calculation methodology was used, which allows for changes in the commodity content of a particular aggregate (i.e., differences in the basic groupings) during the life of a given CPI basket. The method is similar to that used to introduce new weights into the CPI,<sup>6</sup> except that the hybrid weights are

"prix" de cette permission, au même titre que les impôts fonciers, consiste en un paiement versé uniquement à l'État, et fait partie des prix réglementés définis aux fins de la présente étude.

#### d) Possibilité de considérer des taxes élevées comme critère de détermination

Pour déterminer si le prix d'un produit particulier est suffisamment touché pour être considéré "réglementé", on peut être tenté de retenir comme critère la proportion que constituent les taxes dans le prix final d'un produit. Bien que le prix final de certains produits pris en compte dans l'IPC comprenne effectivement une forte proportion de taxes fédérales et provinciales, il n'est pas facile d'utiliser une quelconque proportion comme critère. D'une part, il est difficile de déterminer quelle proportion exacte servirait aux fins de sélection, compte tenu surtout de la fréquence des variations de la part des taxes dans le prix final d'un produit. D'autre part, à moins de fixer une proportion donnée, les prix de presque tous les produits pris en compte dans l'IPC seraient considérés comme réglementés parce qu'ils comportent une certaine part de taxes. Par conséquent, il a été décidé de se concentrer sur les interventions de l'État visant à fixer les prix.

#### e) Ajustements du panier et autres considérations méthodologiques

En plus de déterminer dans quelle mesure les provinces réglementent les loyers et les frais de scolarité des cours postsecondaires, il a fallu établir les méthodes de calcul appropriées permettant d'ajouter ou de supprimer les indices des prix à la consommation de certains produits pour les provinces particulières suivant les changements de la réglementation de ces produits par l'État. Par exemple, l'Alberta a réglementé les loyers de janvier 1976 à juin 1980. Au regard de cette période, les indices des prix à la consommation pour les centres urbains de l'Alberta ont été inclus dans l'agrégat réglementé de l'IPC. Avant 1976 et à compter de juillet 1980, ces indices ont été inclus dans l'agrégat non réglementé de l'IPC. Pour ce faire, il a fallu adapter la méthode de calcul de l'IPC, pour permettre la modification du contenu d'un agrégat donné (c'est-à-dire, des différences dans les groupes de base) pendant la durée d'un panier de l'IPC. La méthode utilisée est semblable à celle qui sert à introduire de nouvelles pondérations dans l'IPC,<sup>6</sup> sauf que les pondérations hybrides sont calculées non seulement pour la période au cours de laquelle un nouveau panier est introduit

<sup>6</sup> See Section 3.1 of The Consumer Price Index Reference Paper, Updating Based on 1982 Expenditures, Statistics Canada, Catalogue No. 62-553, Occasional, February 1985.

<sup>6</sup> Voir section 3.1 de la publication intitulée Document de référence de l'indice des prix à la consommation, Mise à jour fondée sur les dépenses de 1982, n° 62-553 au catalogue de Statistique Canada, publication hors série, février 1985.

calculated for the period when a new basket is introduced (four baskets were introduced from April 1973 to June 1986), but also each time the contents of the group of regulated prices change (fourteen times during the study period) (see pages 14 and 15). Each of these periods is used as the new base period for the calculation of indexes, so that chain indexes can be produced.<sup>7</sup> These indexes are expressed in terms of April 1973=100, which was the base period of the original study, chosen because it was the month in which the 1967 basket was introduced into the CPI. The indexes were not extended back further in time because of constraints on the availability of data.

The existence of the original study is a precedent that had an impact on other methodological considerations. This current study, for example, includes the aggregation definitions that had been used in the earlier one. In terms of the 1982 basket, twelve of the CPI components that were defined as regulated in the updating of the original study are basic groupings, whereas four are aggregate indexes. These four (Dairy products and eggs, Communications, Public transportation, and Tobacco products and alcoholic beverages) include imputed series.<sup>8</sup> The implicit assumption in including the imputed series was that the conditions that resulted in the priced series being categorized as regulated are also applicable to the imputed series. The weight of these imputed series, however, is very small.<sup>9</sup>

A major methodological consideration, which has been a problem in the past for organizations that had been continuing the calculations contained in the original study, is the difficulties associated with the introduction of new weights into the CPI. When the 1982 basket of commodities was introduced into the CPI in January 1985, for example, it was necessary to use new weights, expressed in terms of prices of December 1984 and quantities of 1982. It was also necessary to take account of classification changes that occurred with the

(quatre paniers ont été introduits entre avril 1973 et juin 1986), mais aussi chaque fois que l'agrégat réglementé change, soit 14 fois pendant la période visée (voir les pages 14 et 15). Chacune de ces périodes sert de nouvelle période de base aux fins du calcul des indices, de sorte que des indices en chaîne peuvent être calculés.<sup>7</sup> Ces derniers indices sont sur la base d'avril 1973=100, soit la période de base de l'étude originale, qui a été choisie parce qu'elle correspondait au mois d'introduction du panier de 1967. Les indices ne remontent pas plus loin pour des raisons de disponibilité des données.

L'étude originale constitue un précédent qui a un impact sur d'autres considérations de nature méthodologique. Par exemple, la présente étude comprend les définitions d'agrégation retenue dans l'étude précédente. En ce qui concerne le panier de 1982, 12 des composantes de l'IPC dont les prix étaient considérés comme réglementés dans la mise à jour de l'étude originale sont des groupes de base, tandis que quatre sont des indices agrégatifs. Ceux-ci (Produits laitiers et oeufs, Communications, Transport public et Produits du tabac et boissons alcoolisées) comprennent des séries imputées.<sup>8</sup> L'hypothèse implicite dans ce cas est que les conditions qui ont permis de considérer les séries observées comme réglementées s'appliquent également aux séries imputées. Cependant, la pondération de ces séries imputées est minime.<sup>9</sup>

Les problèmes que pose l'introduction de nouvelles pondérations dans l'IPC, problèmes auxquels se heurtaient les organismes qui poursuivaient les calculs contenus dans l'étude originale, constituent une préoccupation méthodologique majeure. Par exemple, au moment de l'introduction du panier de produits de 1982 dans l'IPC, en janvier 1985, il a fallu utiliser de nouvelles pondérations fondées sur les prix de décembre 1984 et les quantités de 1982. En outre, il a fallu tenir compte des changements de classification apportés au moment de l'introduction du panier de 1982, d'une part, et calculer

<sup>7</sup> For more information about methodology, contact the authors.

<sup>8</sup> Imputed series are those unpublished indexes derived from the assignment of price changes for specific priced commodities to particular unpriced commodities, on the basis of the assumed similarity of price movement between commodities.

<sup>9</sup> At the time of the introduction of the 1982 basket into the CPI, for example, the weight of the imputed series contained in the four aggregate indexes was 2.0% of the regulated components.

<sup>7</sup> Pour plus de renseignements sur la méthodologie, veuillez communiquer avec les auteurs.

<sup>8</sup> Il s'agit des indices non publiés obtenus à partir de l'attribution des variations de prix de certains produits observés à certains produits non observés, sur la base d'une similitude présumée des mouvements de prix entre produits.

<sup>9</sup> Par exemple, au moment de l'introduction du panier de 1982 dans l'IPC, la pondération des séries imputées contenues dans les quatre indices agrégés s'élevait à 2.0% des composantes réglementées.



introduction of the 1982 basket, and to calculate indexes in terms of December 1984=100, in order to chain the newly-weighted indexes to those based on the 1978 basket of commodities. If new weights are not introduced in this manner, any aggregate index calculated by an analyst will differ from one produced by Statistics Canada.

#### f) Deregulation

In the broad sense of the term, deregulation refers to the removal or reduction of government regulation of economic activity. These regulations cover a large variety of situations - entry into markets, filing of rate changes, application of safety standards, etc., as well as review or setting of prices. For this study, deregulation is used in a narrow sense, to refer to situations where the price of a commodity is no longer subject to review by a government agency, or where a commodity no longer has a portion of its price determined by legislation.

Gasoline and fuel oil prices were deregulated, as of June 1985, due to the termination of the federal government's role in setting, through legislation, crude oil prices. The three CPI series affected by this type of deregulation have thus been categorized as non-regulated since this date. These series are fuel oil and other liquid fuel, Gasoline (including diesel fuel) for the operation of automotive vehicles, and Fuel for the operation of recreation vehicles.

A deregulation agreement relating to the wellhead prices of natural gas has also been reached between the Federal government and the governments of Alberta, Saskatchewan, and British Columbia. This agreement, which came into effect on November 1, 1986 ends the setting by legislation of a portion of the price of this commodity. There are still, however, public utilities commissions in each province that regulate the price of the distribution of natural gas and have done so since the beginning of the period covered by this study. With the November 1986 calculation, therefore, the Piped gas component of the CPI will be allocated to the category of prices that are approved by government agencies, thus removing the last CPI component from the category of legislated prices, but retaining Piped gas as a regulated commodity.

The CPI series that form the Public transportation component have also been affected by the deregulation of the transportation industry that has occurred to date or is planned for the near future. Air transportation has been affected by more flexible

les indices sur la base de décembre 1984=100 pour pouvoir faire l'enchaînement des indices nouvellement pondérés à ceux fondés sur le panier de produits de 1978, d'autre part. Si de nouvelles pondérations ne sont pas introduites de cette manière, tout indice agrégatif calculé par une analyste différerait de l'indice correspondant par Statistique Canada.

#### f) Déréglementation

Au sens large, le terme "déréglementation" signifie l'abolition ou la réduction de la réglementation de l'activité économique par l'État. Cette réglementation régit une vaste gamme de situations, comme l'entrée sur les marchés, la demande relative à la modifications des tarifs, l'application de normes de sécurité, etc., de même que la révision ou l'établissement des prix. Dans le cadre de la présente étude, le terme "déréglementation" s'applique, dans un sens restreint, aux cas où le prix d'un produit ne fait plus l'objet d'une révision par un organisme public ou bien aux cas où une partie du prix n'est plus fixée aux termes d'un texte législatif.

Le prix de l'essence et du mazout est déréglementé depuis juin 1985, soit depuis que l'administration fédérale ne fixe plus le prix du pétrole brut aux termes d'un texte législatif. Les trois séries de l'IPC touchées par cette déréglementation, c'est-à-dire le Mazout et autres combustibles liquides, l'Essence (y compris le carburant diesel) pour véhicules automobiles et le Carburant pour véhicules de loisirs, sont considérées comme non réglementées à partir de cette date.

Le gouvernement fédéral a conclu avec l'Alberta, la Saskatchewan et la Colombie-Britannique un accord concernant la déréglementation du prix du gaz naturel à la tête de puits. Cet accord, qui a pris effet le 1<sup>er</sup> novembre 1986, a mis fin à l'établissement, aux termes d'un texte législatif, d'une partie du prix du gaz naturel. Cependant, il y a encore dans chaque province des régies de services publics qui réglementent le tarif de distribution du gaz naturel, et ce, depuis le début de la période à l'étude. Par conséquent, avec le calcul de novembre 1986, la composante Gaz naturel de l'IPC appartiendra à la catégorie des prix approuvés par un organisme public. Ainsi, on supprimera la dernière composante de l'IPC de la catégorie des prix fixés aux termes d'un texte législatif, mais on continuera de considérer le prix du Gaz naturel comme réglementé.

Les séries de l'IPC qui constituent la composante Transport public ont également été touchées par la déréglementation des transports effectuée jusqu'à présent ou prévue dans un avenir rapproché. Le transport aérien a fait l'objet d'ententes plus souples relatives aux ajustements

arrangements for fare adjustments, but these adjustments are still reviewed. At this time, therefore, the impact of deregulation of the transportation industry has not resulted in any change, for purposes of this study, in the status of Public transportation as a component of the regulated aggregate. There are other changes under proposed legislation that will affect the railways and the interprovincial trucking industry, but these relate to the business sector, which is not directly covered by the CPI.

As well, as of August 1, 1986, regulations regarding the cablevision industry were changed to remove many of the regulations regarding the review of rate increases. The new regulations will allow cablevision companies to increase rates up to 80% of the change in the CPI, and to pass along equipment costs to subscribers, without a formal review. In other cases, a cable operator will be able to recover up to 50% of new capital expenses, as long as the projects improve service and are completed within a twelve-month period. Because increases cannot exceed 80% without a review, except for additional equipment costs, it is considered that the industry is still, in effect, regulated, just as rent in some provinces is, and therefore will continue to be included as one of the Regulated prices.

#### g) Weights

The eighteen sets of weights (four for new baskets and fourteen for content changes) derived from the application of the methodology described on pages 11-13 are listed in Table 1. The weights are all expressed in terms of the prices in effect at the month prior to the introduction of the weights and in terms of the quantities of the four relevant baskets. The 1967 basket covers the period from April 1973 to September 1978; the 1974 basket, from October 1978 to March 1982; the 1978 basket, from April 1982 to December 1984; and the 1982 basket, from January 1985 to date. The first set of weights listed for each basket, therefore, are the hybrid weights that are in effect at the beginning of the period covered by the particular basket. Also listed in the table are the CPI components for each basket from which the aggregates of regulated and approved or legislated prices are calculated. These aggregates, which provide different perspectives about regulated prices, vary in content through time.

de tarifs, mais ces ajustements font encore l'objet de révisions. Par conséquent, les répercussions de la déréglementation des transports n'ont pas entraîné de changement en ce qui concerne la présente étude, de sorte que la composante Transport public continue de faire partie de l'agrégat réglementé. Il y a d'autres changements contenus dans des projets de loi qui influenceront sur les chemins de fer et le camionnage interprovincial, mais ils ont trait au secteur des entreprises, lequel n'est pas visé directement par l'IPC.

En outre, le 1<sup>er</sup> août 1986, l'État a modifié la réglementation en matière de télédistribution afin de supprimer bon nombre des règlements portant sur la révision des augmentations tarifaires. En vertu des nouveaux règlements, les télédistributeurs pourront augmenter les tarifs jusqu'à concurrence de 80% de la variation dans l'IPC, d'une part, et faire supporter les coûts du matériel aux abonnés, sans qu'il y ait une révision officielle, d'autre part. Dans d'autres cas, les télédistributeurs pourront recouvrer jusqu'à 50% des nouvelles dépenses en capital, à condition que leurs projets permettent d'améliorer le service et soient menés à terme en moins d'un an. Comme les augmentations de tarifs ne peuvent pas dépasser 80% de la variation dans l'IPC sans qu'il y ait une révision officielle, sauf en ce qui concerne les coûts additionnels du matériel, on estime que la télédistribution est toujours effectivement réglementée, au même titre que les loyers dans certaines provinces. Par conséquent, elle continuera de faire partie de l'agrégat réglementé.

#### g) Pondérations

Le tableau 1 présente les 18 ensembles de pondérations (quatre pour les nouveaux paniers et 14 pour les variations du contenu) calculés à l'aide de la méthodologie décrite aux pages 11 à 13. Les pondérations sont toutes établies sur la base des prix pratiqués le mois précédant leur introduction, ainsi que des quantités des quatre paniers pertinents. Le panier de 1967 couvre la période d'avril 1973 à septembre 1978; celui de 1974, la période d'octobre 1978 à mars 1982; celui de 1978, la période d'avril 1982 à décembre 1984; et celui de 1982, la période de janvier 1985 à ce jour. Ainsi, les premières pondérations correspondant à chaque panier sont les pondérations hybrides qui s'appliquent au début de la période visée par le panier. Le tableau contient aussi la liste des composantes de l'IPC pour chaque panier à partir desquelles se fait le calcul des agrégats de prix réglementés et approuvés ou de prix fixés aux termes d'un texte législatif. Le contenu de ces agrégats, qui fournissent des perspectives différentes au sujet des prix réglementés, varie dans le temps.

The reason for the changes in the weights in Table 1 between the four baskets is due to the impact of changed expenditure patterns. The reason for the variation in weights for the fourteen periods is the different rates of price change that have occurred between the periods when the commodity content of a particular aggregate changes. Of the fourteen sets of weights, two were necessitated by changes in the regulated status of crude oil wellhead prices; two, by the introduction of price regulation for turkey and chicken, respectively; and the remainder, by changes in rent regulations in particular provinces. The details of the rent regulation changes can be obtained from Appendix C.

Table 1 contains the weight of each of the CPI commodities that are included in the various Regulated aggregates, as well as the weight of each aggregate. In this regard, the large size of the weight for tobacco products and alcoholic beverages is noteworthy, as are the changes in importance of the Energy components and Regulated rent. Of the aggregates, the substantial weight of Regulated prices is evident, as is the impact of the recent deregulation of the energy industry.

#### h) Price Indexes

Tables 2 and 3 contain a variety of special aggregate indexes, which can be compared to the All-items indexes included in Table 2. Table 2 contains the aggregate of CPI Regulated Prices. The fourteen basic groupings and four aggregates included in the CPI Regulated Prices Index are listed on page 9. In addition to this index, Table 2 contains, for comparison purposes, a Non-regulated index; the weighted average of the Regulated and the Non-regulated indexes is the All-items index.

Because of the importance, due to weight and very large price increases, of the Energy components, Table 2 also contains a Regulated Energy Index (see Footnote 2 in Table 1 for a list of the commodities contained in this aggregate). This index excludes the priced Energy components that are not regulated for certain periods (see pages 10 and 13). In order to demonstrate the importance of Regulated Energy prices within the Regulated index, these prices have also been excluded from the index. This aggregate (Regulated Excluding Regulated Energy) is not intended to give any indication that the relevant energy prices should not be regarded as regulated; it only provides an under-

Les variations dans les pondérations du tableau 1 entre les quatre paniers sont imputables à l'incidence des structures de dépenses modifiées. Pour leur part, les variations dans les pondérations pour les 14 périodes sont attribuables aux divers taux de variation de prix en vigueur entre les moments de changement du contenu d'un agrégat en particulier. Sur les 14 ensembles de pondérations, deux s'expliquent par des changements de statut quant au caractère réglementé du prix du pétrole brut à la tête de puits; deux, par la réglementation respective du prix de la dinde et de celui du poulet; et le reste, par des modifications dans la réglementation des loyers dans certaines provinces. L'annexe C porte sur le détail des changements apportés à la réglementation des loyers.

Le tableau 1 contient la pondération de chacun des produits de l'IPC compris dans les divers agrégats réglementés, ainsi que la pondération de chacun de ceux-ci. À cet égard, il convient de faire remarquer l'importance de la pondération des produits du tabac et boissons alcoolisées et les variations de l'importance des composantes de l'Énergie et du Loyer réglementé. Parmi les agrégats, l'importance de la pondération des prix réglementés est évidente, tout comme l'incidence de la déréglementation récente du secteur énergétique.

#### h) Indices des prix

Les tableaux 2 et 3 contiennent divers indices agrégatifs spéciaux, lesquels peuvent être comparés aux indices d'Ensemble figurant au tableau 2. Le tableau 2 présente l'agrégat des Prix réglementés de l'IPC. Les 14 groupes de base et les quatre agrégats compris dans l'Indice des prix réglementés de l'IPC sont énumérés à la page 9. Le tableau 2 contient aussi, à des fins de comparaison, un indice Non réglementé. La moyenne pondérée des indices Réglementé et Non réglementé constitue l'indice d'Ensemble.

En raison de l'importance que confèrent aux composantes de l'Énergie sa pondération et de très fortes augmentations de prix, le tableau 2 contient également l'Indice des prix réglementés de l'énergie (voir le renvoi 2 au tableau 1 pour la liste des produits compris dans cet agrégat). Cet indice exclut les composantes observées de l'Énergie dont les prix ne sont pas réglementés pendant certaines périodes (voir pages 10 et 13). Afin de montrer l'importance des Prix réglementés de l'énergie dans l'Indice réglementé, nous avons également exclu ceux-ci de l'indice. L'établissement de l'agrégat des Prix réglementés sans les prix réglementés de l'énergie ne se veut pas une indication que les prix pertinents de l'énergie ne devraient pas être



standing of the impact of Regulated Energy prices.<sup>10</sup>

In Table 3 there is an aggregate index referred to as Government Approved or Legislated Prices, which includes the CPI commodities listed under the first two categories of government action on page 9. These two categories encompass commodities whose final prices result from a mixture of market-place forces and government price-setting mechanisms. They are a more homogenous grouping than the commodities included in the CPI Regulated Prices Index, from the point-of-view of government regulation that directly impacts on the setting of final prices paid by consumers. For comparison purposes, Table 3 includes an "Other Prices" index, which consists of the CPI commodities included in categories c), d), and e) on page 9, as well as the non-regulated commodities.

### Future Developments

It is the plan of the Prices Division of Statistics Canada to continue to calculate the indexes contained in Tables 2 and 3, and to publish them occasionally.

There are other matters related to regulated prices that could be studied, if demand and available resources warrant it. There could be, for example, a review of the role of marketing boards, including those for commodities other than dairy products and eggs. Other regulated series calculated on a provincially differentiated basis, such as automobile insurance and household insurance, could be included. There could be a study of the role of governments with regard to the approval or review of the prices of the fish products covered by the CPI. There could also be a more in-depth review of the appropriate treatment, with regard to regulation, of imputed series.

<sup>10</sup> In the original study, Energy consisted of only the priced basic groupings, whereas the CPI official definition includes imputed series. To be consistent with the original study, this study continues to define Energy based only on the priced series (these series accounted for 99% of the weight of Energy at the beginning of the 1982 basket). In terms of the 1982 basket, Energy thus consists of Fuel oil and other liquid fuel, Piped gas, Electricity, Gasoline (including diesel fuel) for the operation of automotive vehicles, and Fuel for the operation of recreation vehicles.

considérés comme réglementés. Il s'agit seulement de faire comprendre l'incidence des Prix réglementés de l'énergie.<sup>10</sup>

Le Tableau 3 contient l'Indice agrégatif des prix approuvés par un organisme public ou fixés aux termes d'un texte législatif, lequel comprend les produits de l'IPC énumérés sous les deux premières catégories d'interventions de l'État de la page 9. Ces deux catégories englobent des produits dont le prix final est fixé à la fois par les forces du marché et l'État. Elles constituent un groupe plus homogène que les produits compris dans l'Indice des prix réglementés de l'IPC, si l'on considère la réglementation de l'État qui influe directement sur le prix final à la consommation. À des fins de comparaison, le tableau 3 comprend un indice des "Autres Prix", qui se compose des produits de l'IPC compris dans les catégories c), d) et e) de la page 9, ainsi que des produits dont le prix n'est pas réglementé.

### Développements à venir

La Division des prix de Statistique Canada a l'intention de continuer à calculer les indices figurant aux tableaux 2 et 3 et à les publier de temps à autre.

D'autres questions relatives aux prix réglementés pourraient faire l'objet d'études si la demande le justifiait et les ressources le permettaient. Ainsi, on pourrait passer en revue le rôle des offices de commercialisation, y compris ceux de produits autres que les produits laitiers et les oeufs, établir d'autres séries de prix réglementés sur la base d'une différenciation provinciale, par exemple en ce qui concerne l'assurance-automobile et l'assurance-ménage, examiner le rôle des administrations publiques dans l'approbation ou la révision des prix des produits du poisson pris en compte dans l'IPC et enfin, étudier plus en profondeur le traitement approprié des séries imputées en ce qui a trait à la réglementation.

<sup>10</sup> Dans l'étude originale, la composante Énergie était constituée uniquement des groupes de base observés, alors que la définition officielle de l'IPC englobe les séries imputées. Par souci de conformité avec l'étude originale, la composante Énergie demeure fondée seulement sur les séries observées. (Ces séries représentaient 99% de la pondération de la composante Énergie au moment de l'introduction du panier de 1982.) Ainsi, dans le panier de 1982, la composante Énergie comprend le mazout et autres combustibles liquides, le gaz naturel, l'électricité, l'essence (y compris le carburant diesel) pour véhicules automobiles, ainsi que le carburant pour véhicules de loisirs.

APPENDIX A. CPI Components Identified as  
Regulated in the Original  
Statistics Canada Study<sup>1</sup>

Chicken  
Turkey  
Dairy products and eggs  
Property taxes and special charges  
Water  
Fuel oil and other liquid fuel  
Piped and bottled gas  
Electricity  
Communications  
Gasoline for automobile and truck operation  
Oil and oil changes  
Vehicle registration fees and drivers'  
licences  
Gasoline for other vehicles  
Public transportation  
Rental of cablevision  
Tobacco and alcohol

ANNEXE A. Composantes de l'IPC considérées  
comme réglementées dans l'étude originale de  
Statistique Canada<sup>1</sup>

Poulet  
Dinde  
Produits laitiers et oeufs  
Impôts fonciers et taxes spéciales  
Eau  
Mazout et autres combustibles liquides  
Gaz naturel et gaz en bouteille  
Électricité  
Communications  
Essence pour automobiles et camions  
Huile et vidanges d'huile  
Frais d'immatriculation et de permis de conduire  
de véhicules automobiles  
Essence pour autres véhicules  
Transport public  
Télédistribution (câble)  
Tabacs et alcools

<sup>1</sup> These components have been rearranged, to put them in CPI order. The category titles are taken from the 1978 basket, which was the basket in effect at the termination of the period covered by the original study.

<sup>1</sup> Ces composantes sont énumérées dans l'ordre où elles figurent dans l'IPC. Le titre des catégories sont tirés du panier de 1978, lequel était utilisé à la fin de la période visée par l'étude originale.

APPENDIX B. Categorization of Government  
Actions as They Affect Consumer Prices

The following is an attempt to list specific government actions that affect the priced commodities covered by the CPI. All of the priced CPI commodities are affected by at least two of these actions.

1. Taxes

A. Sales Taxes

- a) Federal sales tax (Manufacturers' Sales Tax)
- b) Provincial retail sales taxes (all provinces except Alberta)

B. Federal Excise Taxes

C. Fuel Taxes

- a) Federal gasoline taxes
- b) Provincial and Territorial fuel taxes

D. Gas and Electricity Taxes

- a) Federal excise taxes also apply to Piped gas (listing No. 1.B.).
- b) Provincial gas taxes are applied to Piped gas in Manitoba, for cooking only; electricity taxes are applicable in Quebec for all domestic uses, and in Manitoba, for lighting and cooking purposes.

E. Meals and Lodging Taxes

- a) Provincial meals and lodging taxes (except Saskatchewan and Alberta)
- b) Municipal meals and lodging taxes (Manitoba only)

F. Tobacco Taxes

- a) Federal excise taxes and duties also apply to tobacco products (listings No. 1.B. and 3.B.).
- b) Provincial and Territorial tobacco taxes (all provinces and the two Territories)

G. Liquor Taxes

- a) Federal excise duties also apply to Liquor (listing No. 3.B.).
- b) Provincial liquor taxes are imposed along with Retail Sales taxes in P.E.I., Ontario, Manitoba, and Saskatchewan.
- c) Municipal liquor taxes (Manitoba only)

H. Federal Air Transportation Tax

I. Telecommunications Programming Services Tax

- a) Federal telecommunications programming services tax
- b) Provincial telecommunications tax

ANNEXE B. Catégorisation des interventions de  
l'État influant sur les prix  
à la consommation

Suit une liste provisoire d'interventions spécifiques de l'État qui influent sur les produits observés pris en compte par l'IPC. Tous les produits pris en compte dans l'IPC sont touchés par au moins deux de ces interventions.

1. Taxes

A. Taxes de vente

- a) Taxe de vente fédérale (taxe de vente appliquée aux fabricants)
- b) Taxes provinciales de vente au détail (toutes les provinces sauf l'Alberta)

B. Taxes d'accise fédérales

C. Taxes sur les carburants

- a) Taxes fédérales sur l'essence
- b) Taxes provinciales et territoriales sur le combustible

D. Taxes sur le gaz et l'électricité

- a) Les taxes d'accise fédérales s'appliquent aussi au gaz naturel (liste n° 1.B.).
- b) Le Manitoba impose une taxe sur le gaz naturel servant à la cuisson seulement. Le Québec applique une taxe sur l'électricité servant à tous les usages domestiques, et le Manitoba, sur l'électricité utilisée pour l'éclairage et la cuisson.

E. Taxes sur les repas et l'hébergement

- a) Taxes provinciales sur les repas et l'hébergement (sauf en Saskatchewan et en Alberta)
- b) Taxes municipales sur les repas et l'hébergement (au Manitoba seulement)

F. Taxes sur le tabac

- a) L'administration fédérale impose aussi des taxes d'accise et des droits sur les produits du tabac (listes n° 1.B. et 3.B.).
- b) Taxes provinciales et territoriales sur le tabac (dans toutes les provinces et les deux territoires)

G. Taxes sur l'alcool

- a) L'administration fédérale applique aussi des droits d'accise sur l'alcool (liste n° 3.B.).
- b) L'Î.-P.-É., l'Ontario, le Manitoba et la Saskatchewan imposent des taxes sur l'alcool et les ventes au détail.

- c) Taxes municipales sur l'alcool (au Manitoba seulement)

H. Taxe fédérale sur le transport aérien

I. Taxe sur les prestations de services de programmation en télécommunications

- a) Taxe fédérale sur les prestations de services de programmation en télécommunications
- b) Taxe provinciale sur les télécommunications



- J. Amusement Taxes
- Provincial amusement taxes (P.E.I., Nova Scotia, New Brunswick, Quebec, and Ontario)
  - Municipal amusement taxes (Newfoundland, Quebec, and Saskatchewan)
- K. Property Taxes
- Provincial and Territorial property taxes (P.E.I., New Brunswick, British Columbia, the Yukon, and the Northwest Territories)
  - Municipal property taxes (all municipalities, including the Yukon and the Northwest Territories, except in P.E.I., New Brunswick, and British Columbia)
- L. Miscellaneous Taxes
- Import surtax (Levied on imported goods that cause or threaten serious injury to Canadian producers of like goods).
  - Federal automobile air conditioning tax
  - Municipal insurance taxes (Newfoundland, the Yukon, and the Northwest Territories charge a tax on insurance premiums.)
  - Municipal water taxes (Some Quebec municipalities levy water taxes.)
2. Permit, Licence, and Registration Fees
- Federal export and import permits
  - Provincial and Territorial drivers' licences and registration fees for automotive vehicles
3. Federal Duties
- Custom duties
  - Excise duties
4. Royalties
5. Legislation of Prices
6. Quotas
7. Subsidies
- Federal subsidies
  - Provincial subsidies
8. Grants
- Federal grants
  - Provincial grants
  - Municipal grants
9. Tax expenditures
10. Marketing Boards
- Federal marketing boards
  - Provincial marketing boards
11. Government-owned Enterprises
- Federally owned enterprises
  - Provincially owned enterprises
  - Municipally owned enterprises
12. Government Agencies that Approve prices
- Federal agencies that approve prices
  - Provincial agencies that approve prices
  - Municipal agencies that approve prices

- J. Taxes sur les amusements
- Taxes provinciales sur les amusements (I.-P.-É., Nouvelle-Écosse, Nouveau-Brunswick, Québec et Ontario)
  - Taxes municipales sur les amusements (Terre-Neuve, Québec et Saskatchewan)
- K. Impôts fonciers
- Impôts fonciers provinciaux et territoriaux (I.-P.-É., Nouveau-Brunswick, Colombie-Britannique, Yukon et Territoires du Nord-Ouest)
  - Impôts fonciers municipaux (toutes les municipalités, y compris celles du Yukon et des Territoires du Nord-Ouest, sauf à l'I.-P.-É., au Nouveau-Brunswick et en Colombie-Britannique)
- L. Taxes diverses
- Surtaxe à l'importation (prélevée sur les importations qui portent sérieusement préjudice aux producteurs canadiens de biens comparables ou qui risquent de le faire).
  - Taxe fédérale sur les climatiseurs d'automobile
  - Taxes municipales sur les assurances (Terre-Neuve, le Yukon et les Territoires du Nord-Ouest imposent une taxe sur les primes d'assurances.)
  - Taxes municipales d'adduction d'eau (Certaines municipalités du Québec prélèvent des taxes d'adduction d'eau.)
2. Frais de licence, de permis et d'immatriculation
- Licences fédérales d'exportation et d'importation
  - Frais provinciaux et territoriaux de permis de conduire et d'immatriculation de véhicules automobiles
3. Droits fédéraux
- Droits de douane
  - Droits d'accise
4. Redevances
5. Lois sur les prix
6. Contingents
7. Subsides
- Subsides fédéraux
  - Subsides provinciaux
8. Subventions
- Subventions fédérales
  - Subventions provinciales
  - Subventions municipales
9. Dépenses fiscales
10. Offices de commercialisation
- Offices de commercialisation fédéraux
  - Offices de commercialisation provinciaux
11. Entreprises publiques
- Entreprises publiques fédérales
  - Entreprises publiques provinciales
  - Entreprises publiques municipales
12. Organismes publics qui approuvent les prix
- Organismes fédéraux qui approuvent les prix
  - Organismes provinciaux qui approuvent les prix
  - Organismes municipaux qui approuvent les prix

## APPENDIX C. Provincial Regulation of Rent

It was decided to examine the extent of government control on rent increases from 1973 to the present, to determine whether or not to categorize them as price-regulated, and if so, to what degree. Rent regulation was defined as provincial control of maximum allowable rent increases. After reviewing the reference material available in Prices Division, contact was made with each provincial body responsible for landlord and tenant regulations.

Questions of definition arose regarding the term "regulation" and whether or not review boards perform a regulatory function. After discussion with the provincial rent review boards, it was decided that rent guidelines do not perform a regulatory function. Rent review boards judge each individual case on its own merit, and do not enforce binding controls. Their direct influence affects only the small portion who apply for rent review. Québec's Régie du logement, for example, reported that only 2 to 3% of the rental population apply. The attached table therefore notes that review boards exist in Newfoundland, Québec, and Saskatchewan, but, for this study they are not considered to be regulatory agencies.

The attached table shows that rent control came into effect, starting with British Columbia and New Brunswick, in 1974. The period of most control was in 1977. This has now diminished to only four provinces with rent regulation in 1986 to date.

## ANNEXE C. Réglementation du loyer par les provinces

Il a été décidé d'examiner dans quelle mesure les provinces contrôlent les hausses de loyer depuis 1973 afin de déterminer s'il fallait considérer les loyers comme réglementés. La réglementation du loyer a été définie comme le contrôle, par les provinces, des augmentations de loyer maximales permises. Après avoir passé en revue les documents de référence de la Division des prix, des contacts ont été établis avec chaque organisme provincial chargé d'appliquer la réglementation concernant les loyers.

Il y a eu des questions sur la définition du terme "réglementation" et l'exercice ou non d'une fonction de réglementation par les régies des loyers. Après avoir consulté les membres des régies des loyers des provinces, il a été établi que ces organismes ne réglementent pas les loyers. Les régies des loyers jugent chaque cas en toute objectivité et n'imposent aucune obligation aux propriétaires de logements. Leur influence directe se limite à la proportion, plutôt faible, des locataires qui s'adressent à ces régies. Par exemple, selon la Régie du logement du Québec, de 2% à 3% seulement des locataires de la province font appel à ses services. Il existe des régies des loyers à Terre-Neuve, au Québec et en Saskatchewan (voir tableau ci-annexé), mais elles ne sont pas considérées comme des organismes de réglementation.

Le tableau ci-joint montre que la réglementation des loyers est entrée en vigueur en 1974, d'abord en Colombie-Britannique et au Nouveau-Brunswick. L'année 1977 a vu le plus grand nombre de provinces procéder à la réglementation des loyers. Jusqu'à présent en 1986, seules quatre provinces réglementent les loyers.

Provincial and Territorial Rent Regulations - Maximum allowable rent increases ,  
(Unless marked otherwise, % applies to the full year)  
Réglementation du loyer par les provinces et les territoires - Augmentations de loyer maximales permises  
(À moins d'indication contraire, % s'applique à l'année entière)

	Nfld. <sup>1</sup>	P.E.I.	Nova Scotia	New Brunswick	Quebec <sup>2</sup>	Ontario
	T.N. <sup>1</sup>	I.P.E.	Nouvelle-Écosse	Nouveau-Brunswick	Québec <sup>2</sup>	Ontario
1973	none aucune	none aucune	none aucune	none aucune	none aucune	none aucune
1974	none aucune	none aucune	none aucune	Oct. 1974 8% Oct. 1974	none aucune	none aucune
1975	none aucune	none aucune	Oct. '75 8% Oct. '75	8%	none aucune	8%
1976	none aucune	8%	8%	Oct. 1976 <sup>3</sup> with heat, 7%, without heat, 5% Oct. 1976 <sup>3</sup> avec chauffage, 7% sans chauffage, 5%	none aucune	8%
1977	none aucune	8%	6%	Oct. 1977 with heat, 8%, without heat, 6% Oct. 1977 avec chauffage, 8% sans chauffage, 6%	none aucune	Oct. 1977 6% Oct. 1977
1978	none aucune	with heat, 6%, without heat, 4% avec chauffage, 6%, sans chauffage, 4%	6%	same as Oct. 1977 même qu'en octobre 1977	none aucune	6%
1979	none aucune	if there was an increase in '78: with heat, 6%, without heat, 4%; if there was no increase in '78: with heat, 10%, without heat, 6% s'il y a eu une augmentation en '78: avec chauffage, 6%, sans chauffage, 4%; s'il n'y a pas eu d'augmentation en '78: avec chauffage, 10%, sans chauffage, 6%	4%	terminated June 1979 terminé Juin 1979	none aucune	6%
1980	none aucune	same as 1979 même qu'en 1979	4%	none aucune	none aucune	6%
1981	none aucune	same as 1979 même qu'en 1979	4%	none aucune	none aucune	6%
1982	none aucune	if there was an increase in '81: with heat, 8%, without heat, 4%; if there was no increase in '81: with heat, 12%, without heat, 6% s'il y a eu une augmentation en '81: avec chauffage, 8%, sans chauffage, 4%; s'il n'y a pas eu d'augmentation en '81: avec chauffage, 12%, sans chauffage, 6%	4%	After Sept. '82 6% Après Sept. '82	none aucune	6%
1983	none aucune	if there was an increase in '82: with heat, 6%, without heat, 4%; if there was no increase in '82: with heat, 10%, without heat, 6% s'il y a eu une augmentation en '82: avec chauffage, 6%, sans chauffage, 4%; s'il n'y a pas eu d'augmentation en '82: avec chauffage, 10%, sans chauffage, 6%	6%	5%	none aucune	6%
1984	none aucune	if there was an increase in '83: 3%, if there was no increase in '83: 5% s'il y a eu une augmentation en '83: 3%, s'il n'y a pas eu d'augmentation en '83: 5%	6%	6%	none aucune	6%
1985	none aucune	if there was an increase in '84: 3%; if there was no increase in '84: 5% s'il y a eu une augmentation en '84: 3%, s'il n'y a pas eu d'augmentation en '84: 5%	5%	Aug. 31, 1985 none 31 Août, 1985 aucune	none aucune	6%
Jan. to June 1986	none aucune	if there was an increase in '85: 3%; if there was no increase in '85: 5% s'il y a eu une augmentation en '85: 3%, s'il n'y a pas eu d'augmentation en '85: 5%	4%	none aucune	none aucune	4% <sup>4</sup>

<sup>1</sup> Nfld. does not have set guidelines, but each increase is evaluated on its own merit.

<sup>2</sup> Terre-Neuve n'a pas de lignes directrices fixes; chaque hausse de loyer est jugée en toute objectivité.

<sup>3</sup> Québec does not have set guidelines, but each increase is evaluated on its own merit. Only 2 to 3% of the rental population appeal their rental increases; available average annual increases were: 1979, 7.2%; 1980, 8.1%; 1981, 12.2%; 1982, 14.8%; 1983, 8.5%; 1984, 6.0%; 1985, 4.6%.

<sup>4</sup> Le Québec n'a pas de lignes directrices fixes; chaque hausse de loyer est jugée en toute objectivité. De 2% à 3% seulement des locataires font appel de la hausse de leur loyer. La hausse annuelle moyenne des loyers a été de: 7.2% en 1979; 8.1% en 1980; 12.2% en 1981; 14.8% en 1982; 8.5% en 1983; 6% en 1984 et 4.6% en 1985.

<sup>5</sup> From Oct. 1976 to Oct. 1977 an additional rent increase was allowed, if there was a large increase in property taxes.

<sup>6</sup> D'octobre 1976 à octobre 1977, une hausse de loyer additionnelle était permise dans le cas d'une forte augmentation des impôts fonciers.

<sup>7</sup> Retroactive to Aug. 1, 1985.

<sup>8</sup> Rétroactif jusqu'au 1<sup>er</sup> août 1985.



Provincial and Territorial Rent Regulations - Maximum allowable rent increases  
(Unless marked otherwise, % applies to the full year)  
Réglementation du loyer par les provinces et les territoires - Augmentations de loyer maximales permises  
(À moins d'indication contraire, % s'applique à l'année entière)

Manitoba Manitoba	Sask. Sask.	Alberta Alberta	B.C. C.-B.	N.W.T. <sup>5</sup> T.N.-O. <sup>5</sup>	Yukon <sup>5</sup> Yukon <sup>5</sup>	
none aucune	none aucune	none aucune	none aucune	none aucune	none aucune	1973
none aucune	none aucune	none aucune	6%	none aucune	none aucune	1974
June 1, 1975 10% 1 <sup>er</sup> Juin, 1975	Oct. 1975 <sup>6</sup> 10% Oct. 1975 <sup>6</sup>	none aucune	10.6%	none aucune	none aucune	1975
Oct. 1976 8% Oct. 1976	8%	10%	10.6%	none aucune	none aucune	1976
Oct. 1977 7% Oct. 1977	10%	July to December 9% Juillet à Décembre	May 1977 7% Mai 1977	none aucune	none aucune	1977
Oct. 1978 with heat & power, 6%; with heat or power, 5½%; no heat or power, 5% avec chauffage et électricité, 6%; avec chauffage ou électricité, 5½%; sans chauffage, ou électricité, 5%	none aucune	8% or \$20, whichever was greater 8% ou \$20, selon le plus élevé des deux	April 1978 7% Avril 1978 rents over \$400 were exempt les loyers supérieurs à \$400 étaient exempts	none aucune	none aucune	1978
Oct. 1979 with heat & power, 5½%; with heat or power, 5%; no heat or power, 4½% avec chauffage et électricité, 5½%; avec chauffage ou électricité, 5%; sans chauffage, ou électricité, 4½%	none aucune	8% or \$20, whichever was greater 8% ou \$20, selon le plus élevé des deux	one bedroom over \$300 were exempt; 2 bedrooms over \$350 were exempt 7% Les loyers supérieurs à \$300 pour une chambre à coucher étaient exempts, tout comme ceux de plus de \$350 pour 2 chambres à coucher	none aucune	none aucune	1979
July 1980 none, each case was evaluated on its own merit Juillet 1980 aucune réglementation, chaque cas étant jugé en toute objectivité	none aucune	July 1980 none Juillet 1980 aucune	May 1980 10% Mai 1980	none aucune	none aucune	1980
none aucune	none aucune	none aucune	10%	none aucune	none aucune	1981
9% (6+3%)	none aucune	none aucune	10%	none aucune	none aucune	1982
8% (5+3%)	none aucune	none aucune	Jan. 1983 10% Jan. 1983 rents over \$700 were exempt les loyers supérieurs à \$700 étaient exempts July 7, 1983 none Juillet 7, 1983 aucune	none aucune	none aucune	1983
6% (3+3%)	none aucune	none aucune	none aucune	none aucune	none aucune	1984
4½% (3+1½%)	none aucune	none aucune	none aucune	none aucune	none aucune	1985
4½% (3+1½%)	none aucune	none aucune	none aucune	none aucune	none aucune	Jan. to June 1986 Jan. à Juin 1986

<sup>5</sup> CPIS for Whitehorse and Yellowknife were not included in the CPI for Canada until 1985, but they are available from March 1982.

<sup>6</sup> Les IPC pour Whitehorse et Yellowknife ne sont compris dans l'IPC pour le Canada que depuis 1985, mais ils sont disponibles à partir de mars 1982.

<sup>7</sup> Rent control was applied only to buildings built prior to Oct. 1975. In Dec. 1983 a Rent Stabilization Program came into effect, which suggested rent guidelines, not controls, in areas with population over 2,000. The average annual increases were: 1978, 6%; 1979, 6.6%; 1980, 10%; 1981, 12%; 1982, 13%; 1984, a guideline of 5%, but actual average of 6.2%; 1985, guideline of 5%, but actual average less than 5%; 1986, a guideline of 5%.

<sup>8</sup> Le contrôle des loyers s'appliquait uniquement aux édifices construits avant octobre 1975. En décembre 1983 un programme de stabilisation des loyers est entrée en vigueur; il établit des lignes directrices et non des contrôles dans les centres de plus de 2,000 habitants. La hausse annuelle moyenne des loyers a été de: 6% en 1978, 6.6% en 1979; 10% en 1980; 12% en 1981, 13% en 1982. En 1984, la hausse suggérée a été de 5% mais l'augmentation réelle s'est élevée à 6.2%. En 1985, la hausse suggérée a été de 5%, mais l'augmentation réelle s'est établie à moins de 5%. En 1986, la hausse suggérée est de 5%.

#### APPENDIX D. Provincial Regulation of University Tuition Fees<sup>1</sup>

The purpose of this research was to establish which provinces have regulatory price control upon university tuition fees. To do so, an official in a representative university for each province was contacted. Because of a lack of available historical data, it was not possible to obtain information about the entire period from 1973. It seemed reasonable to assume, however, that more recent conditions were similar to those that had existed back to 1973.

During discussion with the contacted universities, it was agreed that, while they are dependant on the grants they receive, the grants by themselves are not viewed as being regulatory. If a Board of Governors approves the fee structure, it is considered not to be controlled or regulated, because no government agency is involved. If the provincial government plays a role in the determination of the amount of fees, however, it is categorized as regulated. The situation in each of the provinces is as follows:

Newfoundland Memorial University - not regulated. A Board of Regents approves the fees.

P.E.I. Acadia University - not regulated. A Board of Governors approves the fees.

Nova Scotia Dalhousie University - not regulated. A Board of Governors approves the fees.

New Brunswick University of New Brunswick - not regulated. A Board of Governors approves the fees.

Quebec McGill University - fees are regulated. The province of Quebec sets the fees, and the universities are allowed to add on their incidental costs; at McGill, these costs currently amount to 27% of the total tuition fee.

#### ANNEXE D. Réglementation, par les provinces, des frais de scolarité universitaires<sup>1</sup>

Il s'agissait de déterminer quelles provinces réglementent les frais de scolarité universitaires. À cette fin, un porte-parole d'une université représentative dans chaque province a été contacté. En raison du manque de données chronologiques disponibles, il a été impossible d'obtenir des renseignements sur toute la période depuis 1973. Toutefois, il semble raisonnable de supposer que les conditions plus récentes sont semblables à celles qui règnent depuis 1973.

Au cours des entretiens avec les représentants des universités, il a été convenu de ne pas considérer comme mesures de réglementation les subventions que ces établissements reçoivent, même s'ils en dépendent. Si le conseil des gouverneurs d'une université approuve le barème des frais de scolarité, ceux-ci ne sont pas considérés comme contrôlés ou réglementés parce qu'aucun organisme public n'est en cause. Toutefois, si l'administration provinciale joue un rôle dans la fixation des frais de scolarité, ceux-ci sont considérés comme réglementés. Suit la situation dans chacune des provinces:

Terre-Neuve Université Memorial - frais de scolarité non réglementés. Le conseil d'administration les approuve.

Î.-P.-É. Université Acadia - frais de scolarité non réglementés. Le conseil des gouverneurs les approuve.

Nouvelle-Écosse Université Dalhousie - frais de scolarité non réglementés. Le conseil des gouverneurs les approuve.

Nouveau-Brunswick Université du Nouveau-Brunswick - frais de scolarité non réglementés. Le conseil des gouverneurs les approuve.

Québec Université McGill - frais de scolarité réglementés. La province fixe les frais, et les universités peuvent y ajouter leurs frais accessoires. À l'Université McGill, ceux-ci représentent actuellement 27% des frais de scolarité totaux.

<sup>1</sup> University tuition fees are the cost of the service that is priced in the CPI to represent the price movements of tuition fees for all post-secondary education courses.

<sup>1</sup> Les frais de scolarité universitaires constituent le coût du service observé dans l'IPC afin de représenter les mouvements des frais de scolarité de l'ensemble des cours postsecondaires.

<u>Ontario</u>	University of Toronto - <u>fees are regulated</u> . The province of Ontario sets the fees, and the universities are allowed to add on their incidental costs; at U. of T., these are currently 14% of the total tuition fee.	<u>Ontario</u>	Université de Toronto - <u>frais de scolarité réglementés</u> . La province fixe les frais, et les universités peuvent y ajouter leurs frais accessoires. À l'Université de Toronto, ceux-ci représentent actuellement 14% des frais de scolarité totaux.
<u>Manitoba</u>	University of Manitoba - <u>not regulated</u> . A Board of Governors approves the fees.	<u>Manitoba</u>	Université du Manitoba - <u>frais de scolarité non réglementés</u> . Le conseil des gouverneurs les approuve.
<u>Saskatchewan</u>	University of Saskatchewan - <u>not regulated</u> . A Board of Governors approves the fees.	<u>Saskatchewan</u>	Université de la Saskatchewan - <u>frais de scolarité non réglementés</u> . Le comité des gouverneurs les approuve.
<u>Alberta</u>	University of Alberta - <u>fees are regulated</u> . All fees require government approval.	<u>Alberta</u>	Université de l'Alberta - <u>frais de scolarité réglementés</u> . La province doit approuver tous les frais de scolarité.
<u>B.C.</u>	University of British Columbia - <u>not regulated</u> . A Board of Governors approves the fees.	<u>C.-B.</u>	Université de la Colombie-Britannique - <u>frais de scolarité non réglementés</u> . Le conseil des gouverneurs les approuve.



TABLE 1. Weights for CPI "Regulated" Prices  
TABLEAU 1. Pondérations des prix "réglementés" de l'IPC

	1967 Basket Panier de 1967									
	April 1973 Avril 1973	August 1973 Août 1973	December 1973 Décembre 1973	January 1974 Janvier 1974	December 1974 Décembre 1974	May 1975 Mai 1975	September 1975 Septembre 1975	December 1975 Décembre 1975	December 1977 Décembre 1977	
<u>Commodity - Produits</u>										
Turkey - Dinde				0.31	0.26	0.25	0.27	0.29	0.25	
Dairy products and eggs - Produits laitiers et oeufs	3.99	4.06	4.01	3.99	4.28	4.56	4.58	4.51	4.30	
"Regulated" rent - Loyer "réglementé"	-	-	0.89	0.86	3.02	3.38	3.69	4.29	3.97	
Communications - Communications	1.52	1.48	1.45	1.44	1.31	1.27	1.24	1.23	1.25	
Public transportation - Transport public	2.29	2.25	2.20	2.23	2.19	2.24	2.27	2.28	2.30	
"Regulated" tuition fees <sup>1</sup> - Frais de scolarité "réglementés"	0.45	0.45	0.42	0.45	0.38	0.37	0.35	0.35	0.33	
Tobacco and alcohol - Tabacs et alcools	5.85	5.66	5.56	5.51	5.49	5.66	5.50	5.44	5.44	
Fuel oil - Mazout	-	1.21	1.34	1.33	1.41	1.44	1.46	1.52	1.68	
Gas - Gaz	0.67	0.65	0.69	0.69	0.69	0.70	0.72	0.81	0.95	
Gasoline - Essence	-	3.04	3.20	3.18	3.06	3.03	3.44	3.46	3.34	
Motor oil - Huile à moteur	-	0.26	0.26	0.27	0.27	0.27	0.27	0.27	0.26	
Water - Eau	0.45	0.45	0.47	0.48	0.44	0.43	0.41	0.45	0.47	
Electricity - Électricité	1.55	1.51	1.48	1.47	1.38	1.45	1.43	1.42	1.64	
Property taxes - Impôts fonciers	3.00	2.89	2.80	2.78	2.61	2.53	2.43	2.69	2.90	
Automobile registration fees - Frais d'immatriculation de véhicules automobiles	0.39	0.38	0.37	0.36	0.32	0.32	0.30	0.30	0.28	
<u>Special-Aggregate Weights - Pondérations des agrégats spéciaux</u>										
"Regulated" - Prix "réglementés"	20.16	24.29	25.14	25.35	27.11	27.90	28.36	29.31	29.36	
"Non-regulated" - Prix "non réglementés"	79.84	75.71	74.86	74.65	72.89	72.10	71.64	70.69	70.64	
"Regulated" energy <sup>2</sup> - Prix "réglementés" de l'énergie <sup>2</sup>	2.22	6.67	6.97	6.94	6.81	6.89	7.32	7.48	7.87	
"Regulated" excluding "regulated" energy - Prix "réglementés" sans les prix "réglementés" de l'énergie	17.94	17.62	18.17	18.41	20.30	21.01	21.04	21.83	21.49	
"Approved prices" <sup>3</sup> - "Prix approuvées" <sup>3</sup>	14.77	19.06	20.02	20.26	22.36	23.17	23.79	24.45	24.07	
"Other prices" - "Autres prix"	85.23	80.94	79.98	79.74	77.64	76.83	76.21	75.55	75.93	

<sup>1</sup> "Regulated" fees in the 1967 basket cover all tuition fees, including post-secondary fees.

<sup>2</sup> Les frais de scolarité "réglementés" du panier de 1967 comprennent tous les frais de scolarité, y compris les frais de cours postsecondaires.

<sup>3</sup> The commodities contained in this aggregate consist of the following, as long as each commodity is regulated and priced at the particular month of introduction of the weight: fuel oil, gas, gasoline, motor oil, and electricity. If a commodity is not regulated and priced at the month of introduction, this table does not contain a weight for it.

<sup>2</sup> Les produits contenus dans cet agrégat sont les suivants, pourvu que chacun soit réglementé et fasse l'objet d'un relevé de prix au cours du mois de l'introduction de la pondération: mazout, gaz, essence, huile à moteur et électricité. Si un produit n'est pas réglementé et ne fait pas l'objet d'un relevé de prix au cours du mois de l'introduction de la pondération, le présent tableau ne renferme pas de pondération s'y rapportant.

<sup>3</sup> For a definition of the contents of this aggregate, see page 16.

<sup>3</sup> Voir la page 16 pour la définition du contenu de cet agrégat.

TABLE 1. Weights for CPI "Regulated" Prices - Concluded

TABLEAU 1. Pondérations des prix "réglementés" de l'IPC - fin

1974 Basket Panier de 1974					1978 Basket Panier de 1978			1982 Basket Panier de 1982			
	Sept. 1978 Sept.	Jan. 1979 Jan.	June 1980 Juin	Dec. 1981 Déc.		March 1982 Mars	June 1983 Juin		Dec. 1984 Déc.	May 1985 Mai	Aug. 1985 Août
<u>Commodity - Produits</u>					<u>Commodity - Produits</u>			<u>Commodity - Produits</u>			
Chicken - Poulet		0.54	0.48	0.52	Chicken - Poulet	0.59	0.53	Fresh or frozen chicken -			
Turkey - Dinde	0.19	0.22	0.19	0.17	Turkey - Dinde	0.16	0.16	Poulet frais ou congelé	0.52	0.51	0.52
Dairy products and eggs -					Dairy products and eggs -			Fresh or frozen turkey -			
Produits laitiers et oeufs	3.02	3.02	3.11	3.15	Produits laitiers et oeufs	2.71	2.66	Dinde fraîche ou congelée	0.11	0.12	0.11
"Regulated" rent -					"Regulated" rent -			Dairy products and eggs -			
Loyer "réglementé"	4.01	3.94	2.99	2.99	Loyer "réglementé"	3.56	2.92	Produits laitiers et oeufs	2.70	2.67	2.63
Communications -					Communications -			"Regulated" rent -			
Public transportation -	1.44	1.42	1.27	1.24	Public transportation -	1.53	1.52	Loyer réglementé	3.39	3.40	3.35
Transport public	2.09	1.97	2.24	2.25	Transport public	2.15	2.32	Communications -			
Cablevision -					Rental of cablevision -			Public transportation -	1.79	1.77	1.78
Télédistribution	0.24	0.24	0.22	0.21	Télédistribution	0.24	0.23	Transport public	1.97	2.12	2.18
"Regulated" post-secondary					"Regulated" post-secondary			Cablevision -			
tuition fees -					tuition fees -			Télédistribution	0.35	0.35	0.36
Frais de scolarité post-					Frais de scolarité post-			"Regulated" post-secondary			
secondaires "réglementés"	0.19	0.19	0.17	0.17	secondaires "réglementés"	0.16	0.17	education courses -			
Tobacco and alcohol -					Tobacco and alcohol -			Course postsecondaires			
Tabacs et alcools	6.33	6.20	6.37	6.50	Tabacs et alcools	5.47	5.93	"réglementés"	0.34	0.33	0.33
Fuel oil and other					Fuel oil and other			Tobacco products and			
liquid fuel -					liquid fuel -			alcoholic beverages -			
Mazout et autres combustibles					Mazout et autres combustibles			Produits du tabac et			
liquides	1.21	1.20	1.26	1.76	liquides	1.49	1.55	boissons alcooliques	6.10	6.21	6.51
Gas - Gaz	0.98	0.96	0.92	1.12	Piped and bottled gas -			Fuel oil and other liquid			
Gasoline for automobiles					Gaz naturel et gaz en			fuel -			
and trucks -					bouteille	1.03	1.07	Mazout et autres combustibles			
Essence pour automobiles et					Gasoline - Essence	4.63	4.80	liquides	0.96	-	-
camions	3.30	3.27	3.47	4.63	Gasoline for other			Piped gas - Gaz naturel	1.14	1.12	1.10
Gasoline for other					véhicules -			Gasoline (including diesel			
vehicles -					Essence pour autre			fuel) for operation of			
Essence pour autres					véhicules	0.12	0.13	automotive vehicles -			
véhicules	0.07	0.07	0.08	0.10	Motor oil - Huile à moteur	0.25	0.25	Essence (y compris le carburant			
Motor oil - Huile à moteur	0.23	0.23	0.24	0.25	Water - Eau	0.33	0.34	diesel pour utilisation de			
Water - Eau	0.38	0.40	0.37	0.36	Electricity - Électricité	1.62	1.64	véhicules automobiles)	4.44	-	-
Electricity - Électricité	1.55	1.61	1.54	1.44	Property taxes and special			fuel for operation of			
Property taxes -					charges -			recreation vehicles -			
Impôts fonciers	2.77	2.85	2.57	2.49	Impôts fonciers et frais	2.28	2.32	Combustible pour véhicules	0.09	-	-
Vehicle registration fees					spéciaux			de loisirs	0.36	0.38	0.38
and drivers' licences -					Vehicle registration fees			Water - Eau	1.91	1.95	1.94
Frais d'immatriculation de					and drivers' licences -			Electricity - Électricité			
véhicules automobiles et					Frais d'immatriculation de			Property taxes -	3.06	3.00	2.97
permis de conduire	0.27	0.26	0.23	0.20	véhicules automobiles et			Impôts fonciers			
					permis de conduire	0.39	0.38	Drivers' licences for			
								automotive vehicles -			
								Permis de conduire de			
								véhicules d'automobiles	0.06	0.05	0.05
								Registration fees for			
								automotive vehicles -			
								Frais d'immatriculation			
								de véhicules d'automobiles	0.24	0.24	0.23

<sup>2</sup> The commodities contained in this aggregate consist of the following, as long as each commodity is regulated and priced at the particular month of introduction of the weight: fuel oil, gas, gasoline, motor oil, and electricity. If a commodity is not regulated and priced at the month of introduction, this table does not contain a weight for it.

2 Les produits contenus dans cet agrégat sont les suivants, pourvu que chacun soit réglementé et fasse l'objet d'un relevé de prix au cours du mois de l'introduction de la pondération: mazout, gaz, essence, huile à moteur et électricité. Si un produit n'est pas réglementé et ne fait pas l'objet d'un relevé de prix au cours du mois de l'introduction de la pondération, le présent tableau ne renferme pas de pondération s'y rapportant.

<sup>3</sup> For a definition of the contents of this aggregate, see page 16.

<sup>3</sup> Voir la page 16 pour la définition du contenu de cet agrégat.

TABLE 2. CPI "Regulated" Prices

TABLEAU 2. Prix "réglementés" de l'IPC

	All-items	"Regulated"	"Non-Regulated"	"Regulated" Excluding "Regulated" Energy	"Regulated" Energy
	Ensemble	Prix "réglementés"	Prix "non réglementés"	Prix "réglementés" sans les prix "réglementés" de l'énergie	Prix "réglementés" de l'énergie
1973:					
April - Avril	100.0	100.0	100.0	100.0	100.0
May - Mai	100.6	100.6	100.7	100.6	100.6
June - Juin	101.7	100.8	101.8	100.9	100.6
July - Juillet	102.6	101.1	102.9	101.1	100.8
August - Août	103.9	101.8	104.4	101.8	101.1
September - Septembre	104.5	102.6	105.0	102.4	102.7
October - Octobre	104.7	102.4	105.4	101.9	103.2
November - Novembre	105.6	103.0	106.3	102.0	105.1
December - Décembre	106.2	103.9	106.8	102.2	108.0
1974:					
January - Janvier	107.1	104.3	107.7	102.6	108.3
February - Février	108.2	104.5	109.1	102.9	108.4
March - Mars	109.2	105.0	110.3	103.3	108.5
April - Avril	109.9	106.2	111.1	104.6	108.4
May - Mai	111.8	108.7	112.7	106.8	114.9
June - Juin	113.3	109.8	114.1	107.8	118.1
July - Juillet	113.9	109.9	115.2	107.9	117.7
August - Août	115.2	110.5	116.5	108.5	118.1
September - Septembre	115.9	111.0	117.4	109.0	118.0
October - Octobre	117.0	112.3	118.3	110.4	117.9
November - Novembre	118.2	113.3	119.7	111.5	117.8
December - Décembre	119.3	114.4	120.9	112.5	118.5
Annual average - Moyenne annuelle	113.2	109.2	114.4	107.3	114.6
1975:					
January - Janvier	120.0	115.8	121.0	113.8	120.6
February - Février	120.8	116.4	122.1	114.6	120.6
March - Mars	121.5	117.4	122.7	115.1	122.8
April - Avril	122.1	118.8	122.9	116.7	123.6
May - Mai	123.2	119.6	124.0	117.8	123.9
June - Juin	124.9	120.4	126.2	118.6	124.1
July - Juillet	126.6	123.0	127.5	119.3	132.8
August - Août	127.9	124.2	128.8	120.4	134.7
September - Septembre	128.1	125.1	128.9	120.8	137.0
October - Octobre	129.4	127.5	129.5	123.7	137.4
November - Novembre	130.5	128.5	130.8	124.0	140.7
December - Décembre	130.7	129.2	130.8	124.4	142.5
Annual average - Moyenne annuelle	125.5	122.2	126.3	119.1	130.1
1976:					
January - Janvier	131.3	130.0	131.4	124.8	144.6
February - Février	132.0	130.6	131.9	125.3	145.9
March - Mars	132.4	131.3	132.3	126.1	146.1
April - Avril	133.0	132.3	132.7	127.1	146.7
May - Mai	134.1	133.5	133.8	128.4	147.6
June - Juin	134.8	134.1	134.4	129.1	148.1
July - Juillet	135.2	134.5	134.9	129.6	148.4
August - Août	135.8	134.8	135.8	129.8	148.6
September - Septembre	136.5	137.0	135.7	130.5	155.8
October - Octobre	137.3	139.0	136.1	132.8	156.6
November - Novembre	137.8	139.5	136.6	133.6	156.3
December - Décembre	138.4	139.7	137.1	133.9	156.3
Annual average - Moyenne annuelle	134.9	134.7	134.4	129.2	150.1
1977:					
January - Janvier	139.5	140.6	138.4	134.1	159.2
February - Février	140.8	141.1	140.0	134.7	159.7
March - Mars	142.3	143.7	141.0	136.0	166.6
April - Avril	143.1	144.6	141.7	136.9	167.4
May - Mai	144.2	145.3	143.1	137.7	167.5
June - Juin	145.3	146.0	144.2	138.6	167.8
July - Juillet	146.6	146.9	145.8	139.7	168.1
August - Août	147.2	147.3	146.5	140.2	167.9
September - Septembre	148.1	148.5	147.1	140.2	173.2
October - Octobre	149.4	150.1	148.6	142.0	174.0
November - Novembre	150.4	150.5	149.8	142.5	174.2
December - Décembre	151.5	151.1	150.9	143.4	173.7
Annual average - Moyenne annuelle	145.7	146.3	144.8	138.8	168.3



TABLE 2. CPI "Regulated" Prices - Continued

TABLEAU 2. Prix "réglementés" de l'IPC - suite

	All-items	"Regulated"	"Non-Regulated"	"Regulated" Excluding "Regulated" Energy	"Regulated" Energy
	Ensemble	Prix "réglementés"	Prix "non réglementés"	Prix "réglementés" sans les prix "réglementés" de l'énergie	Prix "ré- glementés" de l'énergie
1978:					
January - Janvier	151.9	151.6	151.5	143.8	174.7
February - Février	153.0	152.9	152.4	144.9	176.4
March - Mars	154.7	154.8	154.0	145.4	183.1
April - Avril	155.2	158.8	154.1	146.9	182.4
May - Mai	157.3	156.7	156.7	148.1	182.4
June - Juin	158.6	157.2	158.5	148.9	181.9
July - Juillet	160.9	157.5	161.7	149.2	182.2
August - Août	161.2	158.4	161.5	149.6	184.7
September - Septembre	160.7	160.0	160.4	150.1	189.7
October - Octobre	162.4	160.9	162.4	151.2	190.0
November - Novembre	163.7	161.5	164.0	152.0	189.9
December - Décembre	164.2	162.0	164.4	152.3	190.7
Annual average - Moyenne annuelle	158.6	157.4	158.5	148.5	184.0
1979:					
January - Janvier	165.4	163.2	165.7	152.7	194.8
February - Février	167.0	163.7	167.7	153.3	195.3
March - Mars	169.1	164.7	170.1	154.4	195.7
April - Avril	170.2	165.2	171.5	154.7	196.7
May - Mai	171.9	168.3	172.6	158.5	197.3
June - Juin	172.7	168.5	173.6	158.7	197.6
July - Juillet	174.0	169.2	175.2	159.1	199.5
August - Août	174.7	169.8	175.9	159.6	200.1
September - Septembre	176.2	172.4	177.0	160.5	209.1
October - Octobre	177.5	173.8	178.2	161.8	210.5
November - Novembre	179.2	175.1	180.1	162.9	212.5
December - Décembre	180.3	175.7	181.3	163.0	215.3
Annual average - Moyenne annuelle	173.2	169.1	174.1	158.3	202.0
1980:					
January - Janvier	181.3	177.4	182.0	164.0	219.1
February - Février	182.8	178.8	183.7	165.6	220.0
March - Mars	184.8	181.1	185.5	167.1	225.1
April - Avril	185.8	181.6	186.9	167.2	227.0
May - Mai	188.0	184.1	188.8	170.0	228.6
June - Juin	190.1	186.2	190.9	172.4	229.2
July - Juillet	191.6	187.3	192.5	172.9	232.4
August - Août	193.3	188.5	194.6	173.9	234.4
September - Septembre	195.1	190.1	196.2	175.8	234.9
October - Octobre	196.8	194.1	197.2	176.9	248.9
November - Novembre	199.4	196.6	199.6	178.3	255.6
December - Décembre	200.4	197.7	200.8	179.3	257.0
Annual average - Moyenne annuelle	190.8	187.0	191.6	172.0	234.4
1981:					
January - Janvier	203.0	202.1	202.6	180.4	273.0
February - Février	205.2	203.9	204.8	182.3	274.1
March - Mars	207.7	207.9	206.9	183.7	287.4
April - Avril	209.4	208.6	208.8	184.6	287.5
May - Mai	211.2	211.7	210.2	186.7	293.8
June - Juin	214.6	217.0	212.7	189.4	308.2
July - Juillet	216.3	218.6	214.7	190.7	311.1
August - Août	218.0	220.1	216.3	192.2	312.7
September - Septembre	219.5	223.0	217.4	193.0	322.6
October - Octobre	221.7	227.7	218.5	198.1	325.9
November - Novembre	223.6	229.5	220.5	200.5	325.7
December - Décembre	224.7	233.0	220.4	202.2	335.3
Annual average - Moyenne annuelle	214.6	216.9	212.8	190.3	304.8
1982:					
January - Janvier	226.2	236.2	221.3	205.4	338.6
February - Février	229.0	237.6	224.5	206.9	339.6
March - Mars	231.8	242.6	226.5	208.1	357.9
April - Avril	233.0	243.6	228.0	208.9	359.5
May - Mai	236.3	247.3	230.9	212.4	363.8
June - Juin	238.6	248.7	233.6	214.1	364.2
July - Juillet	239.9	250.0	234.8	215.6	364.3
August - Août	241.0	251.9	235.7	217.1	367.9
September - Septembre	242.3	256.4	235.8	218.2	384.5
October - Octobre	243.8	259.5	236.7	223.5	379.4
November - Novembre	245.5	261.9	238.0	225.7	382.5
December - Décembre	245.5	262.1	238.1	226.2	381.7
Annual average - Moyenne annuelle	237.7	249.8	232.0	215.2	365.3

TABLE 2. CPI "Regulated" Prices - Concluded

TABLEAU 2. Prix "réglementés" de l'IPC - fin

	All-items	"Regulated"	"Non-Regulated"	"Regulated" Excluding "Regulated" Energy	"Regulated" Energy
	Ensemble	Prix "réglementés"	Prix "non réglementés"	Prix "réglementés" sans les prix "réglementés de l'énergie	Prix "ré- gimentés" de l'énergie
1983:					
January - Janvier	244.8	261.1	237.6	226.3	376.5
February - Février	245.9	260.3	239.5	227.5	368.3
March - Mars	248.5	267.0	240.3	227.4	399.7
April - Avril	248.5	263.6	241.6	228.3	381.0
May - Mai	249.1	262.4	243.1	230.4	367.7
June - Juin	251.9	271.5	243.4	232.6	401.7
July - Juillet	253.0	273.2	244.3	233.8	405.0
August - Août	254.3	274.9	245.4	235.0	408.3
September - Septembre	254.3	275.7	245.1	236.5	406.8
October - Octobre	255.8	277.9	246.3	240.4	402.5
November - Novembre	255.8	277.3	246.6	240.8	398.8
December - Décembre	256.7	279.7	246.8	242.0	405.3
Annual average - Moyenne annuelle	251.6	270.4	243.3	233.4	393.5
1984:					
January - Janvier	257.9	282.9	247.3	243.2	415.5
February - Février	259.4	283.7	249.1	243.8	417.0
March - Mars	260.1	282.2	250.5	244.3	408.4
April - Avril	260.7	282.8	251.2	244.8	409.3
May - Mai	261.2	283.7	251.4	246.6	406.7
June - Juin	262.2	286.3	252.0	248.8	410.9
July - Juillet	263.7	288.8	253.2	250.0	417.8
August - Août	263.7	287.7	253.4	250.2	412.5
September - Septembre	263.9	288.9	253.4	251.1	414.5
October - Octobre	264.4	289.3	253.9	251.6	414.4
November - Novembre	266.1	293.9	254.8	252.9	426.2
December - Décembre	266.3	294.2	254.5	253.3	430.5
Annual average - Moyenne annuelle	262.5	287.0	252.1	248.4	415.3
1985:					
January - Janvier	267.4	296.6	255.2	254.4	438.2
February - Février	269.1	297.1	257.2	255.4	436.7
March - Mars	269.7	297.8	257.8	256.4	436.4
April - Avril	270.8	298.5	259.0	257.2	436.2
May - Mai	271.5	300.9	259.1	260.1	436.3
June - Juin	273.0	305.4	259.7	264.4	438.0
July - Juillet	273.8	307.1	260.4	266.3	435.3
August - Août	274.2	307.6	260.8	266.8	435.9
September - Septembre	274.7	307.6	261.3	266.7	435.8
October - Octobre	275.5	309.8	261.7	269.0	435.1
November - Novembre	276.6	310.8	262.8	270.0	435.7
December - Décembre	277.9	311.9	264.1	271.0	435.6
Annual average - Moyenne annuelle	272.8	304.3	259.9	263.1	436.3
1986:					
January - Janvier	279.2	313.9	265.3	272.7	438.8
February - Février	280.3	315.9	266.1	274.7	439.1
March - Mars	280.9	318.6	266.0	277.4	439.5
April - Avril	281.3	320.9	266.1	279.6	439.6
May - Mai	282.6	322.5	267.4	280.8	445.1
June - Juin	283.0	322.9	267.6	281.1	445.0

TABLE 3. "Approved Prices"

TABLEAU 3. "Prix approuvés"

	"Approved Prices"	"Other Prices"
	"Prix approuvés"	"Autres prix"
1973:		
April - Avril	100.0	100.0
May - Mai	100.7	100.7
June - Juin	101.0	101.7
July - Juillet	101.3	102.7
August - Août	102.2	104.2
September - Septembre	103.2	104.7
October - Octobre	103.1	105.1
November - Novembre	103.8	105.9
December - Décembre	105.0	106.4
1974:		
January - Janvier	105.4	107.3
February - Février	105.6	108.6
March - Mars	106.2	109.7
April - Avril	107.5	110.5
May - Mai	110.7	111.9
June - Juin	112.2	113.3
July - Juillet	112.3	114.3
August - Août	112.8	115.5
September - Septembre	113.4	116.4
October - Octobre	114.4	117.4
November - Novembre	115.6	118.7
December - Décembre	116.9	119.9
Annual average - Moyenne annuelle	111.1	113.6
1975:		
January - Janvier	118.3	120.1
February - Février	119.0	121.1
March - Mars	120.2	121.6
April - Avril	121.8	121.9
May - Mai	122.9	122.9
June - Juin	123.7	125.0
July - Juillet	126.9	126.2
August - Août	128.5	127.5
September - Septembre	129.5	127.6
October - Octobre	130.3	128.7
November - Novembre	131.5	129.9
December - Décembre	132.3	129.9
Annual average - Moyenne annuelle	125.4	125.2
1976:		
January - Janvier	132.9	130.7
February - Février	133.4	131.2
March - Mars	134.2	131.6
April - Avril	135.0	132.1
May - Mai	136.4	133.1
June - Juin	137.1	133.7
July - Juillet	137.6	134.2
August - Août	137.9	135.0
September - Septembre	140.6	134.9
October - Octobre	141.1	136.0
November - Novembre	141.8	136.4
December - Décembre	142.1	136.8
Annual average - Moyenne annuelle	137.5	133.8
1977:		
January - Janvier	142.3	138.3
February - Février	142.8	139.9
March - Mars	145.6	140.8
April - Avril	146.4	141.7
May - Mai	147.2	143.0
June - Juin	148.1	144.0
July - Juillet	149.0	145.5
August - Août	149.4	146.2
September - Septembre	151.0	146.8
October - Octobre	151.2	148.7
November - Novembre	151.7	149.8
December - Décembre	152.4	150.8
Annual average - Moyenne annuelle	148.1	144.6

TABLE 3. "Approved Prices"

TABLEAU 3. "Prix approuvés"

	"Approved Prices"	"Other Prices"
	"Prix approuvés"	"Autres prix"
1978:		
January - Janvier	152.6	151.5
February - Février	153.7	152.5
March - Mars	156.0	154.0
April - Avril	157.2	154.1
May - Mai	158.3	156.6
June - Juin	158.9	158.2
July - Juillet	159.2	161.2
August - Août	160.3	161.0
September - Septembre	162.2	160.1
October - Octobre	162.2	162.2
November - Novembre	162.9	163.7
December - Décembre	163.4	164.1
Annual average - Moyenne annuelle	158.9	158.3
1979:		
January - Janvier	164.1	165.5
February - Février	164.7	167.5
March - Mars	165.8	169.7
April - Avril	166.4	171.0
May - Mai	170.2	172.0
June - Juin	170.5	172.9
July - Juillet	171.4	174.5
August - Août	172.1	175.1
September - Septembre	175.2	176.1
October - Octobre	176.0	177.6
November - Novembre	177.6	179.3
December - Décembre	178.5	180.4
Annual average - Moyenne annuelle	171.0	173.5
1980:		
January - Janvier	179.6	181.3
February - Février	181.3	182.9
March - Mars	184.2	184.6
April - Avril	184.6	186.0
May - Mai	187.7	187.7
June - Juin	190.2	189.7
July - Juillet	191.4	191.3
August - Août	192.9	193.2
September - Septembre	194.9	194.7
October - Octobre	199.6	195.6
November - Novembre	202.5	198.0
December - Décembre	203.8	199.1
Annual average - Moyenne annuelle	191.1	190.3
1981:		
January - Janvier	208.3	201.1
February - Février	210.3	203.2
March - Mars	215.2	205.2
April - Avril	216.1	206.9
May - Mai	219.8	208.3
June - Juin	226.2	210.6
July - Juillet	228.0	212.5
August - Août	229.9	214.0
September - Septembre	233.4	215.0
October - Octobre	237.0	216.7
November - Novembre	239.3	218.5
December - Décembre	242.9	218.7
Annual average - Moyenne annuelle	225.5	210.9
1982:		
January - Janvier	245.6	219.9
February - Février	246.8	223.1
March - Mars	252.9	225.0
April - Avril	254.0	226.4
May - Mai	258.5	229.1
June - Juin	260.2	231.6
July - Juillet	261.5	232.8
August - Août	263.9	233.7
September - Septembre	269.4	233.8
October - Octobre	270.7	235.3
November - Novembre	273.7	236.6
December - Décembre	274.0	236.6
Annual average - Moyenne annuelle	260.9	230.3



TABLE 3. "Approved Prices" - Concluded

TABLEAU 3. "Prix approuvés" - fin

	"Approved Prices"	"Other Prices"
	"Prix approuvés"	"Autres prix"
1983:		
January - Janvier	271.6	236.5
February - Février	270.3	238.3
March - Mars	278.6	239.1
April - Avril	274.2	240.4
May - Mai	272.6	241.8
June - Juin	283.9	242.1
July - Juillet	286.0	243.0
August - Août	288.0	243.9
September - Septembre	289.0	243.7
October - Octobre	290.3	245.2
November - Novembre	289.6	245.4
December - Décembre	292.4	245.7
Annual average - Moyenne annuelle	282.2	242.1
1984:		
January - Janvier	295.9	246.3
February - Février	296.2	248.1
March - Mars	294.4	249.5
April - Avril	294.7	250.3
May - Mai	295.8	250.4
June - Juin	299.1	251.0
July - Juillet	302.0	252.2
August - Août	300.9	252.3
September - Septembre	302.3	252.3
October - Octobre	301.2	253.2
November - Novembre	305.7	254.0
December - Décembre	307.3	253.8
Annual average - Moyenne annuelle	299.6	251.1
1985:		
January - Janvier	309.5	254.7
February - Février	310.1	256.5
March - Mars	311.0	257.1
April - Avril	311.7	258.2
May - Mai	314.6	258.4
June - Juin	320.7	259.0
July - Juillet	323.0	259.5
August - Août	323.7	259.9
September - Septembre	323.6	260.4
October - Octobre	323.9	261.3
November - Novembre	325.2	262.3
December - Décembre	326.6	263.5
Annual average - Moyenne annuelle	318.6	259.2
1986:		
January - Janvier	328.5	264.8
February - Février	331.3	265.5
March - Mars	334.8	265.5
April - Avril	337.9	265.6
May - Mai	339.6	266.9
June - Juin	339.9	267.1

Chart — 13

Canadian Leading Indicators Jan./61-May/82

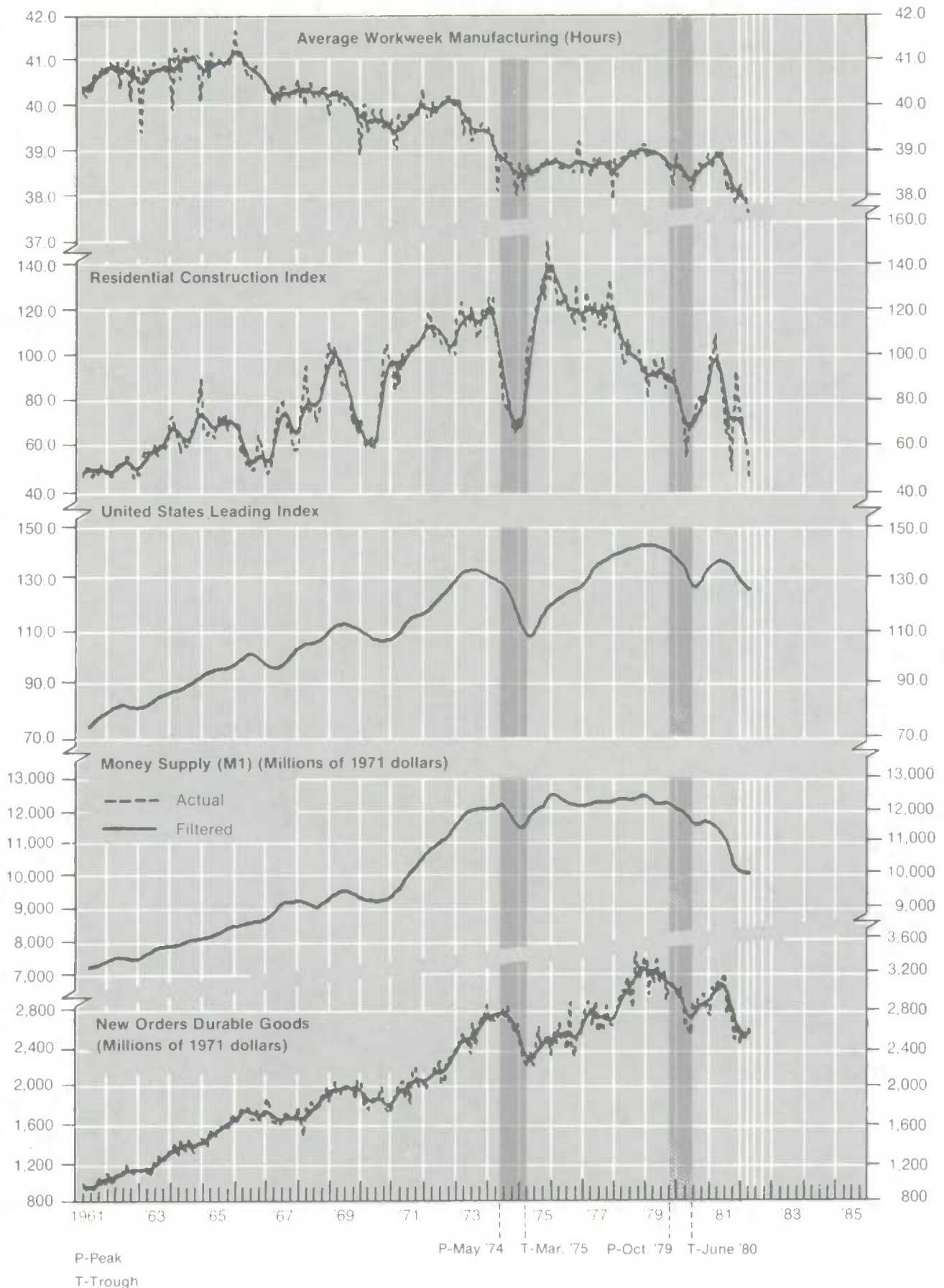
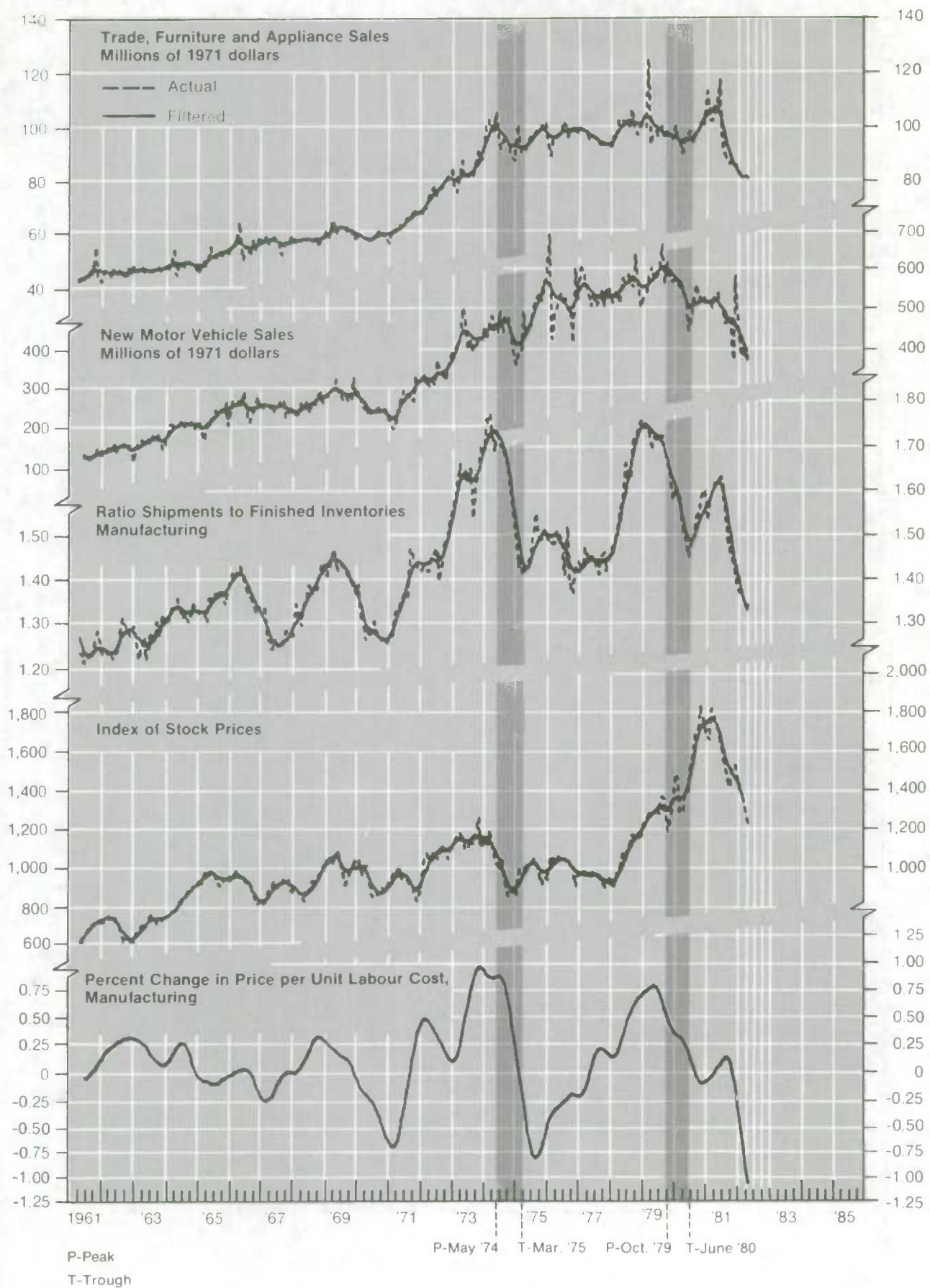


Chart — 14

Canadian Leading Indicators Jan./61-May/82





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## Main Indicators

1	Gross National Expenditure in 1971 Dollars, Percentage Changes of Seasonally Adjusted Figures	19
2	Real Output by Industry, 1971 = 100, Percentage Changes of Seasonally Adjusted Figures	19
3	Demand Indicators, Percentage Changes of Seasonally Adjusted Figures	20
4	Labour Market Indicators, Seasonally Adjusted	20
5	Prices and Costs, Percentage Changes, Not Seasonally Adjusted	21
6	Prices and Costs, National Accounts Implicit Price Indexes, Percentage Changes of Seasonally Adjusted Figures	21
7	External Trade, Customs Basis, Percentage Changes of Seasonally Adjusted Figures	22
8	Current Account, Balance of International Payments, Balances, Millions of Dollars, Seasonally Adjusted	22
9	Capital Account, Balance of International Payments, Balances, Millions of Dollars, Not Seasonally Adjusted	23
10	Financial Indicators	23
11-12	Canadian Leading Indicators, Filtered Data	24
13	United States Monthly Indicators, Percentage Changes of Seasonally Adjusted Figures	25
14-15	United States Leading and Coincident Indicators, Filtered Data	25-26

GROSS NATIONAL EXPENDITURE IN 1971 DOLLARS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	PERSONAL EXPENDI- TURE	GOVERNMENT EXPENDI- TURE	BUSINESS FIXED INVESTMENT			INVENTORY INVESTMENT		EXPORTS	IMPORTS	GROSS NATIONAL EXPENDITURE
			RESIDENTIAL CONST- RUCTION	NON RESIDENTIAL CONST- RUCTION	MACHINERY AND EQUIPMENT	BUSINESS NON-FARM (1)	FARM AND GICC (1)(2)			
1977	2.9	3.2	-6.3	3.0	-4	-571	-335	6.9	2.1	2.1
1978	2.7	1.8	-1.8	1.3	1.0	-60	216	10.4	4.7	3.6
1979	2.0	.9	-2.8	12.9	11.9	1629	-136	2.9	7.2	2.9
1980	1.1	-1.0	-6.1	11.0	4.5	-2389	-122	1.8	-2.0	.5
1981	1.9	.9	5.6	8.4	4.6	1251	312	1.6	2.6	3.1
1980 II	-7	.3	-10.5	-1.2	-2.0	-232	-544	-.8	-1.8	-1.2
III	1.6	.4	2.0	1.9	1.7	-3016	176	3.2	-2.4	.6
IV	.9	-.5	6.2	2.4	-.2	1256	72	3.3	3.3	1.9
1981 I	.3	.2	6.8	4.5	4.3	2364	236	-6.1	-.2	1.2
II	1.1	-.1	4.9	.7	3.7	-572	12	7.8	4.6	1.6
III	-1.1	1.5	-8.7	.0	-5.2	920	376	-3.0	-.1	-1.1
IV	-.3	.9	-11.7	3.2	.2	-2080	-508	-.4	-5.3	-.9
1982 I	-1.1	.4	-1.9	-4.9	-8.8	-1580	108	-4.6	-8.0	-2.0

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.

(1) DIFFERENCE FROM PRECEDING PERIOD, ANNUAL RATES.  
(2) GICC - GRAIN IN COMMERCIAL CHANNELS.

REAL OUTPUT BY INDUSTRY  
1971=100  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	GROSS DOMESTIC PRODUCT EXCLUDING AGRICUL- TURE	GROSS DOMESTIC PRODUCT EXCLUDING AGRICUL- TURE	GOODS PRODUCING INDUSTRIES	SERVICE PRODUCING INDUSTRIES	INDUSTRIAL PRODUCTION	DURABLE MANUFAC- TURING INDUSTRIES	NON- DURABLE MANUFAC- TURING INDUSTRIES	MINING INDUSTRY	COM- MERCIAL INDUSTRIES	NON- COM- MERCIAL INDUSTRIES
1977	2.9	2.9	1.9	3.5	2.6	2.5	1.5	3.0	3.2	1.7
1978	3.3	3.5	2.3	4.0	3.5	4.5	5.7	-7.8	3.7	1.5
1979	3.7	4.0	3.5	3.8	5.3	3.4	6.0	9.8	4.3	.3
1980	.4	.3	-1.6	1.6	-2.0	-4.7	-1.4	2.1	.3	.8
1981	2.5	2.3	2.3	2.6	1.1	2.2	1.2	-5.8	2.6	1.9
1980 JUN	-.4	-.3	-.9	.0	-.2	-.3	.0	-.5	-.4	.2
JUL	.1	.1	.2	.1	-.4	-.1	-1.0	-2.9	.1	.2
AUG	.4	.5	.4	.4	.8	1.7	-.1	2.0	.4	.2
SEP	.5	.6	1.1	.1	1.4	2.5	1.4	-2.9	.6	.2
OCT	.6	.6	.9	.5	.7	1.1	.4	-1.1	.8	.2
NOV	.6	.5	.2	.7	.4	.1	-.3	5.0	.5	.6
DEC	.0	.1	.5	-.3	.2	.8	.7	-4.3	.1	.0
1981 JAN	.4	.2	-.1	.7	-1.5	-2.6	-.2	.0	.5	-.2
FEB	.8	.7	1.9	.1	1.9	3.7	1.6	1.4	1.0	-.3
MAR	.5	.5	1.1	.1	1.5	2.6	.7	-1.0	.5	.1
APR	.2	.3	.1	.3	.0	.3	-.4	.3	.3	-.3
MAY	.3	.4	1.0	.1	1.3	1.8	1.5	-2.7	.3	.7
JUN	.5	.5	.7	.3	.9	2.6	.0	-2.4	.5	.1
JUL	-1.1	-1.2	-1.9	-.5	-2.3	-3.0	-1.3	-8.1	-1.4	.9
AUG	-.6	-.6	-1.7	.0	-1.7	-5.5	-.7	10.0	-.7	-.2
SEP	-.1	-.1	-1.2	.5	-1.5	-3.1	-.4	-2.1	-.1	.0
OCT	-.4	-.5	-.7	-.3	-1.4	-2.7	-.8	-.3	-.5	.5
NOV	.1	.1	-1.2	.8	-1.7	-2.0	-2.1	.1	.1	.0
DEC	-.7	-.7	-1.6	-.2	-1.3	-1.7	-1.4	1.2	-.8	-.1
1982 JAN	-1.0	-1.1	-.9	-1.1	-.9	-2.2	-1.8	-2.7	-1.2	.2
FEB	.0	.1	-.2	.1	-.2	.7	-.8	2.3	.0	-.1
MAR	-.8	-.7	-1.2	-.3	-1.2	-2.1	-.2	-.3	-.8	.6
APR	-.9	-.9	-1.5	-.6	-1.4	.7	-3.8	-5.2	-1.1	.2
MAY	-.1	-.1	-.8	.3	1.0	1.7	1.6	-1.0	-.1	.0

SOURCE: GROSS DOMESTIC PRODUCT BY INDUSTRY, CATALOGUE NO. 61-005, STATISTICS CANADA.

DEMAND INDICATORS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	RETAIL SALES	DEPARTMENT STORE SALES	NEW MOTOR VEHICLE SALES	MANUFAC- TURING SHIPMENTS	DISCIPLE MANUFAC- TURING NEW ORDERS	MANUFAC- TURING INVENTORY SHIPMENTS RATIO (1)	AVERAGE WEEKLY HOURS IN MANUFAC- TURING (1)	TOTAL HOUSING STARTS (2)	BUILDING PERMITS	CONSTRUC- TION MATERIALS SHIPMENTS
1977	8.3	6.9	11.1	11.2	17.2	1.99	38.6	244.0	1.9	3.3
1978	11.8	11.0	12.4	18.7	22.5	1.84	38.8	234.8	5.8	18.3
1979	12.1	10.8	18.8	17.8	16.4	1.86	38.8	197.4	7.7	16.2
1980	8.7	9.5	.1	9.2	1.4	2.00	38.5	159.6	9.2	6.0
1981	12.6	9.9	3.9	13.2	10.0	2.02	38.5	180.7	21.2	14.1
1980 III	5.6	4.2	14.7	5.3	15.0	2.03	38.3	158.3	16.4	3.9
IV	3.5	2.5	.2	6.1	3.9	1.94	38.7	167.0	22.6	5.9
1981 I	5.0	3.9	1.3	2.1	1.6	1.97	38.7	191.3	.4	4.3
II	1.4	3.2	2.0	6.6	8.2	1.93	38.8	216.3	5.3	7.3
III	.4	-2.6	-5.8	-.3	-3.4	2.02	38.5	180.0	-9.0	-1.1
IV	1.3	1.4	1.0	-3.1	-11.2	2.14	38.1	135.0	9.7	-3.3
1982 I	-.2	-2.9	-17.6	-1.9	-3.4	2.21	38.1	179.3	-17.9	-8.2
II			6.8					117.0	-29.7	
1981 JUL	.3	-5.1	-4.4	1.3	4.3	1.93	38.7	184.0	5.7	-.8
AUG	-.7	.4	-.2	-3.9	-14.7	2.04	38.5	176.0	-16.2	-1.6
SEP	.7	-1.2	7.7	-1.5	2.3	2.09	38.2	180.0	-8.4	.3
OCT	-.9	1.0	-23.5	-.4	-6.1	2.12	38.5	105.0	-1.6	-3.5
NOV	3.5	2.6	54.6	.3	-6.7	2.13	38.1	121.0	32.2	.5
DEC	-.9	-1.9	-20.6	-1.8	9.4	2.17	37.8	179.0	10.9	.6
1982 JAN	-1.5	-4.2	-21.1	-2.7	-10.2	2.24	38.1	164.0	-26.3	-9.7
FEB	1.0	4.9	12.7	2.7	8.3	2.20	38.2	201.0	-10.5	1.7
MAR	-.2	-4.2	-3.8	.5	-5.0	2.20	37.9	173.0	9.8	-.5
APR	-.5	2.7	2.2	-3.7	5.5	2.27	37.9	133.0	-21.8	-4.8
MAY	3.6	.9	.7	3.2	-3.2	2.19	37.6	104.0	-15.9	3.6
JUN			8.1					114.0	-3.9	
JUL								111.0		

SOURCE: RETAIL TRADE, CATALOGUE 63-005, EMPLOYMENT, EARNINGS AND HOURS, CATALOGUE 72-002, INVENTORIES, SHIPMENTS AND ORDERS IN MANUFACTURING INDUSTRIES, CATALOGUE 31-001, NEW MOTOR VEHICLE SALES, CATALOGUE 63-007, BUILDING PERMITS, CATALOGUE 64-001, STATISTICS CANADA, CANADIAN HOUSING STATISTICS, CANADA MORTGAGE AND HOUSING CORPORATION.

(1) NOT PERCENTAGE CHANGE.

(2) THOUSANDS OF STARTS, ANNUAL RATES.

LABOUR MARKET INDICATORS  
SEASONALLY ADJUSTED

	EMPLOYMENT			LABOUR FORCE (2)	PARTICI- PATION RATE	EMPLOYMENT POPULATION RATIO (3)	UNEMPLOY- MENT RATE TOTAL	UNEMPLOY- MENT RATE AGES 15-24	UNEMPLOY- MENT RATE AGES 25 AND OVER	UNEMPLOY- MENT INSURANCE (4)
	TOTAL - ESTAB- LISHMENT SURVEY (1)	MANUFACTUR- ING, ESTAB- LISHMENT SURVEY (1)	TOTAL - LABOUR FORCE SURVEY (2)							
1977	2.7	.1	1.8	2.9	61.5	56.6	8.1	14.4	5.8	2807
1978	2.0	1.6	3.4	3.7	62.6	57.4	8.4	14.5	6.1	2809
1979	3.6	3.9	4.0	3.0	63.3	58.6	7.5	13.0	5.4	2602
1980	2.1	-1.2	2.8	2.8	64.0	59.2	7.5	13.2	5.4	2762
1981	3.5	1.7	2.6	2.7	64.7	59.8	7.6	13.3	5.6	2895
1980 III	.8	-.1	.6	.3	63.9	59.0	7.6	13.3	5.5	597
IV	1.3	1.0	1.2	.9	64.2	59.5	7.3	12.7	5.3	825
1981 I	1.3	1.5	1.2	1.2	64.7	60.0	7.3	13.0	5.4	711
II	1.0	1.5	.5	.5	64.7	60.1	7.2	12.7	5.2	542
III	.0	-1.4	-.1	.3	64.7	59.8	7.6	13.1	5.6	683
IV	-.3	-1.8	-.7	.2	64.6	59.1	8.4	14.6	6.3	959
1982 I	-.9	-3.1	-.9	-.7	63.9	58.4	8.6	15.3	6.4	939
II			-1.2	.5	64.0	57.4	10.2	17.6	7.7	
1981 JUL	-.3	-1.5	-.2	-.2	64.6	59.9	7.4	12.7	5.5	242
AUG	-.2	-.6	.3	.0	64.5	60.0	7.1	12.2	5.3	184
SEP	.5	.4	-.4	.8	65.0	59.6	8.2	14.3	6.1	257
OCT	-.4	-1.1	-.2	-.2	64.8	59.4	8.3	14.2	6.2	235
NOV	-.2	-.7	-.2	-.3	64.6	59.2	8.3	14.7	6.1	352
DEC	-.1	-.9	-.5	-.1	64.4	58.8	8.6	14.8	6.5	372
1982 JAN	-1.1	-1.5	-.2	-.6	64.0	58.6	8.3	15.0	6.0	385
FEB	.3	-.9	-.4	-.1	63.8	58.3	8.6	15.0	6.4	257
MAR	.2	-.7	-.1	.4	64.0	58.2	9.0	15.8	6.7	297
APR	-.3	-1.1	-.7	-.1	63.9	57.7	9.6	16.6	7.2	280
MAY			-.2	.4	64.1	57.5	10.2	17.5	7.7	265
JUN			-.6	.2	64.1	57.1	10.9	18.6	8.3	
JUL			-.3	.7	64.5	56.9	11.8	20.9	8.7	

SOURCE: ESTIMATES OF EMPLOYEES BY PROVINCE AND INDUSTRY, CATALOGUE 72-008, THE LABOUR FORCE, CATALOGUE 71-001, STATISTICAL REPORT ON THE OPERATION OF THE UNEMPLOYMENT INSURANCE ACT, CATALOGUE 73-001, STATISTICS CANADA.

(1) PERCENTAGE CHANGE, ESTIMATES OF EMPLOYEES, TOTAL EMPLOYMENT OF PAID WORKERS IN NON-AGRICULTURAL INDUSTRIES.

(2) PERCENTAGE CHANGE.

(3) EMPLOYMENT AS A PERCENTAGE OF THE POPULATION 15 YEARS OF AGE AND OVER.

(4) INITIAL AND RENEWAL CLAIMS RECEIVED, THOUSANDS, NOT SEASONALLY ADJUSTED.



PRICES AND COSTS  
PERCENTAGE CHANGES  
NOT SEASONALLY ADJUSTED

	CONSUMER PRICE INDEX			CANADIAN DOLLAR IN U.S. CENTS (1)	INDUSTRY SELLING PRICE INDEX	RESIDENTIAL CONSTRUC- TION INPUTS PRICE INDEX	NON- RESIDENTIAL CONSTRUC- TION INPUTS PRICE INDEX	AVERAGE WEEKLY WAGES AND SALARIES (2)	OUTPUT PER PERSON EMPLOYED (3)	UNIT LABOUR COSTS (3)
	ALL ITEMS	FOOD	NON-FOOD							
1977	8.0	8.4	7.8	94.10	7.9	9.3	8.4	9.9	109.3	177.5
1978	9.0	15.5	6.4	87.72	9.2	9.4	7.5	6.2	109.2	187.4
1979	9.1	13.2	7.9	85.38	14.5	10.1	11.1	8.6	108.9	202.2
1980	10.1	10.7	10.0	85.54	13.5	5.4	9.0	9.8	106.3	227.2
1981	12.5	11.4	12.8	83.42	10.2	9.7	9.7	12.2	106.2	252.7
1980 III	2.8	4.2	2.4	86.32	2.8	3.1	2.6	2.7	105.9	230.8
IV	2.8	3.1	2.8	84.47	3.3	.9	1.2	3.2	106.2	236.7
1981 I	3.2	3.0	3.3	83.78	2.6	2.6	1.9	3.3	106.3	240.8
II	3.1	2.3	3.4	83.43	2.2	5.2	3.9	2.7	107.0	247.5
III	3.0	2.5	3.1	82.53	2.1	1.2	2.1	2.4	105.9	256.7
IV	2.5	-.6	3.4	83.91	1.3	-.7	1.6	2.9	105.7	265.9
1982 I	2.5	1.9	2.7	82.72	1.4	-.6	1.9	3.1	105.0	274.3
II	3.1	4.1	2.8	80.37	1.9	.8	1.0			
1981 JUL	.9	1.3	.7	82.55	.7	.4	.4	.1	106.4	253.7
AUG	.7	.3	.9	81.77	.7	-.4	.2	1.5	105.5	253.9
SEP	.7	-.2	1.0	83.28	.3	-1.1	.3	.9	105.8	262.4
OCT	1.0	-.1	1.3	83.14	.9	-.2	.8	.9	105.6	263.2
NOV	.9	-.2	1.2	84.22	-.2	.4	.5	.9	105.9	265.4
DEC	.4	-.8	.8	84.38	.4	.3	.7	.6	105.7	269.2
1982 JAN	.7	1.0	.6	83.86	.7	.4	1.1	1.2	104.9	272.1
FEB	1.2	2.0	.9	82.37	.5	-.4	.3	1.8	105.3	273.3
MAR	1.3	.8	1.4	81.94	.4	.3	.1	-.3	104.7	277.4
APR	.5	.6	.5	81.65	1.0	.2	.2	.9	104.5	280.6
MAY	1.4	2.2	1.1	81.04	.5	.0	.1	.1	104.6	
JUN	1.0	2.2	.7	78.41	.4	1.4	1.8			
JUL				78.75						

SOURCE: CONSTRUCTION PRICE STATISTICS, CATALOGUE 62-007, INDUSTRY PRICE INDEXES, CATALOGUE 62-011, GROSS DOMESTIC PRODUCT BY INDUSTRY, CATALOGUE 61-005, ESTIMATES OF LABOUR INCOME, CATALOGUE 72-005, THE LABOUR FORCE, CATALOGUE 71-001, THE CONSUMER PRICE INDEX, CATALOGUE 62-001, EMPLOYMENT, EARNINGS AND HOURS, CATALOGUE 72-002, STATISTICS CANADA, BANK OF CANADA REVIEW.

(1) AVERAGE MOON SPOT RATE: (NOT PERCENTAGE CHANGES).

(2) SEASONALLY ADJUSTED.

(3) OUTPUT IS DEFINED AS TOTAL GROSS DOMESTIC PRODUCT, AND EMPLOYMENT IS DEFINED ON A LABOUR FORCE SURVEY BASIS. INDEX FORM, 1971=100, USING SEASONALLY ADJUSTED DATA: (NOT PERCENTAGE CHANGES).

PRICES AND COSTS  
NATIONAL ACCOUNTS IMPLICIT PRICE INDEXES  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	PERSONAL EXPENDITURE				BUSINESS FIXED INVESTMENT			EXPORTS	IMPORTS	GROSS NATIONAL EXPENDITURE
	DURABLES	SEMI- DURABLES	NON- DURABLES	SERVICES	RESIDENTIAL CON- STRUCTION	NON- RESIDENTIAL CON- STRUCTION	MACHINERY AND EQUIPMENT			
1977	4.9	6.1	8.9	7.7	10.9	7.9	7.4	7.8	12.3	7.1
1978	5.1	4.5	10.4	7.1	7.5	7.0	11.1	8.5	13.1	6.5
1979	8.2	10.9	10.2	8.5	7.6	9.8	10.3	19.1	13.8	10.3
1980	8.6	11.2	12.2	9.7	5.4	11.9	10.2	15.7	15.0	11.0
1981	8.9	7.5	14.7	10.9	9.4	11.1	11.0	7.7	11.1	10.1
1980 II	2.8	2.2	2.6	2.4	- .8	2.8	2.5	- .3	1.7	2.7
III	2.9	2.2	4.2	2.6	3.1	2.5	2.0	2.8	2.8	2.3
IV	1.2	1.7	4.6	2.2	3.6	2.7	3.4	2.0	1.9	2.0
1981 I	2.1	1.6	3.2	3.6	2.2	2.2	2.5	4.8	4.9	2.9
II	2.1	2.3	3.2	2.3	3.3	2.8	2.7	-2.3	2.0	1.5
III	2.7	1.5	3.8	1.9	.3	3.0	2.6	2.7	2.6	3.1
IV	2.1	1.5	1.6	2.6	1.2	3.3	2.6	1.5	-1.3	3.1
1982 I	.9	1.0	3.4	2.6	1.4	1.1	1.9	.7	2.1	2.7

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.

EXTERNAL TRADE  
CUSTOMS BASIS (1)  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	EXPORTS OF GOODS			IMPORTS OF GOODS			NET EXPORTS OF GOODS (3)	TERMS OF TRADE (4)
	TOTAL VALUE	INDEX OF PHYSICAL VOLUME	PRICE INDEX (2)	TOTAL VALUE	INDEX OF PHYSICAL VOLUME	PRICE INDEX (2)		
1977	15.8	9.3	6.6	13.0	.7	12.1	2730	106.7
1978	19.4	9.6	8.8	18.3	3.2	13.4	4007	102.3
1979	23.4	1.8	20.9	25.5	11.1	14.3	4118	108.2
1980	16.0	-1.2	17.2	10.2	-5.1	16.7	8488	108.8
1981	9.9	2.6	6.4	14.2	2.3	11.1	7351	104.3
1980 III	5.4	3.2	2.2	.3	-.9	3.5	2648	107.7
IV	4.3	3.2	1.0	7.3	3.7	1.4	2851	107.2
1981 I	1.0	-5.5	6.4	4.6	-1.1	5.6	1818	108.0
II	6.1	10.4	-4.1	7.5	5.5	1.8	1636	101.7
III	-2.6	-4.9	2.6	-.3	-2.4	2.4	1185	102.0
IV	-.1	-1.2	1.0	-7.2	-5.0	-2.3	2712	105.4
1982 I	-2.1	-3.2	1.5	-8.4	-10.8	2.5	3548	104.3
II	5.2			-2.2			4652	
1981 JUN	7.7	8.2	-.4	2.6	4.5	-1.9	775	101.7
JUL	-5.5	-7.9	2.3	-1.0	-1.9	1.1	541	102.8
AUG	-2.5	-3.9	2.1	-2.2	-7.5	5.7	366	99.4
SEP	-.4	1.4	-1.8	2.0	8.6	-5.9	278	103.7
OCT	-.6	-1.0	-.1	-7.5	-7.5	-.4	825	104.0
NOV	4.4	2.2	2.4	-.9	2.8	-2.8	1056	109.6
DEC	-3.6	-3.6	.0	1.2	-6.0	6.8	831	102.6
1982 JAN	-8.4	-12.2	4.5	-17.9	-16.4	-1.6	1324	108.9
FEB	12.6	17.7	-4.3	18.5	15.4	2.6	1062	101.5
MAR	-1.2	.9	-2.3	-3.5	-.1	-3.4	1162	102.7
APR	1.5	2.8	-1.9	-2.7	-.9	-1.8	1240	102.6
MAY	-2.0	-1.1	-.2	-1.3	-1.3	.0	1433	102.4
JUN	5.9			-4.8			1979	

SOURCE: TRADE OF CANADA, EXPORTS, CATALOGUE 65-004, TRADE OF CANADA, IMPORTS, CATALOGUE 65-007, STATISTICS CANADA.

(1) SEE GLOSSARY OF TERMS.

(2) NOT SEASONALLY ADJUSTED.

(3) BALANCE OF PAYMENTS BASIS (SEE GLOSSARY), MILLIONS OF DOLLARS.

(4) PRICE INDEX FOR MERCHANDISE EXPORTS RELATIVE TO PRICE INDEX FOR MERCHANDISE IMPORTS, NOT SEASONALLY ADJUSTED, NOT PERCENTAGE CHANGE.

CURRENT ACCOUNT, BALANCE OF INTERNATIONAL PAYMENTS  
BALANCES  
MILLIONS OF DOLLARS, SEASONALLY ADJUSTED

	MERCHAN- DISE TRADE	SERVICE TRANSACTIONS			TOTAL	TRANSFERS		TOTAL	GOODS AND SERVICES	TOTAL CURRENT ACCOUNT
		TRAVEL	INTEREST AND DIVIDENDS	FREIGHT AND SHIPPING		INHERI- TANCES AND MIGRANTS' FUNDS	PERSONAL & INSTITU- TIONAL REMITTANCES			
1977	2730	-1641	-3658	-26	-7444	455	-33	413	-4714	-4301
1978	4007	-1706	-4696	131	-8992	364	14	50	-4985	-4935
1979	4118	-1068	-5241	309	-9744	544	11	664	-5626	-4962
1980	8488	-1228	-5384	536	-10831	895	37	1247	-2343	-1096
1981	7351	-1116	-6474	487	-14258	1131	38	1561	-6907	-5346
1980 II	1288	-275	-1316	109	-2559	242	4	361	-1271	-910
III	2648	-317	-1380	150	-2660	231	18	247	-12	235
IV	2851	-374	-1301	145	-2848	250	14	348	3	351
1981 I	1818	-253	-1483	112	-3345	283	-1	360	-1527	-1167
II	1636	-285	-1543	142	-3605	279	5	357	-1989	-1612
III	1185	-267	-1854	111	-3941	261	21	434	-2756	-2322
IV	2712	-311	-1494	122	-3367	308	13	410	-855	-245
1982 I	3571	-279	-1822	118	-3653	340	-4	370	-82	268

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

CAPITAL ACCOUNT, BALANCE OF INTERNATIONAL PAYMENTS  
CAPITAL MOVEMENTS  
MILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED

	DIRECT INVESTMENT IN CANADA	DIRECT INVESTMENT ABROAD	PORTFOLIO TRANS- ACTIONS, CANADIAN SECURITIES	PORTFOLIO TRANS- ACTIONS, FOREIGN SECURITIES	TOTAL LONG TERM CAPITAL MOVEMENTS (BALANCE)	CHARTERED BANK NET FOREIGN CURRENCY POSITION WITH NON- RESIDENTS	TOTAL SHORT TERM CAPITAL MOVEMENTS (BALANCE)	NET ERRORS AND OMISSIONS	ALLOCATION OF SPECIAL DRAWING RIGHTS	NET- OFFICIAL MONETARY MOVEMENTS
1977	475	-740	5111	221	4217	1384	668	-2005	0	-1421
1978	85	-2150	4854	25	3081	2771	1237	-2682	0	-3299
1979	675	-2350	3906	-582	2099	4107	6752	-2200	219	1908
1980	585	-2780	5421	-114	1305	1406	1113	-2819	217	-1280
1981	-5300	-4900	10883	-95	1340	17898	14203	-8981	210	1426
1980 II	215	-660	1708	162	1035	96	684	64	0	673
III	340	-475	1314	-27	562	-254	-404	-1787	0	-532
IV	-220	-1200	929	-236	-1262	2270	1149	-1181	0	-993
1981 I	205	-1305	1055	-256	-520	5912	6114	-3479	210	400
II	-3405	-840	1717	-335	-3314	8098	6803	-2107	0	-640
III	-580	-1560	2797	500	2087	2721	-900	-751	0	-745
IV	-1520	-1195	5314	-4	3087	1167	2186	-2644	0	2411
1982 I	-1950	1175	3860	36	4041	1173	-1705	-3214	0	-1546

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

## FINANCIAL INDICATORS

	MONEY SUPPLY			PRIME RATE (4)	CANADA-U.S. COMMERCIAL PAPER DIF- FERENTIAL (4)	90-DAY FINANCE COMPANY PAPER RATE (4)	CONVEN- TIONAL MORTGAGE RATE (4)	LONG-TERM CANADA BOND RATE (4)	TORONTO STOCK EXCHANGE PRICE INDEX (5)	DOM JONES (U.S.) STOCK PRICE INDEX (6)
	M1 (1)	M2 (2)	M3 (3)							
1977	8.4	14.1	15.8	8.50	1.73	7.48	10.36	8.70	1009.9	885.8
1978	10.0	10.7	13.7	9.69	.51	8.83	10.59	9.27	1159.1	814.0
1979	6.9	15.7	19.3	12.90	.64	12.07	11.97	10.21	1577.2	843.2
1980	6.3	18.1	14.3	14.25	.12	13.15	14.32	12.48	2125.6	895.2
1981	4.2	14.5	12.2	19.29	2.44	18.33	18.15	15.22	2158.4	932.7
1980 III	3.2	3.3	2.2	12.25	.37	10.72	13.68	12.57	2225.1	933.4
IV	3.9	3.6	1.6	14.92	-1.65	14.53	15.16	12.97	2303.7	980.6
1981 I	.3	2.5	3.9	18.08	1.57	17.13	15.40	13.27	2246.4	975.3
II	1.2	3.8	.5	19.25	1.60	18.57	17.61	15.02	2346.3	988.8
III	-1.0	4.1	5.7	21.67	3.37	21.02	20.55	17.17	2104.7	894.6
IV	-2.9	4.7	6.1	18.17	3.22	16.62	19.04	15.42	1936.3	872.2
1982 I	4.0	4.5	4.4	16.67	.82	15.35	18.86	15.34	1682.0	839.4
II	1.5	3.2	1.5	17.42	1.59	16.05	19.16	15.17	1479.5	826.6
1981 JUL	3.8	2.4	2.6	21.00	3.04	21.25	18.90	17.07	2253.9	952.3
AUG	-3.6	.7	2.1	22.75	4.04	22.20	21.30	16.77	2176.7	881.5
SEP	-2.8	1.2	1.4	21.25	3.02	19.60	21.46	17.66	1883.4	850.0
OCT	-1.9	.7	.7	20.00	3.38	18.80	20.54	16.66	1842.6	852.6
NOV	-.7	3.0	3.7	17.25	3.84	15.40	18.80	14.32	2012.1	889.0
DEC	8.1	2.4	3.5	17.25	2.45	15.65	17.79	15.27	1954.2	875.0
1982 JAN	.1	1.1	-.6	16.50	.63	14.90	18.21	15.94	1786.9	871.1
FEB	-1.5	.7	1.3	16.50	.87	15.00	18.97	15.01	1671.3	824.4
MAR	.1	.8	1.9	17.00	.95	16.15	19.41	15.06	1587.8	822.8
APR	1.7	1.0	-.3	17.00	1.01	15.50	19.28	14.75	1548.2	848.4
MAY	2.2	2.0	-.1	17.00	1.92	15.60	19.11	14.72	1523.7	819.5
JUN	-2.4	.1	.6	18.25	1.83	17.05	19.10	16.03	1366.8	811.9
JUL				17.25	3.43	15.65	19.22	15.62		

SOURCE: BANK OF CANADA REVIEW.

- (1) CURRENCY AND DEMAND DEPOSITS, SEASONALLY ADJUSTED, PERCENTAGE CHANGES.
- (2) CURRENCY AND ALL CHEQUABLE, NOTICE AND PERSONAL TERM DEPOSITS, SEASONALLY ADJUSTED, PERCENTAGE CHANGES.
- (3) CURRENCY AND TOTAL PRIVATELY-HELD CHARTERED BANK DEPOSITS, SEASONALLY ADJUSTED, PERCENTAGE CHANGES.
- (4) PERCENT PER YEAR.
- (5) 300 STOCKS, MONTHLY CLOSE, 1975=1000.
- (6) 30 INDUSTRIALS, MONTHLY CLOSE.



CANADIAN LEADING INDICATORS  
FILTERED DATA (1)

	COMPOSITE LEADING INDEX (10 SERIES)			AVERAGE WORKWEEK MANUFACTUR- ING(HOURS)	RESIDENTIAL CONSTRUCT- ION INDEX (2)	UNITED STATES LEADING INDEX	REAL MONEY SUPPLY (M1) (3)
	FILTERED	NOT FILTERED	PCT CHG IN FILTERED DATA				
1979 OCT	147.61	143.9	-.65	38.82	91.2	140.27	12068.5
NOV	146.36	142.5	-.85	38.77	90.5	139.27	12031.8
DEC	144.96	141.4	-.96	38.67	90.4	138.14	11960.9
1980 JAN	144.04	144.2	-.64	38.64	89.2	137.01	11904.0
FEB	143.31	142.6	-.51	38.61	87.3	135.96	11859.1
MAR	142.28	138.9	-.72	38.61	84.7	134.74	11821.4
APR	140.46	133.2	-1.28	38.58	81.0	132.88	11780.5
MAY	138.05	130.4	-1.72	38.55	75.3	130.47	11714.6
JUN	135.42	129.0	-1.91	38.50	71.4	128.17	11604.6
JUL	133.42	132.0	-1.47	38.42	68.8	126.81	11516.5
AUG	132.27	133.6	-.86	38.35	67.8	126.54	11462.7
SEP	132.25	137.1	-.02	38.35	68.9	127.44	11440.8
OCT	133.05	138.3	.61	38.39	71.2	128.98	11451.5
NOV	134.55	140.7	1.13	38.45	73.6	130.89	11497.4
DEC	136.05	139.2	1.12	38.50	75.7	132.74	11534.2
1981 JAN	137.19	138.0	.84	38.58	78.4	134.15	11521.8
FEB	138.00	138.2	.59	38.65	82.7	135.11	11472.9
MAR	138.77	140.2	.56	38.68	87.2	135.88	11412.4
APR	139.66	142.1	.64	38.71	92.8	136.55	11369.1
MAY	140.24	140.1	.41	38.77	96.2	136.78	11318.1
JUN	140.34	138.5	.07	38.82	97.7	136.55	11208.9
JUL	139.92	136.8	-.30	38.86	96.5	136.19	11095.1
AUG	138.38	130.3	-1.10	38.83	91.7	135.72	10952.2
SEP	135.80	125.8	-1.87	38.71	86.5	134.78	10760.1
OCT	132.13	119.8	-2.70	38.61	78.4	133.34	10526.3
NOV	128.27	119.4	-2.92	38.47	72.5	131.83	10278.4
DEC	125.13	121.7	-2.45	38.30	71.7	130.35	10154.4
1982 JAN	122.18	116.9	-2.36	38.17	71.7	128.87	10110.9
FEB	119.41	114.4	-2.27	38.10	71.6	127.50	10083.8
MAR	116.71	111.4	-2.26	38.03	70.7	126.38	10053.8
APR	114.33	110.8	-2.04	37.97	68.8	125.78	10042.0
MAY	112.34	109.8	-1.75	37.89	64.7	125.71	10053.1

SOURCE: CURRENT ECONOMIC ANALYSIS STAFF, STATISTICS CANADA 992-4441.

(1) SEE GLOSSARY OF TERMS.

(2) COMPOSITE INDEX OF HOUSING STARTS(UNITS), BUILDING PERMITS(DOLLARS), AND MORTGAGE LOAN APPROVALS(NUMBERS).

(3) DEFLATED BY THE CONSUMER PRICE INDEX FOR ALL ITEMS.

CANADIAN LEADING INDICATORS  
FILTERED DATA (1)  
CONTINUED

	NEW ORDERS DURABLE GOODS	TRADE- FURNITURE AND APPLIANCE SALES	NEW MOTOR VEHICLE SALES	RATIO SHIPMENTS/ FINISHED INVENTORIES MANUFAC- TURING	INDEX OF STOCK PRICES (2)	PCT CHG IN PRICE PER UNIT LABOUR COST MANUFAC- TURING
	\$ 1971	\$ 1971	\$ 1971			
1979 OCT	3094.8	98761	611088	1.70	1313.7	.52
NOV	3071.5	98103	606315	1.68	1298.5	.46
DEC	3056.1	97387	600129	1.66	1294.3	.41
1980 JAN	3028.3	97401	591544	1.64	1317.3	.37
FEB	3010.1	97307	584760	1.62	1349.6	.35
MAR	2983.8	96902	577088	1.60	1360.0	.33
APR	2926.7	95861	565707	1.58	1355.8	.30
MAY	2846.6	95260	543999	1.55	1358.2	.26
JUN	2756.3	95091	523916	1.52	1364.3	.20
JUL	2717.7	95489	512621	1.50	1388.7	.12
AUG	2705.4	95574	513922	1.49	1432.4	.04
SEP	2726.7	96051	517945	1.49	1493.1	-.03
OCT	2767.2	96835	520842	1.49	1558.2	-.08
NOV	2815.7	98035	524475	1.51	1632.0	-.10
DEC	2842.8	99205	525844	1.53	1691.1	-.10
1981 JAN	2842.8	101895	525773	1.55	1722.9	-.08
FEB	2866.5	104163	523288	1.56	1732.9	-.06
MAR	2895.7	105314	524882	1.57	1750.1	-.03
APR	2936.8	105797	528527	1.59	1763.8	.01
MAY	2970.1	106302	528219	1.60	1767.2	.04
JUN	3012.1	108164	523938	1.61	1756.2	.07
JUL	3058.6	107717	514121	1.62	1730.9	.11
AUG	3045.3	105139	504202	1.61	1688.4	.14
SEP	3014.0	101457	496004	1.60	1633.1	.14
OCT	2948.1	97345	475145	1.57	1570.8	.09
NOV	2844.6	93553	478311	1.53	1528.0	-.01
DEC	2755.2	90473	475111	1.49	1502.1	-.15
1982 JAN	2659.8	87791	461200	1.46	1477.2	-.33
FEB	2591.3	85592	446248	1.42	1450.9	-.53
MAR	2533.1	83754	428210	1.40	1421.1	-.74
APR	2506.0	82547	413601	1.37	1383.3	-.81
MAY	2490.7	81725	403289	1.35	1338.0	-1.02

SOURCE: CURRENT ECONOMIC ANALYSIS STAFF, STATISTICS CANADA 992-4441.

(1) SEE GLOSSARY OF TERMS.

(2) TORONTO STOCK EXCHANGE(300 STOCK INDEX EXCLUDING OIL AND GAS COMPONENT).

UNITED STATES MONTHLY INDICATORS  
 PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	INDEX OF INDUSTRIAL PRODUCTION	EMPLOYMENT	MANUFAC- TURING SHIPMENTS	HOUSING STARTS	PERSONAL EXPENDITURE \$ 1972	DOMESTIC PASSENGER CAR SALES UNITS	PER CAPITA DISPOSABLE INCOME \$ 1972	CONSUMER PRICE INDEX	INDUSTRIAL MATERIALS SPOT PRICE INDEX	PRIME RATE (1)
1977	5.9	3.7	14.5	27.8	4.9	5.8	2.5	6.5	4.9	6.8
1978	5.8	4.4	12.1	2.0	4.7	2.0	3.4	7.7	9.8	9.1
1979	4.4	2.9	13.4	-14.2	2.9	-10.1	1.9	11.3	26.9	12.7
1980	-3.6	.5	6.9	-24.4	.5	-20.1	-.5	13.5	1.7	15.3
1981	2.6	1.1	8.2	-15.3	2.5	-4.6	1.2	10.3	-4.8	18.9
1980 II	-5.4	-.8	-4.9	-15.7	-2.6	-30.9	-1.5	3.2	-11.3	16.3
III	-1.5	.1	4.4	31.2	1.3	17.8	.7	1.9	2.4	11.6
IV	4.5	.5	6.3	8.3	1.7	3.1	.5	3.1	4.1	16.7
1981 I	2.0	.6	1.8	-6.7	1.4	12.1	.5	2.6	-4.2	19.2
II	.5	.7	2.1	-16.2	-.5	-24.8	.1	1.9	.0	18.9
III	.3	-.1	.4	-18.0	.8	24.6	.4	2.8	-.9	20.3
IV	-4.4	-.6	-4.2	-10.0	-.6	-25.0	.1	1.9	-5.3	17.0
1982 I	-3.1	-.5	-2.6	6.4	.8	14.7	-.2	.8	-4.3	16.3
1981 MAY	.5	.2	.0	-9.9	-.2	-1.7	-.1	.8	-1.2	19.6
JUN	.1	-.6	2.4	-10.8	.4	-8.8	.0	.7	-2.1	20.0
JUL	.7	.4	-.7	-.6	.3	13.5	.3	1.1	.8	20.4
AUG	-.2	.0	-.5	-9.0	1.0	39.0	.0	.8	1.3	20.5
SEP	-1.3	-.6	-.6	-5.0	-1.0	-18.3	.4	1.1	-2.0	20.1
OCT	-1.6	.1	-2.7	-5.0	-.5	-22.4	.0	.4	-2.0	18.5
NOV	-1.9	-.2	-1.3	.7	.4	3.8	.0	.5	-2.5	16.8
DEC	-2.0	-.6	-.6	2.6	.1	-7.4	-.5	.4	-2.3	15.8
1982 JAN	-1.9	.0	-2.8	.3	.3	14.0	-.4	.3	-.6	15.8
FEB	1.6	.0	1.8	6.8	.8	10.5	.6	.2	-.8	16.6
MAR	-.8	-.1	-.7	-1.5	-.5	-6.3	.2	-.3	-2.5	16.5
APR	-.8	-.2	-.5	-4.6	.1	-6.8	.5	.2	-2.8	16.5
MAY	-.2	.8		22.3				1.0	-.6	16.5

SOURCE: CITIBASE: CITIBANK ECONOMIC DATABASE, NEW YORK, NY, 1978.

(1) NOT PERCENTAGE CHANGE.

 UNITED STATES LEADING AND COINCIDENT INDICATORS  
 FILTERED DATA (1)

	COMPOSITE LEADING INDEX (12 SERIES)				AVERAGE WEEKLY MANUF- ACTURING (HOURS)	INDEX NET BUSINESS FORMATION	INDEX OF STOCK PRICES	INDEX OF PRIVATE BUILDING PERMITS (UNITS)	INITIAL CLAIMS FOR UNEMPLOY- MENT INSURANCE (2)	NEW ORDERS CONSUMER GOODS \$ 1972 (BILLIONS)
	FILTERED	NOT FILTERED	PERCENTAGE CHANGE FILTERED	NOT FILTERED						
1979 OCT	140.27	137.8	-.45	-1.64	40.15	131.2	104.64	127.8	379	37.14
NOV	139.27	135.6	-.71	-1.60	40.12	131.3	105.13	123.7	388	36.70
DEC	138.14	135.2	-.81	-.29	40.09	131.7	105.78	118.3	399	36.24
1980 JAN	137.01	134.7	-.82	-.37	40.08	131.9	106.84	113.2	407	36.04
FEB	135.96	134.1	-.77	-.45	40.06	131.7	108.60	107.9	411	36.04
MAR	134.74	131.5	-.89	-1.94	40.00	130.8	109.11	101.1	417	35.75
APR	132.88	126.2	-1.38	-4.03	39.93	128.9	108.58	92.3	435	34.98
MAY	130.47	123.0	-1.82	-2.54	39.84	126.3	108.15	84.1	471	32.90
JUN	128.17	123.9	-1.76	-.73	39.71	123.2	108.76	80.1	506	32.75
JUL	126.81	128.1	-1.06	3.39	39.57	120.3	110.61	80.6	528	32.04
AUG	126.54	130.7	-.21	2.03	39.48	118.3	113.42	85.0	536	31.71
SEP	127.44	134.4	.71	2.83	39.44	117.4	116.83	92.2	534	31.86
OCT	128.98	135.0	1.21	.45	39.45	117.2	120.62	98.9	521	32.47
NOV	130.89	136.5	1.48	1.11	39.51	117.3	124.87	104.5	501	33.21
DEC	132.74	136.3	1.41	-.15	39.59	118.0	128.51	107.3	478	33.90
1981 JAN	134.15	135.2	1.06	-.81	39.71	118.3	131.24	108.0	457	34.28
FEB	135.11	135.1	.71	-.07	39.79	118.4	132.46	106.8	438	34.69
MAR	135.88	136.7	.57	1.18	39.85	118.3	133.27	104.5	424	34.96
APR	136.55	137.5	.49	.59	39.94	118.2	133.90	102.0	412	35.20
MAY	136.78	135.3	-.16	-1.60	40.03	117.8	133.98	99.6	403	35.37
JUN	136.55	134.1	-.17	-.89	40.10	117.1	133.80	95.5	399	35.54
JUL	136.19	134.9	-.26	-.60	40.13	116.2	133.06	90.5	395	35.64
AUG	135.72	134.2	-.35	-.52	40.12	115.1	132.17	84.9	397	35.49
SEP	134.78	130.8	-.69	-2.53	40.01	114.0	129.78	79.3	409	35.19
OCT	133.34	128.2	-1.06	-1.99	39.88	112.6	127.04	73.4	431	34.53
NOV	131.83	128.3	-1.14	-.08	39.72	111.2	124.88	68.1	458	33.66
DEC	130.35	127.5	-1.12	-.62	39.53	109.7	123.47	64.5	487	32.80
1982 JAN	128.87	125.7	-1.14	-1.41	39.16		121.81	62.5	514	31.76
FEB	127.50	125.2	-1.06	-.40	38.98		119.86	61.5	529	30.81
MAR	126.38	125.1	-.88	-.08	38.87		117.50	61.9	544	30.18
APR	125.78	126.8	-.48	1.36	38.83		115.96	63.3	555	29.72
MAY	125.71	127.9	-.05	.87	38.84		115.11	65.9	566	29.58
JUN	125.97	127.9	.20	.00	38.88		113.89	68.7	570	29.52
JUL							112.60			

SOURCE: BUSINESS CONDITIONS DIGEST, BUREAU OF ECONOMIC ANALYSIS, U.S. DEPARTMENT OF COMMERCE.

(1) SEE GLOSSARY OF TERMS.

(2) AVERAGE OF WEEKLY FIGURES, THOUSANDS OF PERSONS.

UNITED STATES LEADING AND COINCIDENT INDICATORS  
 FILTERED DATA (1)  
 CONTINUED

	CONTRACTS AND ORDERS FOR PLANT & EQUIPMENT \$ 1972 (BILLIONS)	MONEY BALANCE (M2) \$ 1972 (BILLIONS)	NET CHANGE IN INVENTORIES \$ 1972 (BILLIONS)	PCT CHG SENSITIVE PRICES (2)	PCT CHG LIQUID ASSETS (3)	VENDOR PERFORM- ANCE (4)	COMPOSITE COINCIDENT INDEX (4 SERIES)	COMPOSITE COINCIDENT INDEX (5)	PCT CHG COMPOSITE COINCIDENT INDEX	PCT CHG COMPOSITE COINCIDENT INDEX (5)
1979 OCT	14.36	846.5	10.58	2.18	1.08	60	145.25	145.1	-.07	.14
NOV	14.37	842.6	5.77	2.20	1.00	56	145.15	145.0	-.07	-.07
DEC	14.48	837.9	.88	2.25	.89	52	145.10	145.2	-.03	.14
1980 JAN	14.64	832.6	-3.80	2.28	.77	50	145.21	146.1	.07	.62
FEB	14.58	827.1	-8.13	2.31	.70	47	145.27	145.2	.04	-.62
MAR	14.46	821.5	-11.29	2.23	.67	45	145.07	143.5	-.14	-1.17
APR	14.23	815.2	-12.61	1.97	.67	43	144.33	140.5	-.50	-2.09
MAY	13.83	809.3	-12.64	1.55	.67	41	143.05	138.0	-.89	-1.78
JUN	13.52	804.5	-12.75	1.11	.67	38	141.45	136.7	-1.12	-.94
JUL	13.49	802.5	-13.50	.81	.67	35	139.85	136.5	-1.13	-.15
AUG	13.47	803.0	-14.20	.71	.68	33	138.48	136.7	-.97	.15
SEP	13.50	804.4	-13.88	.83	.71	33	137.63	138.1	-.61	1.02
OCT	13.45	805.9	-12.23	1.08	.75	34	137.41	139.7	-.16	1.16
NOV	13.56	807.0	-9.63	1.40	.78	37	137.74	140.8	.24	.79
DEC	13.78	806.7	-7.00	1.69	.81	39	138.41	141.3	.49	.36
1981 JAN	14.05	805.4	-5.47	1.91	.84	42	139.28	142.0	.63	.50
FEB	14.00	803.5	-5.10	2.18	.88	44	140.23	142.5	.68	.35
MAR	13.98	802.3	-5.03	2.48	.91	47	141.07	142.4	.60	-.07
APR	14.08	802.7	-4.48	2.69	.92	50	141.72	142.2	.46	-.14
MAY	14.10	803.6	-3.28	2.70	.91	51	142.16	142.2	.31	.00
JUN	14.08	804.5	-1.36	2.51	.91	52	142.49	142.7	.23	.35
JUL	14.04	804.8	1.37	2.23	.92	52	142.70	142.6	.15	-.07
AUG	14.02	805.0	4.20	1.82	.93	51	142.78	142.4	.06	-.14
SEP	13.96	804.3	6.40	1.36	.95	49	142.69	141.7	-.07	-.49
OCT	13.89	803.3	7.54	.90	.95	47	142.23	139.7	-.32	-1.41
NOV	13.60	803.1	7.63	.47	.95	44	141.47	138.6	-.53	-.79
DEC	13.62	803.6	6.35	.10	.94	40	140.37	136.6	-.78	-1.44
1982 JAN	13.58	805.4	2.95	-.19	.92	36	138.89	134.1	-1.06	-1.83
FEB	13.34	807.7	-2.48	-.44	.89	34	137.59	135.7	-.94	1.19
MAR	13.15	811.3	-8.63	-.72	.87	33	136.48	135.0	-.81	-.52
APR	13.13	815.9	-13.47	-1.01	.86	32	135.50	134.0	-.72	-.74
MAY	12.89	820.4	-16.14	-1.17	.88	32	134.79	134.5	-.52	.37
JUN	12.52	823.7		-1.07	.89	32	134.17	133.3	-.46	-.89

SOURCE: BUSINESS CONDITIONS DIGEST, BUREAU OF ECONOMIC ANALYSIS, U.S. DEPARTMENT OF COMMERCE.

(1) SEE GLOSSARY OF TERMS.

(2) WHOLESALE PRICE INDEX OF CRUDE MATERIALS EXCLUDING FOODS AND FEEDS.

(3) COMPREHENSIVE MEASURE OF CHANGES IN WEALTH HELD IN LIQUID FORM BY PRIVATE AND NON-FINANCIAL INVESTORS.

(4) PERCENTAGE OF COMPANIES REPORTING SLOWER DELIVERIES.

(5) NOT FILTERED.



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## Demand and Output

16	Net National Income and Gross National Product, Millions of Dollars, Seasonally Adjusted at Annual Rates	29
17	Net National Income and Gross National Product, Percentage Changes of Seasonally Adjusted Figures	29
18	Gross National Expenditure, Millions of Dollars, Seasonally Adjusted at Annual Rates	30
19	Gross National Expenditure, Percentage Changes of Seasonally Adjusted Figures	30
20	Gross National Expenditure, Millions of 1971 Dollars, Seasonally Adjusted at Annual Rates	31
21	Gross National Expenditure in 1971 Dollars, Percentage Changes of Seasonally Adjusted Figures	31
22-24	Real Domestic Product by Industry, Percentage Changes of Seasonally Adjusted Figures	32-33
25	Real Manufacturing Shipments, Orders, and Unfilled Orders, Millions of 1971 Dollars, Seasonally Adjusted	33
26	Real Manufacturing Shipments, Orders, and Unfilled Orders, Percentage Changes of Seasonally Adjusted 1971 Dollar Values	34
27	Real Manufacturing Inventory Owned, and, Real Inventory/Shipment Ratio, Seasonally Adjusted	34
28	Real Manufacturing Inventory Owned by Stage of Fabrication, Millions of 1971 Dollars, Seasonally Adjusted	35
29	Real Manufacturing Inventory Owned by Stage of Fabrication, Changes of Seasonally Adjusted Figures in Millions of 1971 Dollars	35
30	Capacity Utilization Rates in Manufacturing, Seasonally Adjusted	36
31	Value of Building Permits, Percentage Changes of Seasonally Adjusted Figures	36
32	Housing Starts, Completions and Mortgage Approvals, Percentage Changes of Seasonally Adjusted Figures	37
33	Retail Sales, Percentage Changes of Seasonally Adjusted Figures	37

NET NATIONAL INCOME AND GROSS NATIONAL PRODUCT  
MILLIONS OF DOLLARS  
SEASONALLY ADJUSTED AT ANNUAL RATES

	LABOUR INCOME	CORPO- RATION PROFITS BEFORE TAXES	DIVIDENDS PAID TO NON- RESIDENTS	INTEREST & MISC. INVEST- MENT INCOME	FARM INCOME	NONFARM UNINCOR- PORATED BUSINESS INCOME	INVENTORY VALUATION ADJUSTMENT	NET NATIONAL INCOME AT FACTOR COST	INDIRECT TAXES LESS SUBSIDIES	GROSS NATIONAL PRODUCT AT MARKET PRICES
1977	118992	20928	-2094	13147	2831	9113	-3419	161029	23907	208858
1978	129846	25658	-2843	15923	3616	9853	-4653	178944	25563	230490
1979	145213	33941	-3064	19101	3909	10685	-7114	204219	27815	261576
1980	163786	36456	-3117	22164	4005	11669	-7096	229536	29012	291869
1981	186628	32638	-3740	26951	4473	13290	-7002	255107	37627	331338
1980 II	160712	35468	-3528	21504	3360	11380	-5760	224828	28128	285660
III	165624	35096	-3112	22464	4232	11696	-7240	231480	28856	294240
IV	172328	36928	-2772	23240	4744	12392	-7820	240708	30668	305888
1981 I	177616	37192	-3624	24272	5084	12872	-8100	246996	35300	318704
II	184768	35332	-3408	25784	5096	13264	-8984	253728	36864	328704
III	189528	30468	-4720	29068	3996	13488	-6432	257336	38904	335324
IV	194600	27560	-3208	28680	3716	13536	-4492	262368	39440	342620
1982 I	197732	23160	-3644	28640	4132	13580	-3772	261896	40608	344592

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.

NET NATIONAL INCOME AND GROSS NATIONAL PRODUCT  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	LABOUR INCOME	CORPO- RATION PROFITS BEFORE TAXES	DIVIDENDS PAID TO NON- RESIDENTS	INTEREST & MISC. INVEST- MENT INCOME	FARM INCOME	NONFARM UNINCOR- PORATED BUSINESS INCOME	INVENTORY VALUATION ADJUSTMENT (1)	NET NATIONAL INCOME AT FACTOR COST	INDIRECT TAXES LESS SUBSIDIES	GROSS NATIONAL PRODUCT AT MARKET PRICES
1977	10.3	4.7	21.8	17.6	-14.7	8.0	-1355	8.4	11.1	9.3
1978	9.1	22.6	35.8	21.1	27.7	8.1	-1234	11.1	6.9	10.4
1979	11.8	32.2	7.8	20.0	8.1	8.4	-2461	14.1	8.8	13.5
1980	12.8	7.4	1.7	16.0	2.5	9.2	18	12.4	4.3	11.6
1981	13.9	-10.5	20.0	21.6	11.7	13.9	94	11.1	29.7	13.5
1980 II	2.7	-5.0	15.4	3	-8.8	1.5	1804	1.7	-9	1.4
III	3.1	1.8	-11.8	4.5	26.0	2.8	-1480	3.0	2.6	3.0
IV	4.0	2.3	-10.9	3.5	12.1	6.0	-580	4.0	6.3	4.0
1981 I	3.1	.7	30.7	4.4	7.2	3.9	-280	2.6	15.1	4.2
II	4.0	-5.0	-6.0	6.2	-.2	3.0	-884	2.7	4.4	3.1
III	2.6	-13.8	38.5	12.7	-21.6	1.7	2552	1.4	5.5	2.0
IV	2.7	-9.5	-32.0	-1.3	-7.0	.4	1940	2.0	1.4	2.2
1982 I	1.6	-16.0	13.6	-1.1	11.2	.3	720	-1.2	3.0	.6

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.  
(1) DIFFERENCE FROM PRECEDING PERIOD, ANNUAL RATES.

GROSS NATIONAL EXPENDITURE  
MILLIONS OF DOLLARS  
SEASONALLY ADJUSTED AT ANNUAL RATES

	PERSONAL EXPENDI- TURE	GOVERNMENT EXPENDI- TURE	BUSINESS FIXED INVESTMENT			INVENTORY INVESTMENT		EXPORTS	IMPORTS	GROSS NATIONAL EXPENDITURE AT MARKET PRICES
			RESIDENTIAL CONST- RUCTION	NON- RESIDENTIAL CONST- RUCTION	MACHINERY AND EQUIPMENT	BUSINESS NON-FARM	FARM AND GICC (1)			
1977	122530	43374	12806	13472	15125	294	37	52548	-57262	208868
1978	135153	47811	13523	14590	17008	0	436	62985	-67970	230490
1979	150521	52301	14144	18127	20966	3523	128	77181	-82807	261576
1980	168395	58538	13993	22483	24152	-1360	-463	90944	-93287	291869
1981	191025	66749	16147	27077	28054	313	538	99468	-106375	331338
1980 II	163916	57824	12908	21780	23548	3156	-896	86824	-91908	285660
III	171376	59576	13576	22768	24420	-5488	-452	92120	-92168	294240
IV	177580	61184	14948	23936	25204	-5260	-688	97104	-97092	305888
1981 I	183424	62860	16304	25568	28944	2040	48	95540	-101648	318704
II	190168	65132	17664	26448	28692	-460	424	100656	-108532	328704
III	193476	68696	16168	27236	27900	2460	1692	100288	-111312	335324
IV	197032	70308	14452	29056	28680	-2788	-12	101388	-104008	342620
1982 I	199956	73268	14380	27952	26652	-6088	372	97340	-97668	344592

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.  
(1) GICC - GRAIN IN COMMERCIAL CHANNELS.

GROSS NATIONAL EXPENDITURE  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	PERSONAL EXPENDI- TURE	GOVERNMENT EXPENDI- TURE	BUSINESS FIXED INVESTMENT			INVENTORY INVESTMENT		EXPORTS	IMPORTS	GROSS NATIONAL EXPENDITURE AT MARKET PRICES
			RESIDENTIAL CONST- RUCTION	NON- RESIDENTIAL CONST- RUCTION	MACHINERY AND EQUIPMENT	BUSINESS NON-FARM (1)	FARM AND GICC (1) (2)			
1977	10.5	13.2	3.9	11.3	6.9	-755	-436	15.2	14.6	9.3
1978	10.3	10.2	5.6	8.3	12.4	-294	399	19.9	18.7	10.4
1979	11.4	9.4	4.6	24.2	23.4	3523	-308	22.5	21.8	13.5
1980	11.9	11.9	-1.1	24.0	15.1	-4883	-591	17.8	12.7	11.6
1981	13.4	14.0	15.4	20.4	16.2	1673	1001	9.4	14.0	13.5
1980 II	2.0	4.1	-11.2	1.5	.5	1004	-1080	-1.0	-.1	1.4
III	4.6	3.0	5.2	4.5	3.7	-8644	444	6.1	.3	3.0
IV	3.6	2.7	10.1	5.1	3.2	228	-236	5.4	5.3	4.0
1981 I	3.3	2.7	9.1	6.8	6.9	7300	736	-1.6	4.7	4.2
II	3.7	3.6	8.3	3.4	6.5	-2500	376	5.4	6.8	3.1
III	1.7	5.5	-8.5	3.0	-2.8	2920	1268	-.4	2.6	2.0
IV	1.8	2.3	-10.6	6.7	2.8	-5248	-1704	1.1	-6.6	2.2
1982 I	1.5	4.2	-.5	-3.8	-7.1	-3300	384	-4.0	-6.1	.6

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.  
(1) DIFFERENCE FROM PRECEDING PERIOD, ANNUAL RATES.  
(2) GICC - GRAIN IN COMMERCIAL CHANNELS.



GROSS NATIONAL EXPENDITURE  
MILLIONS OF 1971 DOLLARS  
SEASONALLY ADJUSTED AT ANNUAL RATES

	PERSONAL EXPENDI- TURE	GOVERNMENT EXPENDI- TURE	BUSINESS FIXED INVESTMENT			INVENTORY INVESTMENT		EXPORTS	IMPORTS	GROSS NATIONAL EXPENDITURE
			RESIDENTIAL CONST- RUCTION	NON- RESIDENTIAL CONST- RUCTION	MACHINERY AND EQUIPMENT	BUSINESS NON-FARM	FARM AND GICC (1)			
1977	77416	22392	6152	7647	9515	172	-112	28046	-32844	121762
1978	79539	22797	6042	7745	9610	112	104	30958	-34393	126191
1979	81123	23011	5873	8745	10758	1741	-32	31868	-36857	129850
1980	81984	22782	5512	9708	11243	-648	-154	32447	-36113	130467
1981	83535	22988	5821	10521	11765	603	158	32979	-37064	134540
1980 II	81020	22784	5224	9528	11100	488	-396	31600	-36096	129024
III	82284	22876	5328	9712	11284	-2528	-220	32624	-35224	129840
IV	83064	22756	5660	9944	11264	-1272	-148	33716	-36388	132348
1981 I	83352	22792	6044	10388	11752	1092	88	31672	-36316	133980
II	84288	22764	6340	10456	12184	520	100	34140	-38004	136132
III	83356	23096	5788	10452	11548	1440	476	33124	-37972	134628
IV	83144	23300	5112	10788	11576	-640	-32	32980	-35964	133420
1982 I	82196	23384	5016	10264	10556	-2220	76	31460	-33072	130700

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.  
(1) GICC - GRAIN IN COMMERCIAL CHANNELS.

GROSS NATIONAL EXPENDITURE IN 1971 DOLLARS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	PERSONAL EXPENDI- TURE	GOVERNMENT EXPENDI- TURE	BUSINESS FIXED INVESTMENT			INVENTORY INVESTMENT		EXPORTS	IMPORTS	GROSS NATIONAL EXPENDITURE
			RESIDENTIAL CONST- RUCTION	NON- RESIDENTIAL CONST- RUCTION	MACHINERY AND EQUIPMENT	BUSINESS NON-FARM (1)	FARM AND GICC (1) (2)			
1977	2.9	3.2	-6.3	3.0	-4	-571	-335	6.9	2.1	2.1
1978	2.7	1.8	-1.8	1.3	1.0	-60	216	10.4	4.7	3.6
1979	2.0	.9	-2.8	12.9	11.9	1629	-136	2.9	7.2	2.9
1980	1.1	-1.0	-6.1	11.0	4.5	-2389	-122	1.8	-2.0	.5
1981	1.9	.9	5.6	8.4	4.6	1251	312	1.6	2.6	3.1
1980 II	-.7	.3	-10.5	-1.2	-2.0	-232	-544	-.8	-1.8	-1.2
III	1.6	.4	2.0	1.9	1.7	-3016	176	3.2	-2.4	.6
IV	.9	-.5	6.2	2.4	-.2	1256	72	3.3	3.3	1.9
1981 I	.3	.2	6.8	4.5	4.3	2364	236	-6.1	-.2	1.2
II	1.1	-.1	4.9	.7	3.7	-572	12	7.8	4.6	1.6
III	-1.1	1.5	-8.7	.0	-5.2	920	376	-3.0	-.1	-1.1
IV	-.3	.9	-11.7	3.2	.2	-2080	-508	-.4	-5.3	-.9
1982 I	-1.1	.4	-1.9	-4.9	-8.8	-1580	108	-4.6	-8.0	-2.0

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.  
(1) DIFFERENCE FROM PRECEDING PERIOD, ANNUAL RATES.  
(2) GICC - GRAIN IN COMMERCIAL CHANNELS.

GROSS DOMESTIC PRODUCT IN CONSTANT (1971) PRICES BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	TOTAL	TOTAL EXCLUDING AGRICULTURE	INDUSTRIAL PRODUCTION	GOODS INDUSTRIES	GOODS INDUSTRIES EXCLUDING AGRICULTURE	SERVICES INDUSTRIES	COMMERCIAL INDUSTRIES	COMMERCIAL INDUSTRIES EXCLUDING AGRICULTURE	NON- COMMERCIAL INDUSTRIES
1977	2.9	2.9	2.6	1.9	1.8	3.5	3.2	3.2	1.7
1978	3.3	3.5	3.5	2.3	2.6	4.0	3.7	3.9	1.5
1979	3.7	4.0	5.3	3.5	4.5	3.8	4.3	4.8	.3
1980	.4	.3	-2.0	-1.6	-2.0	1.6	.3	.1	.8
1981	2.5	2.3	1.1	2.3	1.9	2.6	2.6	2.4	1.9
1980 II	-.6	-.7	-2.5	-2.4	-2.7	.4	-1.1	-1.2	1.9
III	-.2	-.3	.0	-.3	-.2	.5	.1	.2	.5
IV	1.5	1.5	2.2	2.1	2.4	1.1	1.6	1.7	.8
1981 I	1.3	1.1	.6	1.9	1.3	.9	1.6	1.3	-.2
II	1.2	1.3	2.8	2.3	2.6	.5	1.4	1.4	.1
III	-1.1	-1.1	-3.0	-2.6	-2.8	-.2	-1.5	-1.5	1.0
IV	-.9	-.9	-4.5	-3.3	-3.6	.5	-1.1	-1.2	.4
1982 I	-1.6	-1.7	-2.9	-2.9	-3.1	-1.0	-2.0	-2.1	.2
1981 MAY	.3	.4	1.3	1.0	1.1	.1	.3	.4	.7
JUN	.5	.5	.9	.7	.8	.3	.5	.6	.1
JUL	-1.1	-1.2	-2.3	-1.9	-2.1	-.5	-1.4	-1.5	.9
AUG	-.6	-.6	-1.7	-1.7	-1.7	.0	-.7	-.7	-.2
SEP	-.1	-.1	-1.5	-1.2	-1.4	.5	-.1	-.2	.0
OCT	-.4	-.5	-1.4	-.7	-.7	-.3	-.5	-.6	.5
NOV	.1	.1	-1.7	-1.2	-1.4	.8	.1	.0	.0
DEC	-.7	-.7	-1.3	-1.6	-1.6	-.2	-.8	-.8	-.1
1982 JAN	-1.0	-1.1	-.9	-.9	-1.1	-1.1	-1.2	-1.3	.2
FEB	.0	.1	-.2	-.2	-.1	.1	.0	.1	-.1
MAR	-.6	-.7	-1.2	-1.2	-1.4	-.3	-.8	-.9	.6
APR	-.9	-.9	-1.4	-1.5	-1.6	-.6	-1.1	-1.1	.2
MAY	-.1	-.1	1.0	-.8	-.9	.3	-.1	-.1	.0

SOURCE: GROSS DOMESTIC PRODUCT BY INDUSTRY, CATALOGUE 61-005, STATISTICS CANADA.

GROSS DOMESTIC PRODUCT IN CONSTANT (1971) PRICES BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES  
CONTINUED

	AGRICULTURE	FORESTRY	FISHING AND TRAPPING	MINING	MANUFACTURING			CONST- RUCTION
					TOTAL	DURABLE	NONDURABLE	
1977	3.4	6.0	12.0	3.0	2.0	2.5	1.5	-2.0
1978	-1.6	4.8	11.9	-7.8	5.0	4.5	5.7	-2.1
1979	-10.1	1.4	1.2	9.8	4.7	3.4	6.0	1.2
1980	5.4	-3.7	-7.4	2.1	-3.1	-4.7	-1.4	-1.8
1981	8.4	-4.4	7.4	-5.8	1.7	2.2	1.2	6.3
1980 II	2.2	-9.1	-15.0	1.7	-3.2	-5.0	-1.4	-2.4
III	-2.6	.5	-11.0	-2.2	-.2	.7	-1.1	-.6
IV	-1.5	4.7	13.1	-.6	2.6	3.8	1.3	2.5
1981 I	11.2	8.2	10.1	-.7	1.3	1.2	1.4	3.5
II	-1.2	-13.0	.2	-2.5	3.5	5.4	1.6	3.4
III	.1	-18.1	1.9	-5.2	-3.4	-5.4	-1.4	-.5
IV	.6	27.4	-9.1	1.8	-5.8	-8.3	-3.1	-2.1
1982 I	.4	-10.3	-6.9	-.5	-4.1	-4.2	-4.0	-3.3
1981 MAY	-.6	-20.0	.3	-2.7	1.7	1.8	1.5	2.8
JUN	-.6	8.5	-1.8	-2.4	1.3	2.6	.0	.1
JUL	1.1	-17.5	4.6	-8.1	-2.2	-3.0	-1.3	.1
AUG	-.8	-7.3	-1.9	10.0	-3.1	-5.5	-.7	-1.1
SEP	.5	21.2	-.8	-2.1	-1.8	-3.1	-.4	-2.4
OCT	-.1	13.1	-7.3	-.3	-1.8	-2.7	-.8	1.2
NOV	1.4	7.9	3.4	.1	-2.1	-2.0	-2.1	-.9
DEC	-.9	-9.4	-8.9	1.2	-1.8	-1.7	-1.4	-2.3
1982 JAN	1.7	-1.9	-8.8	-2.7	-2.0	-2.2	-1.8	-1.3
FEB	-2.2	3.6	5.7	2.3	-.1	.7	-.8	.2
MAR	1.1	-20.3	10.8	-.3	-1.1	-2.1	-.2	-.9
APR	-.6	-3.8	-3.7	-5.2	-1.5	.7	-3.8	-1.7
MAY	.3	-5.8	-16.9	-1.0	1.7	1.7	1.6	-8.6

SOURCE: GROSS DOMESTIC PRODUCT BY INDUSTRY, CATALOGUE 61-005, STATISTICS CANADA.

GROSS DOMESTIC PRODUCT IN CONSTANT (1971) PRICES BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES  
CONTINUED

	TRANSPORTATION, COMMUNICATION AND OTHER UTILITIES			TRADE			FINANCE INSURANCE REAL ESTATE	COMMUNITY, BUSINESS & PERSONAL SERVICES	PUBLIC ADMINIS- TRATION
	TOTAL	TRANSPOR- TATION	UTILITIES	TOTAL	WHOLESALE	RETAIL			
1977	5.5	4.1	6.3	1.4	1.4	1.5	6.0	3.1	2.3
1978	4.3	3.4	4.1	3.4	4.8	2.5	5.2	3.9	2.5
1979	6.9	6.3	5.8	3.4	4.7	2.5	4.4	3.3	-4
1980	2.4	-5	2.5	.0	.9	-7	3.1	1.3	1.1
1981	3.1	.8	3.1	.9	-4	1.8	2.9	3.6	1.8
1980 II	-5	-1.4	-1.4	-1.1	-1.0	-1.1	.4	1.7	.8
III	1.2	-4	3.1	.7	-1.1	2.0	.3	.4	.7
IV	1.7	1.3	2.6	1.6	2.1	1.2	.9	.9	.8
1981 I	.6	1.4	-2.6	1.3	.7	1.7	.9	.9	-6
II	1.1	.5	2.2	.0	.5	.3	.2	.9	.4
III	-1.2	-3.5	2.2	-2.3	-2.7	-2.1	1.0	1.0	1.4
IV	1.7	1.3	-8	-1.9	-3.3	-9	1.3	.4	.9
1982 I	-9	-3.4	2.4	-2.9	-3.4	-2.6	-2	-3	.4
1981 MAY	.5	.2	1.7	-.9	.5	-1.9	-.2	.2	1.8
JUN	.6	.9	.3	-.1	-1.4	.8	.3	.3	.5
JUL	-2.8	-3.5	1.6	-1.1	-1.1	-1.2	.3	.7	.5
AUG	.6	-2.2	-.4	-.7	.1	-1.3	.6	-.3	-5
SEP	2.1	2.4	-.4	-1.0	-2.6	.2	.5	.4	.6
OCT	-.4	-.5	-.2	-1.1	-.3	-1.5	-.4	.1	.5
NOV	.6	1.3	-.4	1.0	-.3	1.8	1.7	.3	.1
DEC	.2	.4	-1.5	-1.7	-3.1	-.7	.4	-.1	.1
1982 JAN	-1.0	-4.5	6.8	-2.0	.6	-3.7	-.6	-.2	-1
FEB	-.2	.1	-3.6	1.1	-.2	2.0	-.5	-.3	.3
MAR	.0	1.2	-1.8	-2.6	-5.0	-.9	-.2	.3	.7
APR	-1.2	-3.4	2.6	-1.0	-2.5	.0	-.8	.5	.0
MAY	-.9	-1.2	-1.5	1.4	1.6	1.2	.9	-.1	.1

SOURCE: GROSS DOMESTIC PRODUCT BY INDUSTRY, CATALOGUE 61-005, STATISTICS CANADA.

REAL MANUFACTURING SHIPMENTS, ORDERS, AND UNFILLED ORDERS  
MILLIONS OF 1971 DOLLARS, SEASONALLY ADJUSTED

	SHIPMENTS			NEW ORDERS			UNFILLED ORDERS		
	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE
1977	64109	31864	32245	64856	32559	32297	7297	6440	857
1978	69975	35170	34805	71302	36342	34960	8524	7611	1013
1979	72752	36468	36284	73576	37357	36219	9448	8500	947
1980	69697	34278	35419	69308	33878	35429	8058	8101	958
1981	70998	35198	35800	70169	34667	35702	8229	7369	860
1980 II	16910	8172	8738	16469	7763	8707	9005	8117	888
III	17268	8471	8797	17323	8518	8805	9061	8164	897
IV	17763	8810	8952	17760	8747	9013	9058	8101	958
1981 I	17723	8811	8912	17647	8765	8882	8982	8055	927
II	18453	9329	9123	18299	9190	9109	8829	7916	913
III	17846	8859	8987	17720	8753	8967	8702	7810	892
IV	18977	8200	8777	18504	7759	8745	8229	7369	860
1982 I	16507	8014	8492	15908	7457	8451	7630	6812	818
1981 MAY	6131	3099	3032	6027	3006	3021	8836	7932	903
JUN	6181	3153	3028	6174	3137	3037	8829	7916	913
JUL	6154	3107	3047	6186	3155	3031	8861	7964	897
AUG	5908	2950	2958	5684	2738	2947	8638	7752	885
SEP	5784	2802	2982	5849	2860	2989	8702	7810	892
OCT	5714	2751	2964	5593	2662	2931	8581	7722	859
NOV	5671	2730	2941	5395	2465	2930	8305	7457	848
DEC	5592	2719	2873	5516	2632	2884	8229	7369	860
1982 JAN	5486	2656	2830	5266	2434	2832	8009	7147	862
FEB	5535	2691	2844	5377	2567	2810	7851	7023	829
MAR	5486	2667	2819	5265	2466	2809	7630	6812	818
APR	5376	2641	2735	5329	2585	2744	7584	6756	827
MAY	5421	2638	2783	5280	2511	2770	7443	6629	814

SOURCE: INVENTORIES, SHIPMENTS AND ORDERS IN MANUFACTURING INDUSTRIES, CATALOGUE 31-001, STATISTICS CANADA, BASED ON 1970 SIC. STOCKS ARE MEASURED AT THE END OF THE PERIOD, 1971 DOLLAR VALUES ARE OBTAINED BY DEFLATING AT THE TWO DIGIT INDUSTRY LEVEL BY THE APPROPRIATE INDUSTRY SELLING PRICE INDEXES (SEE TECHNICAL NOTE, MARCH 1982).



REAL MANUFACTURING SHIPMENTS, ORDERS, AND UNFILLED ORDERS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED 1971 DOLLAR VALUES

	SHIPMENTS			NEW ORDERS			UNFILLED ORDERS		
	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE
1977	3.1	3.4	2.9	6.0	8.2	3.0	11.4	12.1	6.5
1978	9.1	10.4	7.9	9.9	11.6	8.2	18.2	18.2	18.1
1979	4.0	3.7	4.3	3.2	2.8	3.6	9.6	11.7	-6.4
1980	-4.2	-6.0	-2.4	-5.8	-9.3	-2.2	-4.1	-4.7	1.1
1981	1.9	2.7	1.1	1.2	1.7	.8	-9.2	-9.0	-10.2
1980 II	-4.8	-7.4	-2.2	-7.2	-12.3	-2.2	-4.7	-4.8	-3.4
III	2.1	3.7	.7	5.2	9.7	1.1	.6	.6	1.0
IV	2.9	4.0	1.8	2.5	2.7	2.4	.0	-.8	6.8
1981 I	-.2	.0	-.4	-.6	.2	-1.5	-.8	-.6	-3.2
II	4.1	5.9	2.4	3.7	4.9	2.6	-1.7	-1.7	-1.6
III	-3.3	-5.0	-1.5	-3.2	-4.8	-1.6	-1.4	-1.3	-2.2
IV	-4.9	-7.4	-2.3	-6.9	-11.4	-2.5	-5.4	-5.6	-3.6
1982 I	-2.8	-2.3	-3.2	-3.6	-3.9	-3.4	-7.3	-7.6	-4.9
1981 MAY	-.1	.7	-1.0	-1.2	-1.4	-1.0	-1.2	-1.2	-1.2
JUN	.8	1.7	-.1	2.4	4.4	.5	-.1	-.2	1.0
JUL	-.4	-1.5	.6	.2	.6	-.2	.4	.6	-1.7
AUG	-4.0	-5.0	-2.9	-8.1	-13.2	-2.8	-2.5	-2.7	-1.3
SEP	-2.1	-5.0	.8	2.9	4.4	1.4	.7	.7	.8
OCT	-1.2	-1.8	-.6	-4.4	-6.9	-2.0	-1.4	-1.1	-3.7
NOV	-.8	-.7	-.8	-3.5	-7.4	.0	-3.2	-3.4	-1.3
DEC	-1.4	-.4	-2.3	2.2	6.7	-1.6	-.9	-1.2	1.4
1982 JAN	-1.9	-2.3	-1.5	-4.5	-7.5	-1.8	-2.7	-3.0	.2
FEB	-.9	1.3	.5	2.1	5.5	-.8	-2.0	-1.7	-3.9
MAR	-.9	-.9	-.9	-2.1	-4.3	.0	-2.8	-3.0	-1.2
APR	-2.0	-1.0	-3.0	1.2	5.2	-2.3	-.6	-.8	1.1
MAY	.8	-.1	1.7	-.9	-2.9	.9	-1.9	-1.9	-1.6

SOURCE: INVENTORIES, SHIPMENTS AND ORDERS IN MANUFACTURING INDUSTRIES, CATALOGUE 31-001, STATISTICS CANADA, BASED ON 1970 SIC. STOCKS ARE MEASURED AT THE END OF THE PERIOD. 1971 DOLLAR VALUES ARE OBTAINED BY DEFLATING AT THE TWO DIGIT INDUSTRY LEVEL BY THE APPROPRIATE INDUSTRY SELLING PRICE INDEXES (SEE TECHNICAL NOTE, MARCH 1982).

REAL MANUFACTURING INVENTORY OWNED, AND  
REAL INVENTORY/SHIPMENT RATIO  
SEASONALLY ADJUSTED

	REAL VALUE OF INVENTORY OWNED (1)			REAL INVENTORY/SHIPMENT RATIO		
	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE
1977	11504	5924	5580	2.14	2.20	2.09
1978	11650	6191	5458	1.99	2.07	1.91
1979	12555	6912	5643	2.00	2.17	1.83
1980	12251	6715	5536	2.16	2.42	1.91
1981	12963	7216	5747	2.15	2.41	1.90
1980 II	12690	7013	5678	2.26	2.58	1.96
III	12463	6905	5559	2.19	2.46	1.92
IV	12251	6715	5536	2.08	2.31	1.86
1981 I	12507	6887	5620	2.10	2.32	1.89
II	12667	7027	5640	2.05	2.24	1.86
III	12878	7143	5735	2.15	2.41	1.90
IV	12963	7216	5747	2.29	2.65	1.96
1982 I	12954	7169	5785	2.36	2.69	2.04
1981 MAY	12617	6954	5663	2.06	2.24	1.87
JUN	12667	7027	5640	2.05	2.23	1.86
JUL	12679	7028	5652	2.06	2.26	1.85
AUG	12798	7110	5688	2.17	2.41	1.92
SEP	12876	7143	5735	2.23	2.55	1.92
OCT	12967	7236	5731	2.27	2.63	1.93
NOV	13003	7262	5741	2.29	2.66	1.95
DEC	12963	7216	5747	2.32	2.65	2.00
1982 JAN	12977	7208	5769	2.37	2.71	2.04
FEB	12987	7187	5801	2.35	2.67	2.04
MAR	12954	7169	5785	2.36	2.69	2.05
APR	12847	7135	5712	2.39	2.70	2.09
MAY	12713	7055	5657	2.35	2.67	2.03

SOURCE: INVENTORIES, SHIPMENTS AND ORDERS IN MANUFACTURING INDUSTRIES, CATALOGUE 31-001, STATISTICS CANADA, BASED ON 1970 SIC. STOCKS ARE MEASURED AT THE END OF THE PERIOD. 1971 DOLLAR VALUES ARE OBTAINED BY DEFLATING AT THE TWO DIGIT INDUSTRY LEVEL BY THE APPROPRIATE INDUSTRY SELLING PRICE INDEXES (SEE TECHNICAL NOTE, MARCH 1982).

(1) MILLIONS OF 1971 DOLLARS.

REAL MANUFACTURING INVENTORY OWNED BY STAGE OF FABRICATION  
MILLIONS OF 1971 DOLLARS, SEASONALLY ADJUSTED

	RAW MATERIALS			GOODS IN PROCESS			FINISHED GOODS		
	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE
1977	4245	2144	2102	2536	1660	876	4723	2120	2603
1978	4403	2306	2097	2682	1793	888	4565	2092	2473
1979	4751	2537	2214	2966	2103	864	4837	2272	2566
1980	4648	2455	2192	2936	2089	848	4667	2171	2496
1981	4945	2747	2199	3024	2166	859	4993	2304	2689
1980 II	4768	2538	2230	2961	2110	850	4961	2364	2597
III	4679	2504	2175	2926	2091	836	4858	2310	2548
IV	4648	2455	2192	2936	2089	848	4667	2171	2496
1981 I	4796	2613	2183	2958	2105	853	4752	2169	2583
II	4832	2648	2184	3051	2197	864	4774	2181	2593
III	4915	2713	2201	3080	2188	872	4904	2242	2662
IV	4945	2747	2199	3024	2166	859	4993	2304	2689
1982 I	4897	2881	2217	3054	2193	861	5002	2295	2707
1981 MAY	4834	2638	2196	3015	2153	862	4768	2163	2605
JUN	4832	2648	2184	3061	2197	864	4774	2181	2593
JUL	4844	2667	2177	3029	2162	867	4806	2199	2607
AUG	4921	2720	2202	3038	2177	860	4839	2213	2626
SEP	4915	2713	2201	3060	2188	872	4904	2242	2662
OCT	4943	2734	2209	3075	2205	870	4949	2297	2652
NOV	4963	2769	2194	3055	2190	864	4986	2302	2684
DEC	4945	2747	2199	3024	2166	859	4993	2304	2689
1982 JAN	4912	2715	2197	3053	2188	865	5011	2304	2707
FEB	4936	2707	2228	3055	2176	879	4997	2304	2694
MAR	4897	2681	2217	3054	2193	861	5002	2295	2707
APR	4797	2642	2156	3036	2185	850	5014	2308	2705
MAY	4687	2563	2124	3044	2197	846	4981	2294	2687

SOURCE: INVENTORIES, SHIPMENTS AND ORDERS IN MANUFACTURING INDUSTRIES, CATALOGUE 31-001, STATISTICS CANADA. BASED ON 1970 SIC. STOCKS ARE MEASURED AT THE END OF THE PERIOD. 1971 DOLLAR VALUES ARE OBTAINED BY DEFLATING AT THE TWO DIGIT INDUSTRY LEVEL BY THE APPROPRIATE INDUSTRY SELLING PRICE INDEXES.

REAL MANUFACTURING INVENTORY OWNED BY STAGE OF FABRICATION  
CHANGES OF SEASONALLY ADJUSTED FIGURES IN MILLIONS OF 1971 DOLLARS

	RAW MATERIALS			GOODS IN PROCESS			FINISHED GOODS		
	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE	TOTAL	DURABLE	NONDURABLE
1977	-70	-13	-58	98	90	8	NA	NA	NA
1978	158	162	-4	146	134	12	-158	-28	-130
1979	348	232	117	285	309	-25	272	179	93
1980	-104	-82	-21	-30	-14	-16	-170	-101	-69
1981	298	291	6	88	77	11	325	133	193
1980 II	24	17	8	14	23	-9	110	58	52
III	-89	-34	-55	-34	-20	-15	-104	-54	-49
IV	-31	-48	17	10	-2	12	-190	-139	-51
1981 I	149	158	-9	22	16	6	84	-2	87
II	36	35	0	103	92	10	22	12	9
III	82	65	18	-2	-9	8	130	61	69
IV	31	34	-3	-35	-22	-13	89	62	27
1982 I	-48	-66	18	30	28	2	9	-9	18
1981 MAY	13	4	9	9	9	-1	28	6	21
JUN	-2	11	-12	46	44	2	6	18	-12
JUL	12	18	-6	-32	-36	3	32	18	14
AUG	77	53	24	9	16	-7	33	14	19
SEP	-7	-7	0	22	11	11	65	29	36
OCT	28	20	8	15	17	-2	45	55	-10
NOV	20	36	-16	-21	-15	-5	37	6	32
DEC	-17	-23	5	-30	-25	-5	7	1	6
1982 JAN	-33	-32	-2	29	23	6	18	1	18
FEB	23	-8	31	1	-13	14	-14	0	-13
MAR	-39	-27	-12	0	18	-18	5	-9	14
APR	-100	-39	-61	-19	-8	-11	12	13	-2
MAY	-110	-78	-32	8	12	-4	-33	-14	-18

SOURCE: INVENTORIES, SHIPMENTS AND ORDERS IN MANUFACTURING INDUSTRIES, CATALOGUE 31-001, STATISTICS CANADA. BASED ON 1970 SIC. STOCKS ARE MEASURED AT THE END OF THE PERIOD. 1971 DOLLAR VALUES ARE OBTAINED BY DEFLATING AT THE TWO DIGIT INDUSTRY LEVEL BY THE APPROPRIATE INDUSTRY SELLING PRICE INDEXES.

CAPACITY UTILIZATION RATES IN MANUFACTURING  
SEASONALLY ADJUSTED

	MANUFACTURING			PAPER AND ALLIED INDUSTRIES	PRIMARY METALS	METAL FABRICATING	MACHINERY	TRANSPOR- TATION EQUIPMENT	ELECTRICAL PRODUCTS	CHEMICAL AND CHEMICAL PRODUCTS
	TOTAL	NON-DURABLE	DURABLE							
1977	82.4	84.5	80.4	81.1	73.3	78.6	78.2	97.4	74.0	77.3
1978	84.3	87.3	81.4	91.2	75.4	79.9	83.7	96.0	73.9	75.0
1979	86.2	90.7	81.8	97.0	76.6	82.6	96.0	86.0	80.4	76.1
1980	80.9	87.2	74.8	94.5	77.8	79.6	89.7	66.7	77.0	73.9
1981	78.9	85.1	72.7	88.6	75.5	79.0	87.4	62.1	78.4	71.9
1980 II	80.3	87.5	73.4	95.6	76.0	79.0	91.6	63.1	76.8	73.9
III	79.3	85.9	72.9	91.6	76.4	77.0	87.6	64.1	75.7	72.1
IV	80.3	86.2	74.6	91.5	79.6	77.4	85.9	67.7	76.0	73.8
1981 I	80.5	86.6	74.5	92.0	79.0	79.2	92.6	62.0	77.7	74.7
II	82.4	87.2	77.7	92.1	82.4	82.3	88.7	68.1	82.0	73.2
III	78.9	85.0	72.9	83.3	76.3	80.4	87.6	64.1	81.0	72.1
IV	73.7	81.7	65.8	87.2	64.4	74.2	80.7	54.4	73.0	67.7
1982 I	69.7	77.7	62.0	82.1	64.9	70.9	79.6	50.7	66.9	64.7

SOURCE: CAPACITY UTILIZATION RATES, CATALOGUE 31-003, STATISTICS CANADA.

VALUE OF BUILDING PERMITS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	TOTAL	NONRESIDENTIAL			INSTITU- TIONAL AND GOVERNMENT	RESIDENTIAL	TOTAL FOR 55 MUNICI- PALITIES
		TOTAL	INDUSTRIAL	COMMERCIAL			
1977	1.5	1.5	-5	-3.6	14.1	1.4	2.9
1978	5.8	15.8	4.1	28.5	1.7	-6	5.4
1979	7.7	14.5	24.9	18.7	-2.9	2.6	5.3
1980	9.2	25.2	45.3	15.9	31.3	-3.9	10.8
1981	21.2	11.7	-9.4	21.0	11.9	31.4	39.7
1980 II	-17.3	-18.9	-8.5	-9.9	-42.4	-15.3	-15.2
III	16.4	5.5	1.2	5.6	10.2	28.8	14.5
IV	22.6	29.3	79.1	18.5	7.2	16.4	7.3
1981 I	.4	-14.0	-34.1	-7.4	.6	15.4	7.2
II	5.3	8.6	-8.1	19.5	-2.4	2.7	19.5
III	-9.0	.9	5.8	-8.7	27.6	-17.1	-6.7
IV	9.7	14.3	-13.5	21.8	20.6	5.2	36.2
1982 I	-17.9	-7.3	3.3	-2.7	-25.1	-29.4	-36.5
1981 MAY	-12.3	-11.8	-19.4	-14.2	5.5	-12.7	-28.7
JUN	5.6	9.5	5.6	16.3	-6.4	2.4	18.4
JUL	5.7	11.3	10.1	-1.5	58.7	.9	18.2
AUG	-16.3	-12.4	1.9	-14.1	-18.9	-19.9	-24.8
SEP	-8.4	-9.2	-3.9	-7.4	-18.0	-7.6	-15.1
OCT	-1.6	4.6	-17.0	12.1	7.4	-8.0	18.2
NOV	32.2	40.0	11.8	31.5	86.8	23.1	59.9
DEC	10.9	-9.4	-4.2	-2	-29.9	37.7	7.1
1982 JAN	-26.3	-16.5	-21.1	-19.3	-5.5	-34.9	-54.8
FEB	-10.5	.9	28.9	14.5	-47.3	-23.1	20.3
MAR	9.8	16.9	25.1	3.6	89.2	-3.4	10.8
APR	-21.8	-32.6	-44.8	-34.8	-15.5	-2.3	-13.0
MAY	-16.9	-16.7	-4.7	-23.7	-8.3	-17.1	-26.8

SOURCE: BUILDING PERMITS, CATALOGUE 64-001, STATISTICS CANADA.



HOUSING STARTS, COMPLETIONS AND MORTGAGE APPROVALS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	THOUSANDS OF STARTS (1)	URBAN HOUSING STARTS			URBAN HOUSING UNDER CONSTR.	URBAN HOUSING COMPLETIONS	MORTGAGE LOAN APPROVALS (2)			NEW HOUSING PRICE INDEX
		TOTAL	SINGLES	MULTIPLES			TOTAL	MHA	CONVEN- TIONAL	
1977	198.5	-6.5	-14.2	-1.1	2.1	15.0	6987	4302	2685	3.3
1978	183.6	-7.5	-1.1	-11.3	-8.2	-3.8	5636	2313	3324	2.6
1979	151.4	-17.5	-1.0	-28.5	-22.1	-10.1	4345	363	3983	3.7
1980	125.6	-17.1	-15.8	-18.2	-24.6	-19.8	3287	114	3173	8.0
1981	144.2	14.8	7.2	22.0	-2.8	-3.4	2818	155	2663	12.0
1980 III	122.3	9.2	13.2	5.6	-4.9	-11.0	988	32	956	2.0
IV	134.0	9.5	19.4	.0	2.1	-2.8	978	64	914	3.3
1981 I	143.3	7.0	20.0	-8.0	-7.0	8.3	740	7	733	4.0
II	176.3	23.0	.0	57.6	10.5	1.7	1068	20	1048	4.4
III	145.0	-17.8	-31.0	-5.2	3.7	.0	607	46	561	.8
IV	112.0	-22.8	-47.8	-5.4	-6.0	-6.4	403	82	321	-.3
1982 I	148.0	32.1	9.7	40.7	4.7	-9.6	436	4	432	.7
II	100.0	-32.4	.0	-42.1	-.2	-6.7				
1981 JUN	167.0	-3.5	-5.8	-1.1	3.1	18.5	314	9	305	.5
JUL	149.0	-10.8	-19.8	-2.3	-1.1	-7.8	246	12	234	.1
AUG	141.0	-5.4	-9.2	-2.4	.3	-5.6	170	15	155	-.1
SEP	145.0	2.8	-8.5	11.0	.0	9.7	191	19	172	-.2
OCT	82.0	-43.4	-37.0	-47.3	-5.3	-11.6	114	21	93	-.2
NOV	98.0	19.5	-17.6	45.8	-3.2	-.8	118	27	91	-.1
DEC	156.0	59.2	10.7	78.6	3.9	6.2	171	34	137	.4
1982 JAN	133.0	-14.7	9.7	-20.8	3.4	-22.6	144	0	144	.6
FEB	170.0	27.8	2.9	36.4	.2	14.2	161	1	160	-.1
MAR	141.0	-17.1	-5.7	-20.0	-1.0	8.3	131	3	128	-.1
APR	116.0	-17.7	6.1	-25.0	2.0	-26.0				-.2
MAY	87.0	-25.0	-8.6	-32.1	-1.8	22.7				-.9
JUN	97.0	11.5	9.4	12.7	-1.8	-.8				

SOURCE: HOUSING STARTS AND COMPLETIONS, CATALOGUE 64-002, STATISTICS CANADA, AND CANADIAN HOUSING STATISTICS, CMHC.

(1) SEASONALLY ADJUSTED, ANNUAL RATES.

INDICATORS OF PERSONAL EXPENDITURE ON GOODS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	CURRENT DOLLAR (1)					1971 DOLLARS (2)				
	TOTAL	NEW PASSENGER CAR SALES	DURABLE GOODS	SEMI- DURABLE GOODS	NON-DURABLE GOODS	TOTAL	NEW PASSENGER CAR SALES	DURABLE GOODS	SEMI- DURABLE GOODS	NON-DURABLE GOODS
1977	8.7	11.8	8.7	7.7	9.2	1.9	4.8	3.4	1.1	.8
1978	11.1	9.6	10.6	10.8	11.7	2.7	.6	4.2	6.3	-.6
1979	11.7	14.8	12.4	10.9	11.6	1.3	2.4	2.8	.9	.2
1980	9.6	3.1	4.1	7.2	15.0	-1.6	-7.3	-6.1	-3.7	4.3
1981	13.2	9.4	14.4	13.0	12.4	1.8	-1.8	5.2	5.2	-3.2
1980 II	1.2	-10.7	-2.2	2.6	3.1	-1.8	-13.2	-4.8	-.5	.4
III	5.5	16.1	7.8	4.0	4.6	2.4	12.3	4.9	2.0	.5
IV	3.6	2.2	4.0	3.2	3.4	.9	-.4	2.4	2.0	-1.2
1981 I	4.6	3.6	7.5	6.1	2.0	1.8	.3	5.2	3.9	-2.6
II	2.1	.3	2.0	1.3	2.5	-.2	-2.1	.0	-.8	-.3
III	.7	-2.5	-3.3	.6	3.7	-2.3	-4.3	-5.3	-1.2	.3
IV	1.7	1.8	1.5	.6	2.4	-.4	-1.0	-1.3	.0	.2
1982 I	-.8	-21.2	-5.0	.0	1.7	-3.1	-21.1	-6.4	-1.7	-.7
1981 MAY	-.6	-6.4	-2.5	-.5	.8	-1.3	-7.7	-2.8	-1.0	.2
JUN	1.8	1.3	2.9	2.0	.9	.8	1.0	2.4	1.0	-.9
JUL	-1.0	-4.7	-4.9	-.4	1.7	-2.3	-5.3	-5.6	-1.1	.5
AUG	.6	2.6	-.2	-.2	1.5	-.3	1.9	-1.0	-.5	.6
SEP	1.0	6.2	2.1	.2	.6	.3	5.4	1.1	-.3	-.2
OCT	-1.3	-22.5	-6.1	.2	1.4	-2.0	-21.5	-5.9	.2	.7
NOV	4.3	59.5	15.5	.1	-1.3	3.8	51.5	12.1	.1	-1.8
DEC	-2.0	-27.1	-9.7	.6	2.8	-3.2	-26.1	-9.7	.2	1.9
1982 JAN	-1.9	-19.1	-4.6	-1.2	-.3	-2.4	-18.4	-4.2	-1.9	-1.0
FEB	1.8	9.8	3.0	2.0	1.1	1.0	9.6	1.9	1.1	.1
MAR	-.6	-4.1	-.5	-1.3	-.4	-1.4	-4.9	-1.2	-2.0	-1.2
APR	1.7	6.3	.6	1.5	2.4	.9	7.0	.6	1.4	.9
MAY	2.4	3.2	3.4	1.6	2.0	1.1	3.3	2.2	.7	.3

SOURCE: RETAIL TRADE, CATALOGUE 63-005, 1974 RETAIL COMMODITY SURVEY, CATALOGUE 63-526, NEW MOTOR VEHICLE SALES, CATALOGUE 63-007, THE CONSUMER PRICE INDEX, CATALOGUE 62-001, STATISTICS CANADA.

(1) THESE INDICATORS ARE CALCULATED BY THE REWEIGHTING OF RETAIL TRADE BY TYPE OF BUSINESS (CATALOGUE 63-005) TO OBTAIN RETAIL TRADE BY COMMODITY. THE WEIGHTS WERE TAKEN FROM THE 1974 RETAIL COMMODITY SURVEY (CATALOGUE 63-526). PASSENGER CAR SALES ARE TAKEN FROM NEW MOTOR VEHICLE SALES (CATALOGUE 63-007) AND ARE USED AS AN INDICATOR OF SALES OF CARS TO PERSONS. SEASONAL ADJUSTMENT IS DONE BY COMMODITY TO END POINT (SEE GLOSSARY).

(2) THESE DATA ARE THE RESULT OF DEFLATION BY COMMODITY OF THE RETAIL SALES DATA CALCULATED BY THE METHODOLOGY EXPLAINED BY FOOTNOTE 1.

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## Labour

34	Labour Force Survey Summary, Seasonally Adjusted	41
35	Characteristics of the Unemployed, Not Seasonally Adjusted	41
36	Labour Force Summary, Ages 15-24 and 25 and Over, Seasonally Adjusted	42
37	Labour Force Summary, Women, Ages 15-24 and 25 and Over, Seasonally Adjusted	42
38	Labour Force Summary, Men, Ages 15-24 and 25 and Over, Seasonally Adjusted	43
39	Employment by Industry, Labour Force Survey, Percentage Changes of Seasonally Adjusted Figures	43
40	Estimates of Employees by Industry, Percentage Changes of Seasonally Adjusted Figures	44
41-42	Large Firm Employment by Industry, Percentage Changes of Seasonally Adjusted Figures	44-45
43-44	Wages and Salaries by Industry, Percentage Changes of Seasonally Adjusted Figures	45-46
45	Average Weekly Hours by Industry, Seasonally Adjusted	46
46	Average Weekly Wages and Salaries by Industry, Percentage Changes of Seasonally Adjusted Figures	47
47	Wage Settlements	47

LABOUR FORCE SURVEY SUMMARY  
SEASONALLY ADJUSTED

	LABOUR FORCE (1)	EMPLOYMENT				UNEMPLOYMENT RATE			UNEMPLOY- MENT (1)	PARTICI- PATION RATE
		TOTAL (1)	FULL-TIME (1) (2)	PART-TIME (1) (2)	PAID WORKERS (1)	TOTAL	AGES 15-24	AGES 25 AND OVER		
1977	2.9	1.8	1.0	8.1	1.6	8.1	14.4	5.8	16.9	61.5
1978	3.7	3.4	2.9	7.2	3.0	8.4	14.5	6.1	7.2	62.6
1979	3.0	4.0	3.5	7.6	4.1	7.5	13.0	5.4	-8.0	63.3
1980	2.8	2.8	2.2	6.2	3.3	7.5	13.2	5.4	3.5	64.0
1981	2.7	2.6	2.0	6.8	2.7	7.6	13.3	5.6	3.6	64.7
1980 III	.3	.6	.4	2.6	.7	7.6	13.3	5.5	-2.8	63.9
IV	.9	1.2	.9	1.6	1.2	7.3	12.7	5.3	-2.9	64.2
1981 I	1.2	1.2	1.1	2.4	1.4	7.3	13.0	5.2	1.1	64.7
II	.5	.5	.5	1.6	.5	7.2	12.7	5.2	-.2	64.7
III	.3	-.1	.0	.4	-.2	7.6	13.1	5.6	5.3	64.7
IV	.2	-.7	-1.3	.1	-.8	8.4	14.6	6.3	11.4	64.6
1982 I	-.7	-.9	-1.1	.3	-.8	8.6	15.3	6.4	2.1	63.9
II	.5	-1.2	-1.4	.1	-1.4	10.2	17.6	7.7	18.7	64.0
1981 JUN	.3	.2	.6	-2.4	.1	7.4	12.9	5.4	2.1	64.8
JUL	-.2	-.2	.0	.6	-.3	7.4	12.7	5.5	-.1	64.6
AUG	.0	.3	.1	.4	.2	7.1	12.2	5.3	-3.7	64.5
SEP	.8	-.4	-.7	.7	-.4	8.2	14.3	6.1	17.0	65.0
OCT	-.2	-.2	-.4	-.9	-.3	8.3	14.2	6.2	.7	64.8
NOV	-.3	-.2	-.3	1.1	-.3	8.3	14.7	6.1	-.6	64.6
DEC	-.1	-.5	-.8	-1.0	-.4	8.6	14.8	6.5	4.4	64.4
1982 JAN	-.6	-.2	-.2	1.1	-.1	8.3	15.0	6.0	-4.2	64.0
FEB	-.1	-.4	-.3	-.5	-.4	8.6	15.0	6.4	2.7	63.8
MAR	.4	-.1	.0	-.5	-.2	9.0	15.8	6.7	5.8	64.0
APR	-.1	-.7	-.1	.1	-.7	9.6	16.6	7.2	63.9	63.9
MAY	.4	-.2	-.2	.1	-.2	10.2	17.5	7.7	6.3	64.1
JUN	.2	-.6	-1.3	1.3	-1.1	10.9	18.6	8.3	7.4	64.1

SOURCE: THE LABOUR FORCE, CATALOGUE 71-001, STATISTICS CANADA.

(1) PERCENTAGE CHANGE.

(2) END POINT SEASONALLY ADJUSTED (SEE GLOSSARY) BY C.E.A. STAFF.

CHARACTERISTICS OF THE UNEMPLOYED  
NOT SEASONALLY ADJUSTED

	TOTAL UN- EMPLOYMENT (1)	PERCENTAGE OF TOTAL UNEMPLOYED						AVERAGE DURATION OF UNEMPLOY- MENT (WEEKS)	
		1-4 WEEKS	5-13 WEEKS	LOOKING		ON LAYOFF	NOT LOOKING		
				14 WEEKS AND OVER	FUTURE START		ON LAYOFF		FUTURE JOB
1977	850	24.4	27.3	33.1	4.0	1.3	6.5	3.5	14.6
1978	911	23.8	27.1	35.2	3.9	1.3	5.3	3.4	15.5
1979	838	25.9	27.0	32.6	4.3	1.3	5.3	3.5	14.8
1980	867	25.8	27.0	32.1	3.9	1.9	6.2	3.2	14.7
1981	898	25.9	26.1	32.3	4.2	1.8	6.2	3.5	15.2
1980 III	817	27.8	26.5	29.5	4.1	2.0	5.8	4.3	14.5
IV	785	27.8	29.4	30.6	3.3	1.8	4.9	2.1	14.7
1981 I	952	23.5	28.0	33.9	3.7	2.2	6.4	2.3	15.1
II	865	24.3	22.0	36.1	5.7	1.3	4.7	5.8	16.4
III	839	28.3	24.9	29.8	4.6	1.5	6.9	4.0	15.1
IV	935	27.5	29.6	29.2	2.9	2.2	6.9	1.7	14.2
1982 I	1147	20.8	28.5	34.5	2.9	2.9	8.3	2.1	15.1
II	1259	21.1	23.4	40.7	3.4	2.3	5.9	3.2	17.2
1981 JUN	855	27.7	22.9	32.2	6.0	1.2	4.2	5.8	15.5
JUL	835	29.0	25.0	29.1	4.8	1.3	7.4	3.4	14.6
AUG	790	22.0	26.8	31.5	4.7	1.6	7.3	5.9	16.1
SEP	891	33.9	22.8	28.8	4.3	1.6	5.8	2.8	14.5
OCT	891	29.9	28.2	29.4	3.1	1.6	5.8	2.0	14.5
NOV	928	28.0	31.4	28.1	2.9	2.2	5.9	1.5	14.0
DEC	987	24.5	29.4	30.2	2.5	2.7	9.0	1.6	14.1
1982 JAN	1096	23.6	27.6	30.5	2.6	3.0	10.8	1.9	13.8
FEB	1116	19.1	30.4	35.1	2.9	2.9	7.9	1.8	15.2
MAR	1228	19.6	27.5	38.0	3.3	2.7	6.3	2.5	16.3
APR	1233	18.2	22.5	43.1	3.2	2.6	7.4	3.1	17.2
MAY	1241	22.2	22.4	40.3	3.5	2.3	5.6	3.8	17.1
JUN	1303	23.1	25.3	38.6	3.5	1.9	4.7	2.8	17.2

SOURCE: THE LABOUR FORCE, CATALOGUE 71-001, STATISTICS CANADA.

(1) THOUSANDS OF PERSONS.

LABOUR FORCE SUMMARY, AGES 15-24 AND 25 AND OVER  
SEASONALLY ADJUSTED

	AGES 15-24					AGES 25 AND OVER				
	LABOUR FORCE (1)	EMPLOY- MENT (1)	UNEMPLOY- MENT (1)	UNEMPLOY- MENT RATE	PARTICI- PATION RATE	LABOUR FORCE (1)	EMPLOY- MENT (1)	UNEMPLOY- MENT (1)	UNEMPLOY- MENT RATE	PARTICI- PATION RATE
1977	3.0	1.0	16.6	14.4	63.2	2.8	2.0	17.2	5.8	61.0
1978	3.3	3.1	3.9	14.5	64.4	3.8	3.4	9.9	6.1	62.0
1979	3.7	5.6	-7.1	13.0	66.2	2.7	3.4	-8.6	5.4	62.3
1980	1.9	1.6	3.8	13.2	67.3	3.1	3.2	2.9	5.4	62.9
1981	.4	.3	1.0	13.3	67.9	3.5	3.4	6.1	5.6	63.6
1980 III	-.2	.4	-3.8	13.3	67.3	.5	.6	-1.8	5.5	62.7
IV	.3	1.0	-4.1	12.7	67.5	1.2	1.3	-1.8	5.3	63.1
1981 I	.9	.6	3.2	13.0	68.2	1.2	1.4	-.7	5.2	63.5
II	-.1	.2	-2.5	12.7	68.2	.7	.7	1.9	5.2	63.6
III	-1.0	-1.4	1.7	13.1	67.8	.8	.4	8.4	5.6	63.7
IV	-.7	-2.4	10.6	14.6	67.5	.5	-.2	12.0	6.3	63.7
1982 I	-1.8	-2.6	3.0	15.3	66.5	-.2	-.4	1.4	6.4	63.1
II	-1.1	-3.8	13.7	17.6	65.9	1.1	-.4	22.8	7.7	63.4
1981 JUN	.2	.1	1.0	12.9	68.5	.3	.2	3.1	5.4	63.6
JUL	-1.3	-1.0	-3.0	12.7	67.7	.1	.0	2.3	5.5	63.6
AUG	-.7	-.2	-4.1	12.2	67.3	.2	.4	-3.3	5.3	63.6
SEP	1.4	-1.0	18.1	14.3	68.3	.6	-.2	16.2	6.1	63.9
OCT	-1.1	-1.1	-1.4	14.2	67.6	.2	.0	2.4	6.2	63.9
NOV	-.3	-.8	2.7	14.7	67.5	-.3	-.1	-3.3	6.1	63.6
DEC	-.3	-.5	.4	14.8	67.3	.0	-.5	7.7	6.5	63.5
1982 JAN	-1.2	-1.5	.4	15.0	66.6	-.3	.2	-7.8	6.0	63.1
FEB	-.5	-.5	-.4	15.0	66.3	.0	-.4	5.5	6.4	63.0
MAR	.1	-.8	4.9	15.8	66.5	.6	.2	6.6	6.7	63.2
APR	-.5	-1.5	4.9	16.6	66.2	.1	-.4	7.2	7.2	63.1
MAY	-.7	-1.8	4.8	17.5	65.8	.8	.3	7.4	7.7	63.5
JUN	-.2	-1.5	5.8	18.6	65.7	.4	-.3	8.6	8.3	63.6

SOURCE: THE LABOUR FORCE, CATALOGUE 71-001, STATISTICS CANADA.  
(1) PERCENTAGE CHANGE.

LABOUR FORCE SUMMARY, WOMEN, AGES 15-24 AND 25 AND OVER  
SEASONALLY ADJUSTED

	AGES 15-24					AGES 25 AND OVER				
	LABOUR FORCE (1)	EMPLOY- MENT (1)	UNEMPLOY- MENT (1)	UNEMPLOY- MENT RATE	PARTICI- PATION RATE	LABOUR FORCE (1)	EMPLOY- MENT (1)	UNEMPLOY- MENT (1)	UNEMPLOY- MENT RATE	PARTICI- PATION RATE
1977	2.7	.5	17.3	13.8	57.5	4.8	4.0	16.3	7.4	42.1
1978	3.7	3.7	4.5	13.9	58.9	7.0	6.6	12.5	7.7	44.0
1979	4.2	5.5	-4.9	12.7	61.0	4.2	5.0	-6.2	7.0	44.9
1980	2.7	2.7	2.3	12.7	62.6	5.5	6.0	-1.4	6.5	46.2
1981	.4	.8	-2.8	12.3	63.2	6.1	5.9	8.7	6.7	47.9
1980 III	.1	.5	-2.2	12.7	62.7	.6	1.1	-6.7	6.4	46.0
IV	.1	.7	-4.1	12.2	62.8	2.0	2.3	-2.3	6.1	46.6
1981 I	.5	.4	1.3	12.3	63.3	2.0	1.9	3.7	6.2	47.3
II	.5	1.0	-2.7	11.9	63.7	1.6	1.6	1.6	6.2	47.8
III	-1.5	-1.6	-.8	12.0	63.0	1.4	.8	9.7	6.7	48.1
IV	-.3	-1.3	7.1	12.9	63.0	.7	-.1	11.1	7.4	48.2
1982 I	-.7	-1.2	2.9	13.4	62.7	-.1	.2	-3.6	7.2	47.9
II	-.9	-2.7	10.9	14.9	62.4	1.6	.1	21.5	8.6	48.3
1981 JUN	-.2	-.1	-1.2	11.9	64.0	.4	.2	3.4	6.3	48.0
JUL	-1.7	-1.4	-3.5	11.6	63.1	.0	-.1	1.4	6.4	47.9
AUG	-1.0	-.5	-4.8	11.2	62.5	.5	.5	.0	6.4	48.0
SEP	1.2	-1.0	19.1	13.2	63.3	1.3	.2	17.4	7.4	48.5
OCT	-.9	-.2	-5.3	12.6	62.8	.1	-.1	1.6	7.5	48.5
NOV	.4	-.2	4.5	13.1	63.1	-.5	-.4	-1.5	7.4	48.2
DEC	-.2	-.1	-1.1	13.0	63.0	-.2	-.1	-1.2	7.4	48.0
1982 JAN	-.3	-.6	1.8	13.2	62.9	.0	.8	-10.3	6.6	47.9
FEB	-.8	-.6	-2.2	13.1	62.5	-.1	-.7	8.8	7.2	47.7
MAR	.4	-.5	6.0	13.8	62.8	.8	.2	8.1	7.7	48.0
APR	.1	-.5	3.6	14.3	62.9	.3	-.2	7.1	8.2	48.1
MAY	-1.1	-1.7	2.0	14.7	62.3	1.2	.7	6.3	8.7	48.5
JUN	-.5	-1.8	6.9	15.8	62.0	.0	-.2	2.0	8.8	48.4

SOURCE: THE LABOUR FORCE, CATALOGUE 71-001, STATISTICS CANADA.  
(1) PERCENTAGE CHANGE.



LABOUR FORCE SUMMARY, MEN, AGES 15-24 AND 25 AND OVER  
SEASONALLY ADJUSTED

	AGES 15-24					AGES 25 AND OVER				
	LABOUR FORCE (1)	EMPLOY- MENT (1)	UNEMPLOY- MENT (1)	UNEMPLOY- MENT RATE	PARTICI- PATION RATE	LABOUR FORCE (1)	EMPLOY- MENT (1)	UNEMPLOY- MENT (1)	UNEMPLOY- MENT RATE	PARTICI- PATION RATE
1977	3.3	1.4	16.1	14.9	68.8	1.8	1.0	18.0	4.9	80.9
1978	2.8	2.7	3.9	15.1	69.7	2.1	1.7	8.2	5.2	81.0
1979	3.5	5.6	-9.2	13.3	71.4	1.9	2.6	-11.0	4.5	80.9
1980	1.3	.7	5.0	13.8	72.0	1.7	1.5	6.8	4.8	80.5
1981	.4	-.1	3.9	14.2	72.5	2.0	1.9	4.0	4.9	80.3
1980 III	-.5	.3	-5.1	13.9	71.7	.5	.3	2.5	4.9	80.4
IV	.4	1.2	-4.2	13.2	72.1	.6	.7	-1.4	4.7	80.5
1981 I	1.3	.7	4.7	13.6	73.1	.8	1.0	-4.2	4.5	80.7
II	-.7	-.4	-2.3	13.4	72.6	.1	.1	2.1	4.6	80.4
III	-.5	-1.1	3.6	13.9	72.4	.4	.1	7.3	4.9	80.2
IV	-1.1	-3.4	13.1	16.0	71.9	.4	-.3	12.8	5.5	80.0
1982 I	-2.8	-3.9	3.0	16.9	70.1	-.4	-.7	5.8	5.9	79.3
II	-1.4	-4.8	15.7	19.9	69.3	.8	-.7	23.9	7.2	79.4
1981 JUN	.6	.3	2.7	13.8	72.9	.3	.2	2.8	4.8	80.3
JUL	-1.0	-.7	-2.6	13.5	72.2	.2	.1	3.1	4.9	80.3
AUG	-.5	.0	-3.5	13.1	72.0	.0	.3	-6.1	4.6	80.2
SEP	1.5	-.9	17.4	15.2	73.1	.2	-.5	15.0	5.3	80.2
OCT	-1.2	-1.7	1.6	15.6	72.3	.2	.1	3.2	5.4	80.2
NOV	-.8	-1.2	1.5	16.0	71.8	-.1	.1	-4.8	5.2	80.0
DEC	-.4	-.8	1.5	16.3	71.5	.1	-.7	15.8	6.0	79.9
1982 JAN	-2.1	-2.4	-.4	16.6	70.1	-.6	-.2	-5.9	5.7	79.3
FEB	-.2	-.4	.7	16.7	70.1	.0	-.1	3.0	5.8	79.2
MAR	-.2	-1.0	4.1	17.5	70.0	.4	.1	5.4	6.1	79.4
APR	-1.0	-2.4	5.7	18.6	69.4	-.1	-.6	7.3	6.6	79.1
MAY	-.3	-1.9	6.8	20.0	69.2	.5	.0	8.2	7.1	79.4
JUN	.1	-1.2	5.1	21.0	69.4	.6	-.4	13.9	8.0	79.7

SOURCE: THE LABOUR FORCE, CATALOGUE 71-001, STATISTICS CANADA.

(1) PERCENTAGE CHANGE.

EMPLOYMENT BY INDUSTRY, LABOUR FORCE SURVEY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	GOODS INDUSTRIES					SERVICE INDUSTRIES				
	TOTAL EXCLUDING AGRICULTURE	TOTAL EXCLUDING AGRICULTURE	PRIMARY INDUSTRIES EXCLUDING AGRICULTURE	MANUFAC- TURING	CONSTRUC- TION	TOTAL	TRANSPOR- TATION, COMMUNICA- TION AND OTHER UTILITIES	TRADE	FINANCE, INSURANCE AND REAL ESTATE	OTHER (1)
1977	2.0	-1.0	2.6	-1.7	-.3	3.3	-.6	2.1	7.1	4.3
1978	3.4	3.0	7.1	3.5	-.3	3.6	4.6	3.5	2.8	3.5
1979	4.1	4.8	5.8	5.9	1.4	3.8	4.8	3.9	1.3	3.8
1980	3.0	1.4	8.4	1.7	-3.3	3.7	.3	1.4	9.9	4.8
1981	2.7	1.9	6.1	.7	4.2	3.0	.3	2.5	-2.6	4.7
1980 III	.8	-.5	-1.8	-.3	-.8	1.4	.0	.8	.9	2.2
IV	1.1	.7	4.5	.8	-1.5	1.2	-.9	1.2	-1.4	2.1
1981 I	1.3	1.9	2.7	1.0	4.4	.9	.4	.6	-3.6	1.9
II	.5	.6	1.2	.4	1.2	.6	1.0	.3	.1	.6
III	-.2	.2	1.2	-.3	1.3	-.3	-1.3	1.0	1.0	-.9
IV	-.6	-2.4	-4.7	-2.8	-.3	.1	1.5	-.3	1.1	-.2
1982 I	-.7	-2.9	-5.2	-2.6	-2.9	.1	-.3	-.6	3.2	.2
II	-1.4	-3.5	-10.4	-2.4	-3.9	-.2	-3.7	.2	.9	.3
1981 JUN	.1	-.3	.0	-.7	.8	.6	2.4	.2	1.4	.2
JUL	-.3	.6	.3	.3	1.7	-.8	-3.6	.1	.2	-.8
AUG	.1	.0	2.2	-.1	-.6	.3	1.6	1.1	.0	-.3
SEP	-.2	-.8	-.9	-.8	-.6	-.1	.1	-.1	-.3	-.1
OCT	-.3	-1.2	-3.7	-1.0	-.5	.0	1.0	-.1	.7	-.4
NOV	-.2	-.3	-1.0	-.5	.8	-.1	.2	-.7	1.3	-.1
DEC	-.2	-1.8	-1.3	-2.7	.8	.3	-.7	-.1	-.7	.9
1982 JAN	-.3	-.5	-1.0	-.2	-1.1	-.1	.6	-.3	2.0	-.4
FEB	-.2	-1.4	-1.0	-.4	-4.6	.0	-.3	-.2	1.5	-.1
MAR	-.1	-.6	-7.4	-.2	1.6	.2	-.9	.3	.5	.3
APR	-.6	-1.7	-5.8	-1.1	-1.9	.0	-1.9	-.1	1.6	.2
MAY	-.4	-.6	1.2	-.5	-1.8	-.3	-1.2	.3	-1.9	-.1
JUN	-1.0	-1.5	-.4	-1.9	-.8	-.3	-1.0	-.2	-.8	-.1

SOURCE: THE LABOUR FORCE, CATALOGUE 71-001, STATISTICS CANADA.

BASED ON THE 1970 STANDARD INDUSTRIAL CLASSIFICATION.

(1) COMMUNITY, BUSINESS, PERSONAL SERVICES AND PUBLIC ADMINISTRATION.

ESTIMATES OF EMPLOYEES BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	GOODS INDUSTRIES					SERVICE INDUSTRIES				
	TOTAL EXCLUDING AGRICULTURE	TOTAL EXCLUDING AGRICULTURE	PRIMARY INDUSTRIES EXCLUDING AGRICULTURE	MANU- FACTURING	CONSTRUCT- TION	TOTAL	TRANSPORT- ATION, COMMUNICA- TION AND OTHER UTILITIES	TRADE	ALL COMMERCIAL SERVICES(1)	NON- COMMERCIAL SERVICES INCLUDING PUBLIC ADMINIS- TRATION
1977	2.7	1.1	7.1	.1	2.4	3.4	2.0	.9	8.5	2.1
1978	2.0	-1.1	.2	1.6	-6.5	2.9	1.0	3.8	4.1	2.0
1979	3.6	4.7	7.4	3.9	6.8	3.1	2.1	3.3	5.6	1.1
1980	2.1	-6	8.0	-1.2	-2.2	3.2	2.8	2.6	5.5	2.0
1981	3.5	2.2	1.8	1.7	4.3	4.0	.8	4.7	6.3	2.9
1980 II	.2	-1.7	.9	-1.6	-3.5	1.0	.9	.2	1.4	1.2
III	.8	.5	-.5	-.1	3.4	.9	.7	.7	1.2	.9
IV	1.3	1.4	1.7	1.0	3.2	1.3	.7	1.3	1.9	.8
1981 I	1.3	1.3	.5	1.5	1.1	1.3	-.1	1.5	2.6	.6
II	1.0	1.7	1.9	1.5	2.3	.8	-.1	1.9	.4	.6
III	.0	-1.6	-3.3	-1.4	-1.9	.7	-1.0	1.0	1.2	.7
IV	-.3	-1.8	1.1	-1.8	-3.1	.2	1.3	-.7	.3	.4
1982 I	-.9	-2.9	-2.5	-3.1	-2.5	-.1	-.6	-.7	.5	.0
1981 APR	.2	.7	.4	.6	1.5	.0	-1.5	.5	.4	.0
MAY	.5	.3	.0	.3	.3	.6	.8	1.1	.3	.4
JUN	.2	.1	1.3	.3	-1.5	.2	.0	.7	-.3	.2
JUL	-.3	-1.5	-4.7	-1.5	.2	.2	-2.9	.3	1.1	.6
AUG	-.2	-.6	-.9	-.6	-.7	.0	2.4	-.6	-.4	-.2
SEP	.5	.2	3.8	.4	-2.4	.6	.4	-.9	1.3	-.1
OCT	-.4	-1.1	.0	-1.1	-1.6	-.2	.2	-.9	-.3	.4
NOV	-.2	-.6	-1.1	-.7	.4	-.2	-.2	-.4	-.2	.1
DEC	-.1	-.8	-1.1	-.9	.1	.2	.3	-.1	.2	.1
1982 JAN	-1.1	-2.1	-2.6	-1.5	-4.3	-.7	-.7	-1.0	-.7	-.5
FEB	.3	-.1	1.8	-.9	2.1	.5	-.1	.4	1.2	.2
MAR	.2	-.4	.3	-.7	.7	.5	-.1	.1	.9	.6
APR	-.3	-1.8	-5.2	-1.1	-3.0	.3	-.6	.6	.5	.2

SOURCE: ESTIMATES OF EMPLOYEES BY PROVINCE AND INDUSTRY, CATALOGUE 72-008.

BASED ON THE 1960 STANDARD INDUSTRIAL CLASSIFICATION.

(1) FINANCE, INSURANCE AND REAL ESTATE AND COMMUNITY, BUSINESS AND PERSONAL SERVICES.

LARGE FIRM EMPLOYMENT BY INDUSTRY (1)  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	INDUSTRIAL COMPOSITE (2)	FORESTRY	MINING	MANUFACTURING		
				TOTAL	DURABLE	NONDURABLE
1977	.1	3.2	3.7	-1.4	-1.8	-1.0
1978	1.5	4.4	-3.0	1.1	1.7	.5
1979	2.9	2.3	7.5	3.0	3.9	2.1
1980	1.1	-4.0	11.5	-1.8	-3.0	-.7
1981	2.1	-8.1	3.5	.6	-.3	1.5
1980 II	-.5	-3.3	4.1	-2.0	-3.5	-.7
III	.1	-6.0	.6	-.4	-.4	-.7
IV	.7	.3	1.8	.9	1.0	1.2
1981 I	1.4	-.3	1.4	1.3	1.0	1.4
II	.7	-2.0	.4	1.1	1.7	.4
III	-.5	-6.1	-1.7	-1.7	-3.0	-.5
IV	-.3	.9	.2	-2.3	-2.5	-1.5
1982 I	-1.9	-3.7	-.3	-2.6	-2.7	-2.7
1981 APR	.2	-2.5	.1	.5	.5	.4
MAY	.3	1.3	-.3	.2	.3	.2
JUN	.3	-.4	-.1	.6	1.0	.0
JUL	-1.1	-11.4	-.1	-2.0	-3.6	-.5
AUG	.3	3.5	-2.8	-.2	-.5	.2
SEP	.2	10.3	1.2	-.2	.7	-.7
OCT	-.2	-.7	.3	-1.2	-1.8	-.6
NOV	-.3	-5.4	-.1	-.9	-1.2	-.5
DEC	-.3	-6.7	.1	-1.1	-1.0	-.7
1982 JAN	-1.2	1.7	-1.5	-.6	-.2	-1.3
FEB	-.3	2.1	2.2	-1.2	-2.0	-.7
MAR	-.7	-.3	-.8	-.6	-.5	-.9
APR	-.7	-1.9	-2.5	-1.4	-1.8	-.9

SOURCE: EMPLOYMENT, EARNINGS AND HOURS, CATALOGUE 72-002, STATISTICS CANADA.

BASED ON 1960 STANDARD INDUSTRIAL CLASSIFICATION.

(1) SEE GLOSSARY.

(2) EXCLUDES AGRICULTURE, FISHING AND TRAPPING, EDUCATION, HEALTH, RELIGIOUS ORGANIZATIONS, AND PUBLIC ADMINISTRATION AND DEFENSE.

LARGE FIRM EMPLOYMENT BY INDUSTRY (1)  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES  
CONTINUED

	CONSTRUC- TION	TRANSPOR- TATION COMMUNICA- TION & UTILITIES	TRADE			FINANCE INSURANCE & REAL ESTATE	COMMUNITY, BUSINESS & PERSONAL SERVICES
			TOTAL	WHOLESALE	RETAIL		
1977	-2.0	1.0	-1.5	-2.2	-1.1	5.7	3.0
1978	-10.6	1.9	2.4	-4	3.9	2.3	4.3
1979	-3.2	1.7	3.1	3.0	3.4	3.4	4.0
1980	-3.2	3.3	1.9	1.5	1.7	1.4	4.6
1981	5.3	.9	1.9	.9	2.5	3.2	6.4
1980 II	-3.5	1.1	.0	-.3	.2	.7	.8
III	2.2	.2	.6	.5	.6	.1	.6
IV	1.1	.4	.3	.4	.2	.4	1.0
1981 I	3.2	.2	1.1	.8	1.5	.8	3.1
II	1.1	-.2	.6	.5	.6	.9	1.3
III	.2	-.5	-.1	-.5	.1	1.6	1.2
IV	.0	1.6	-.3	-.8	-.1	.8	1.6
1982 I	-2.0	-.8	-2.7	-4.4	-2.1	.6	-2.2
1981 APR	1.3	-.7	.2	.1	.3	.2	.5
MAY	-.3	.4	.1	.1	.1	.6	.8
JUN	.3	.2	.5	.1	.7	.3	.2
JUL	.1	-2.7	-.3	-.2	-.4	.6	.5
AUG	.1	2.9	-.2	-.2	-.1	1.0	-.3
SEP	-.1	.3	-.3	-.9	-.1	.0	1.3
OCT	-.3	.4	.0	.2	-.1	.2	.5
NOV	1.3	-.1	-.1	-.4	-.1	.2	.3
DEC	-1.7	.1	.1	-.2	.3	.2	.4
1982 JAN	.1	-.4	-2.3	-3.5	-2.0	.3	-2.5
FEB	-1.3	-.4	-.4	-.3	-.3	.3	.2
MAR	-1.5	-1.0	-.4	-1.2	-.2	-.3	-.5
APR	-2.5	-.1	-.4			.5	-.2

SOURCE: EMPLOYMENT, EARNINGS AND HOURS, CATALOGUE 72-002, STATISTICS CANADA.  
BASED ON 1960 STANDARD INDUSTRIAL CLASSIFICATION.  
(1) SEE GLOSSARY.

WAGES AND SALARIES BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	GOODS INDUSTRIES					
	TOTAL	AGRICULTURE	FORESTRY	MINING	MANUFACTURING	
1977	9.1	17.7	10.2	13.8	8.4	8.6
1978	6.6	14.8	10.8	5.2	9.9	-3.3
1979	12.6	12.7	13.2	20.5	13.5	7.0
1980	10.6	7.5	9.2	25.8	9.9	7.6
1981	13.3	7.9	2.4	17.6	12.3	17.2
1980 II	.7	9.3	1.1	7.6	.8	-4.0
III	2.5	-1.7	-5.8	3.5	2.0	5.8
IV	4.9	7.3	5.1	5.2	4.3	6.6
1981 I	3.5	-3.4	3.9	4.2	3.5	4.2
II	4.5	2.8	1.5	4.3	5.0	3.5
III	.4	3.2	-12.9	1.8	-.4	4.1
IV	2.1	3.1	13.9	3.4	1.3	2.6
1982 I	-.3	-5.7	-7.4	4.8	-.3	-1.0
1981 APR	1.3	1.8	-3.7	2.5	1.8	-.2
MAY	2.5	4.0	1.2	1.0	2.0	4.5
JUN	2.0	-2.5	2.6	1.2	2.6	1.2
JUL	-.9	2.2	-12.6	.9	-1.0	.2
AUG	-2.5	1.2	-12.5	-1.4	-3.9	2.2
SEP	2.4	1.9	20.7	2.0	2.8	.0
OCT	.7	-1.0	12.9	1.2	.5	-.3
NOV	.9	2.8	-6.1	1.1	.2	3.9
DEC	.2	1.6	-8.1	1.9	.8	-1.5
1982 JAN	-1.1	-10.4	-3.8	1.6	-1.3	-.2
FEB	.5	4.2	4.2	1.6	.9	-2.1
MAR	.1	1.3	3.8	1.0	-.5	.9
APR	-1.0	4.6	-2.8	-3.3	-.1	-3.3

SOURCE: ESTIMATES OF LABOUR INCOME, CATALOGUE 72-005, STATISTICS CANADA.  
BASED ON THE 1960 STANDARD INDUSTRIAL CLASSIFICATION.

MAGES AND SALARIES BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES  
CONTINUED

	SERVICE INDUSTRIES							TOTAL LABOUR INCOME	TIME LOST IN WORK STOPPAGES (3)
	TOTAL	TRANSPOR- TATION STORAGE AND COMMU- NICATION	TRADE	FINANCE, INSURANCE & REAL ESTATE	COMMUNITY, BUSINESS & PERSONAL SERVICES	PUBLIC ADMINIS- TRATION AND DEFENSE (1)	TOTAL MAGES AND SALARIES (2)	SUPPLE- MENTARY LABOUR INCOME	
1977	10.5	10.7	6.0	13.4	11.6	11.8	10.0	13.8	275.7
1978	9.9	9.7	7.9	12.5	10.4	9.8	8.7	13.9	616.1
1979	11.7	12.6	12.4	15.9	11.2	8.1	12.0	9.8	648.8
1980	14.5	16.3	12.8	15.1	14.6	13.8	13.1	8.9	747.9
1981	14.0	12.0	11.5	14.0	15.5	15.3	13.7	16.8	728.0
1980 II	3.8	3.4	2.3	1.6	5.8	2.6	2.7	2.7	706.7
III	3.3	2.9	3.1	3.7	3.2	4.2	3.1	2.9	959.0
IV	3.6	2.3	3.5	4.6	3.7	4.5	4.1	4.2	525.9
1981 I	2.5	2.3	2.9	3.4	2.4	1.8	2.8	5.7	584.0
II	3.8	3.9	2.6	2.8	4.4	4.2	4.0	4.0	482.4
III	3.7	1.0	2.3	3.5	4.9	5.8	2.6	2.4	1382.8
IV	3.0	6.9	1.7	1.7	2.7	2.0	2.7	2.8	462.8
1982 I	2.4	1.2	-5	4.5	3.1	4.1	1.5	1.4	
1981 APR	1.8	2.7	1.0	1.3	2.0	1.7	1.6	1.7	561.1
MAY	1.4	.8	.5	1.4	1.5	3.0	1.7	1.7	462.6
JUN	1.3	.1	1.3	.8	1.8	2.1	1.6	1.5	423.5
JUL	.8	-3.2	1.3	2.1	.8	3.5	.2	.0	1764.1
AUG	.5	3.7	.4	-1	.7	-1.7	-5	-4	1713.3
SEP	3.6	4.4	.4	1.3	5.6	3.2	3.2	3.4	671.1
OCT	-5	2.0	.7	-3	-2.2	-2	-1	-2	651.0
NOV	.9	1.2	.7	1.1	.9	.8	.9	.9	545.3
DEC	1.0	-3	1.1	1.1	1.5	.6	.7	.8	192.1
1982 JAN	.7	-5	-1.8	2.9	2.1	-1	.1	-1	151.2
FEB	.4	1.5	.6	1.0	-.9	2.5	.5	.5	204.8
MAR	1.2	1.5	-.4	-.6	.8	5.5	.8	.8	
APR	.9	2.3	.0	1.1	.9	.2	.3	.2	

SOURCE: ESTIMATES OF LABOUR INCOME, CATALOGUE 72-005, STATISTICS CANADA.  
BASED ON THE 1960 STANDARD INDUSTRIAL CLASSIFICATION.

(1) EXCLUDES MILITARY PAY AND ALLOWANCES.

(2) INCLUDES FISHING AND TRAPPING.

(3) THOUSANDS OF PERSON-DAYS, NOT SEASONALLY ADJUSTED.

AVERAGE WEEKLY HOURS BY INDUSTRY  
SEASONALLY ADJUSTED

	MINING	MANUFACTURING			TOTAL	CONSTRUCTION	
		TOTAL	DURABLE	NONDURABLE		BUILDING	ENGINEERING
1977	40.6	38.6	39.5	37.8	38.7	37.0	41.6
1978	40.5	38.8	39.6	37.9	39.0	37.3	42.1
1979	41.1	38.8	39.5	38.1	39.4	37.8	42.6
1980	40.8	38.5	39.2	37.8	39.0	37.6	41.9
1981	40.4	38.5	39.3	37.7	38.9	37.6	41.9
1980 II	41.1	38.3	39.0	37.8	38.7	37.1	41.8
III	40.6	38.3	39.0	37.7	38.9	37.6	41.8
IV	40.4	38.7	39.6	37.9	39.3	37.8	42.0
1981 I	40.6	38.7	39.4	37.9	39.3	37.9	42.1
II	40.5	38.8	39.6	38.0	38.6	37.3	41.6
III	40.4	38.5	39.3	37.6	38.9	37.6	42.1
IV	40.0	38.1	38.8	37.5	38.8	37.5	41.8
1982 I	40.3	38.0	38.7	37.4	38.5	37.1	41.3
1981 APR	40.6	38.8	39.6	37.9	37.9	36.6	41.4
MAY	40.7	38.9	39.6	38.0	38.9	37.7	41.7
JUN	40.3	38.8	39.6	38.0	38.9	37.6	41.8
JUL	40.1	38.7	39.7	37.8	38.8	37.5	41.3
AUG	40.5	38.5	39.3	37.5	39.1	37.7	43.3
SEP	40.6	38.2	38.9	37.5	38.9	37.6	41.8
OCT	40.4	38.5	39.2	37.7	38.0	37.4	40.0
NOV	40.2	38.1	38.7	37.6	39.1	37.7	41.8
DEC	39.4	37.8	38.6	37.3	39.5	37.3	43.5
1982 JAN	40.1	38.1	38.8	37.3	38.5	37.1	41.2
FEB	40.2	38.2	38.9	37.5	38.5	37.1	41.3
MAR	40.7	37.8	38.4	37.3	38.5	37.2	41.4
APR	40.2	38.0	38.7	37.2	38.5	37.0	41.5

SOURCE: EMPLOYMENT, EARNINGS AND HOURS, CATALOGUE 72-002, STATISTICS CANADA.  
BASED ON 1960 STANDARD INDUSTRIAL CLASSIFICATION.



AVERAGE WEEKLY WAGES AND SALARIES BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	INDUSTRIAL COMPOSITE	FORESTRY	MINING	MANU- FACTURING	CONS- TRUCTION	TRANS- PORTATION	WHOLESALE TRADE	RETAIL TRADE	FINANCE	COMMUNITY, BUSINESS & PERSONAL SERVICES
1977	9.9	8.7	9.8	10.6	11.7	11.1	9.8	7.6	7.8	7.0
1978	6.2	4.4	8.1	7.4	5.4	7.6	6.7	5.4	8.2	5.1
1979	8.6	10.7	11.4	8.9	8.5	9.0	9.3	7.7	9.5	7.3
1980	9.8	12.2	11.7	9.7	9.2	11.6	10.4	7.6	11.5	9.0
1981	12.2	11.8	14.0	12.5	12.9	12.2	11.2	9.8	16.5	11.5
1980 II	2.8	1.0	3.0	2.7	.5	1.8	3.2	3.0	2.6	3.4
III	2.6	3.5	2.4	2.9	3.7	2.0	2.6	2.3	3.0	2.6
IV	3.2	2.9	2.7	3.3	4.1	3.0	3.0	2.3	4.4	2.5
1981 I	3.3	3.9	4.3	3.2	2.6	3.4	2.9	3.0	7.1	2.9
II	2.8	1.7	3.3	3.0	3.0	2.7	2.0	1.9	2.5	2.7
III	2.4	1.4	3.7	2.3	3.7	2.7	2.6	2.1	2.2	3.0
IV	2.9	5.2	3.0	3.1	2.5	4.4	3.0	1.5	1.1	2.5
1982 I	3.1	-.9	4.6	3.4	.8	-4.4	3.8	1.6	3.6	4.2
1981 APR	.9	-1.2	1.7	1.0	-.3	1.0	.6	.9	1.1	1.2
MAY	1.6	.8	1.3	1.4	4.6	1.9	1.2	.3	1.5	1.1
JUN	.6	2.0	.4	.7	1.2	.2	.7	.4	.6	.9
JUL	.1	-2.3	1.3	.5	-1.0	-.3	.5	1.2	1.1	1.0
AUG	1.5	1.9	1.7	.9	3.7	2.7	1.1	.4	.0	1.1
SEP	.9	2.9	1.7	.8	-.4	1.5	1.3	.5	.4	.7
OCT	.9	3.2	.5	1.5	-.5	1.6	.8	.8	.1	.8
NOV	.9	-1.7	1.2	.7	2.7	.8	.9	.5	.8	1.1
DEC	.6	1.7	-.1	.9	.6	1.0	.9	-.4	.6	.3
1982 JAN	1.2	-1.7	2.8	1.6	-.8	-21.2	2.1	.7	2.0	2.5
FEB	1.9	.2	1.5	1.7	.0	29.6	1.6	2.0	2.1	1.2
MAR	-.4	.4	1.2	-.6	1.0	1.1	-.8	-1.1	-1.3	.7
APR	.5	.0	.9	.9	.0	1.2			.6	.5

SOURCE: EMPLOYMENT, EARNINGS AND HOURS, CATALOGUE 72-002, STATISTICS CANADA.

## WAGE SETTLEMENTS

	AVERAGE ANNUAL INCREASE TO BASE RATE OVER THE LIFE OF THE CONTRACT(1)									EMPLOYEES COVERED BY NEW SETTLEMENT
	ALL AGREEMENTS			WITH COLA CLAUSE			WITHOUT COLA CLAUSE			
	ALL INDUSTRIES	COMMERCIAL	NON- COMMERCIAL (2)	ALL INDUSTRIES	COMMERCIAL	NON- COMMERCIAL (2)	ALL INDUSTRIES	COMMERCIAL	NON- COMMERCIAL (2)	
1977	7.6	7.4	7.6	6.5	6.0	6.7	7.8	7.9	7.7	260603
1978	7.0	7.2	6.7	6.2	5.8	7.2	7.2	7.8	6.7	326761
1979	8.2	8.1	8.3	7.4	7.1	7.3	8.8	9.4	8.3	280741
1980	10.3	9.8	10.6	8.8	8.2	9.6	11.0	11.3	10.8	302953
1981	12.3	11.4	13.3	9.6	9.3	10.2	13.6	13.9	13.5	222315
1980 II	10.3	9.1	10.9	9.0	8.1	10.1	11.2	10.9	11.2	326610
III	11.1	11.2	10.9	9.4	9.0	10.2	11.5	12.0	11.1	233240
IV	10.8	10.1	11.4	8.0	7.6	9.1	11.6	11.6	11.7	248040
1981 I	12.3	11.6	13.0	8.7	8.3	11.2	13.7	14.5	13.1	172845
II	12.0	10.8	12.4	9.4	8.8	10.8	12.6	12.7	12.5	310575
III	12.2	11.5	13.9	10.5	10.6	6.6	14.3	14.4	14.3	229900
IV	12.7	11.8	13.9	9.8	9.7	12.1	14.0	13.9	14.0	175940
1982 I	11.2	9.7	12.4	8.5	8.5	8.8	12.7	13.1	12.6	221250

SOURCE: LABOUR DATA - WAGE DEVELOPMENTS, LABOUR CANADA. BASED ON NEW SETTLEMENTS COVERING COLLECTIVE BARGAINING UNITS OF 500 OR MORE EMPLOYEES. CONSTRUCTION INDUSTRY EXCLUDED.

(1) INCREASES EXPRESSED IN COMPOUND TERMS.

(2) INCLUDES HIGHWAY AND BRIDGE MAINTENANCE, WATER SYSTEMS AND OTHER UTILITIES, HOSPITALS, WELFARE ORGANIZATIONS, RELIGIOUS ORGANIZATIONS, PRIVATE HOUSEHOLDS, EDUCATION AND RELATED SERVICES, PUBLIC ADMINISTRATION AND DEFENCE. COMMERCIAL INDUSTRIES CONSIST OF ALL INDUSTRIES EXCEPT THE NON-COMMERCIAL INDUSTRIES.

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## Prices

48	Consumer Price Indexes, 1971 = 100, Percentage Changes, Not Seasonally Adjusted	51
49	Consumer Price Indexes, 1971 = 100, Ratio of Selected Components to All Items Index, Not Seasonally Adjusted	51
50	Consumer Price Indexes, 1971 = 100, Percentage Changes, Not Seasonally Adjusted	52
51	Consumer Price Indexes, 1971 = 100, Ratio of Selected Components to All Items Index, Not Seasonally Adjusted	52
52	National Accounts Implicit Price Indexes, 1971 = 100, Percentage Changes of Seasonally Adjusted Figures	53
53	National Accounts Implicit Price Indexes, 1971 = 100, Ratio of Selected Components to GNE Index, Seasonally Adjusted	53
54	National Accounts Implicit Price Indexes, 1971 = 100, Percentage Changes of Seasonally Adjusted Figures	54
55	National Accounts Implicit Price Indexes, 1971 = 100, Ratio of Selected Components to GNE Index, Seasonally Adjusted	54
56	Industry Selling Price Indexes, 1971 = 100, Percentage Changes, Not Seasonally Adjusted	55
57	Industry Selling Price Indexes, 1971 = 100, Ratio of Selected Components to Manufacturing Index, Not Seasonally Adjusted	55
58	Industry Selling Price Indexes, 1971 = 100, Percentage Changes, Not Seasonally Adjusted	56
59	Industry Selling Price Indexes, 1971 = 100, Ratio of Selected Components to Manufacturing Index, Not Seasonally Adjusted	56
60	Unit Labour Cost by Industry, Percentage Changes of Seasonally Adjusted Figures	57
61	Export and Import Prices, Percentage Changes in Paasche Indexes, Not Seasonally Adjusted	57

CONSUMER PRICE INDEXES, 1971 = 100  
PERCENTAGE CHANGES, NOT SEASONALLY ADJUSTED

	ALL ITEMS	FOOD	HOUSING	CLOTHING	TRANS- PORTATION	HEALTH	RECREATION & EDUCATION	TOBACCO & ALCOHOL	ENERGY
1977	8.0	8.4	9.4	6.8	7.0	7.4	4.8	7.1	12.2
1978	9.0	15.5	7.5	3.8	5.8	7.2	3.9	8.1	9.3
1979	9.1	13.2	7.0	9.2	9.7	9.0	6.9	7.2	9.8
1980	10.1	10.7	8.2	11.8	12.8	10.0	9.5	11.2	16.0
1981	12.5	11.4	12.4	7.1	18.4	10.9	10.1	12.9	30.1
1980 III	2.8	4.2	2.3	1.3	2.8	2.8	2.6	3.0	2.5
IV	2.8	3.1	2.6	2.1	4.2	2.0	2.3	2.0	8.5
1981 I	3.2	3.0	3.1	1.3	5.8	2.7	2.7	1.4	9.6
II	3.1	2.3	3.3	1.8	4.4	3.7	2.2	4.4	6.6
III	3.0	2.5	3.5	1.3	3.5	2.1	2.0	4.4	6.4
IV	2.5	- .6	3.4	2.0	4.1	1.7	2.6	4.9	4.3
1982 I	2.5	1.9	3.0	.4	3.7	2.8	1.2	2.3	5.0
II	3.1	4.1	2.6	2.3	3.3	3.5	2.5	3.1	4.9
1981 JUN	1.5	1.8	1.4	.7	2.3	.3	.5	2.5	4.9
JUL	.9	1.3	1.1	- .3	.6	.7	.6	.9	.9
AUG	.7	.3	1.1	1.1	.3	1.1	.6	1.0	.5
SEP	.7	- .2	1.0	.9	1.8	.2	.2	.6	3.1
OCT	1.0	- .1	1.9	.7	.4	.2	1.8	2.1	1.0
NOV	.9	- .2	.4	.7	2.5	1.3	.7	2.6	- .1
DEC	.4	- .8	.7	- .4	2.0	.3	.1	.4	2.9
1982 JAN	.7	1.0	1.3	-1.6	.7	.4	- .1	.5	1.0
FEB	1.2	2.0	.9	2.4	.3	1.3	1.3	.9	.3
MAR	1.3	.8	1.6	1.3	1.8	2.3	.4	.1	5.4
APR	.5	.6	.6	.1	.9	.5	.5	.2	.4
MAY	1.4	2.2	.8	.5	1.4	1.4	1.5	2.7	1.2
JUN	1.0	2.2	.6	.4	.6	.4	.6	2.1	.1

SOURCE: THE CONSUMER PRICE INDEX, CATALOGUE 62-001, STATISTICS CANADA.

CONSUMER PRICE INDEXES, 1971 = 100  
RATIO OF SELECTED COMPONENTS TO ALL ITEMS INDEX, NOT SEASONALLY ADJUSTED

	FOOD	HOUSING	CLOTHING	TRANS- PORTATION	HEALTH	RECREATION & EDUCATION	TOBACCO & ALCOHOL	ENERGY
1977	112.0	100.7	87.7	95.4	96.4	88.7	89.4	118.0
1978	118.7	99.4	83.6	92.6	94.9	84.6	88.8	118.4
1979	123.1	97.4	83.6	93.1	94.8	82.9	87.2	119.2
1980	123.7	95.6	84.8	95.3	94.6	82.4	88.0	125.4
1981	122.6	95.5	80.8	100.3	93.3	80.6	88.3	144.9
1980 III	124.5	95.2	84.5	95.1	94.8	82.4	88.6	123.5
IV	124.8	95.1	84.0	96.3	94.0	82.0	87.9	130.4
1981 I	124.5	95.0	82.4	98.7	93.5	81.5	86.3	138.4
II	123.6	95.1	81.3	99.9	94.0	80.8	87.4	143.0
III	123.0	95.6	80.0	100.4	93.2	80.1	88.6	147.8
IV	119.4	96.5	79.6	102.0	92.5	80.2	90.7	150.4
1982 I	118.7	97.0	78.0	103.2	92.7	79.1	90.5	154.0
II	119.9	96.6	77.4	103.5	93.2	78.7	90.5	156.8
1981 JUN	123.2	95.1	80.7	100.6	93.3	80.5	88.5	146.7
JUL	123.8	95.3	79.7	100.3	93.2	80.3	88.5	146.8
AUG	123.3	95.6	80.0	100.0	93.5	80.2	88.8	146.6
SEP	122.1	95.9	80.2	101.0	93.0	79.7	88.7	150.0
OCT	120.7	96.7	79.9	100.4	92.2	80.4	89.7	150.1
NOV	119.5	96.3	79.8	102.0	92.7	80.2	91.3	148.7
DEC	118.0	96.5	79.2	103.6	92.6	79.9	91.2	152.4
1982 JAN	118.3	97.1	77.4	103.6	92.4	79.3	91.1	152.9
FEB	119.2	96.8	78.3	102.7	92.5	79.4	90.8	151.5
MAR	118.7	97.1	78.3	103.3	93.4	78.7	89.7	157.6
APR	118.8	97.1	78.0	103.7	93.4	78.7	89.4	157.5
MAY	119.7	96.5	77.3	103.7	93.4	78.8	90.6	157.2
JUN	121.1	96.1	76.9	103.2	92.8	78.5	91.5	155.8

SOURCE: THE CONSUMER PRICE INDEX, CATALOGUE 62-001, STATISTICS CANADA.

CONSUMER PRICE INDEXES, 1971 = 100  
PERCENTAGE CHANGES, NOT SEASONALLY ADJUSTED

	ALL ITEMS	GOODS				SERVICES	TOTAL EXCLUDING FOOD	TOTAL EXCLUDING ENERGY
		TOTAL	DURABLES	SEMI- DURABLES	NON- DURABLES			
1977	8.0	7.4	5.1	6.5	8.1	9.0	7.8	7.6
1978	9.0	10.1	5.8	3.9	12.4	6.8	6.4	8.9
1979	9.1	10.6	9.6	8.7	11.2	7.0	7.9	9.1
1980	10.1	11.4	10.9	9.7	12.2	8.2	10.0	9.8
1981	12.5	13.1	9.4	8.1	15.9	11.5	12.8	11.0
1980 III	2.8	3.1	2.5	1.8	3.8	2.4	2.4	2.9
IV	2.8	3.4	2.1	2.2	4.2	2.1	2.8	2.4
1981 I	3.2	3.4	2.1	1.5	4.4	3.0	3.3	2.7
II	3.1	3.1	2.4	2.5	3.6	3.0	3.4	2.8
III	3.0	3.0	2.0	1.4	3.7	3.0	3.1	2.6
IV	2.5	1.7	2.6	2.2	1.3	3.6	3.4	2.3
1982 I	2.5	1.9	.4	.6	2.8	3.4	2.7	2.2
II	3.1	3.3	.9	2.8	4.3	2.7	2.8	2.8
1981 JUN	1.5	1.8	.4	.8	2.6	1.2	1.5	1.2
JUL	.9	.9	.6	-.1	1.1	.9	.7	.9
AUG	.7	.5	.3	1.0	.5	1.1	.9	.7
SEP	.7	.7	.5	.8	.7	.8	1.0	.5
OCT	1.0	.5	.3	.9	.5	1.7	1.3	1.0
NOV	.9	.8	2.5	.8	.1	1.0	1.2	.9
DEC	.4	.2	.4	-.3	.2	.9	.6	.2
1982 JAN	.7	.2	-.7	-1.5	1.0	1.4	.6	.6
FEB	1.2	1.3	-.1	2.3	1.5	1.1	.9	1.3
MAR	1.3	1.5	.1	1.4	2.0	.9	1.4	.8
APR	.5	.4	-.1	.6	.5	.8	.5	.6
MAY	1.4	1.7	1.3	.4	2.3	.8	1.1	1.4
JUN	1.0	1.0	.2	.6	1.4	1.0	.7	1.1

SOURCE: THE CONSUMER PRICE INDEX, CATALOGUE 62-001, STATISTICS CANADA.

CONSUMER PRICE INDEXES, 1971 = 100  
RATIO OF SELECTED COMPONENTS TO ALL ITEMS INDEX, NOT SEASONALLY ADJUSTED

	TOTAL GOODS	GOODS			SERVICES	TOTAL EXCLUDING FOOD	TOTAL EXCLUDING ENERGY
		DURABLES	SEMI- DURABLES	NON- DURABLES			
1977	99.5	81.9	86.0	107.6	101.5	95.8	98.7
1978	100.6	79.6	82.1	111.0	99.5	93.6	98.7
1979	101.9	79.9	81.7	113.1	97.6	92.5	98.6
1980	103.1	80.4	81.3	115.1	95.9	92.4	98.2
1981	103.7	78.3	78.2	118.7	95.0	92.6	97.0
1980 III	103.2	80.5	81.1	115.4	95.7	92.2	98.3
IV	103.8	79.9	80.6	116.9	95.0	92.2	97.9
1981 I	103.9	79.0	79.2	118.2	94.8	92.2	97.4
II	103.9	78.5	78.7	118.8	94.7	92.4	97.1
III	103.9	77.8	77.5	119.6	94.7	92.6	96.8
IV	103.2	77.9	77.3	118.3	95.8	93.4	96.6
1982 I	102.5	76.2	75.8	118.6	96.6	93.5	96.3
II	102.8	74.7	75.6	120.1	96.3	93.3	96.1
1981 JUN	104.1	78.2	78.1	119.5	94.5	92.5	96.8
JUL	104.1	78.0	77.3	119.8	94.5	92.4	96.8
AUG	103.9	77.7	77.6	119.5	94.8	92.5	96.8
SEP	103.8	77.6	77.6	119.5	94.9	92.8	96.6
OCT	103.3	77.0	77.5	119.0	95.5	93.1	96.6
NOV	103.2	78.3	77.4	118.1	95.7	93.4	96.7
DEC	102.9	78.2	76.9	117.6	96.1	93.7	96.5
1982 JAN	102.4	77.2	75.2	118.1	96.8	93.6	96.4
FEB	102.5	76.2	76.0	118.4	96.7	93.4	96.5
MAR	102.7	75.3	76.1	119.3	96.4	93.5	96.1
APR	102.5	74.9	76.2	119.2	96.7	93.5	96.1
MAY	102.9	74.8	75.4	120.3	96.2	93.3	96.1
JUN	102.9	74.3	75.1	120.8	96.1	93.0	96.2

SOURCE: THE CONSUMER PRICE INDEX, CATALOGUE 62-001, STATISTICS CANADA.



NATIONAL ACCOUNTS IMPLICIT PRICE INDEXES, 1971 = 100  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	GROSS NATIONAL EXPENDITURE	PERSONAL EXPENDITURE				SERVICES	GOVERNMENT EXPENDITURE
		TOTAL	DURABLE GOODS	SEMI-DUR- ABLE GOODS	NON-DUR- ABLE GOODS		
1977	7.1	7.5	4.9	6.1	8.9	7.7	9.6
1978	6.5	7.3	5.1	4.5	10.4	7.1	8.3
1979	10.3	9.2	8.2	10.9	10.2	8.5	8.4
1980	11.0	10.7	8.6	11.2	12.2	9.7	13.1
1981	10.1	11.4	8.9	7.5	14.7	10.9	13.0
1980 II	2.7	2.7	2.8	2.2	2.6	2.4	3.7
III	2.3	3.0	2.9	2.2	4.2	2.6	2.6
IV	2.0	2.6	1.2	1.7	4.6	2.2	3.3
1981 I	2.9	2.9	2.1	1.6	3.2	3.6	2.6
II	1.5	2.5	2.1	2.3	3.2	2.3	3.7
III	3.1	2.9	2.7	1.5	3.8	1.9	3.9
IV	3.1	2.1	2.1	1.5	1.6	2.8	1.5
1982 I	2.7	2.7	.9	1.0	3.4	2.6	3.8

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.

NATIONAL ACCOUNTS IMPLICIT PRICE INDEXES, 1971 = 100  
RATIO OF SELECTED COMPONENTS TO GNE INDEX, SEASONALLY ADJUSTED

	TOTAL	PERSONAL EXPENDITURE			SERVICES	GOVERNMENT EXPENDITURE
		DURABLE GOODS	SEMI-DUR- ABLE GOODS	NON-DUR- ABLE GOODS		
1977	92.3	79.9	83.2	98.2	95.5	112.9
1978	93.0	78.8	81.6	101.9	97.0	114.8
1979	92.1	77.4	82.1	101.9	95.5	112.9
1980	91.8	75.7	82.2	102.9	94.3	114.9
1981	92.8	74.9	80.3	107.2	95.0	117.8
1980 II	91.4	75.6	82.2	101.3	94.1	114.6
III	91.9	76.0	82.1	103.1	94.3	114.9
IV	92.5	75.5	81.9	105.8	94.5	116.4
1981 I	92.5	74.9	80.8	106.0	95.1	115.9
II	93.4	75.3	81.4	107.7	95.9	118.5
III	93.2	75.0	80.1	108.4	94.7	119.4
IV	92.3	74.3	78.9	106.8	94.3	117.5
1982 I	92.3	73.0	77.6	107.5	94.2	118.8

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.

NATIONAL ACCOUNTS IMPLICIT PRICE INDEXES, 1971 = 100  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	BUSINESS FIXED INVESTMENT				EXPORTS		IMPORTS	
	TOTAL	RESIDENTIAL CONSTRUC- TION	NON- RESIDENTIAL CONSTRUC- TION	MACHINERY & EQUIPMENT	TOTAL	MERCHANDISE	TOTAL	MERCHANDISE
1977	8.4	10.9	7.9	7.4	7.8	7.1	12.3	12.2
1978	8.5	7.5	7.0	11.1	8.5	8.8	13.1	13.4
1979	8.8	7.6	9.8	10.3	19.1	21.2	13.8	14.3
1980	9.2	5.4	11.9	10.2	15.7	16.7	15.0	16.7
1981	10.7	9.4	11.1	11.0	7.7	6.5	11.1	10.8
1980 II	1.6	- .8	2.8	2.5	-.3	-.6	1.7	1.1
III	2.4	3.1	2.5	2.0	2.8	2.3	2.8	3.5
IV	3.3	3.6	2.7	3.4	2.0	1.7	1.9	1.2
1981 I	2.4	2.2	2.2	2.5	4.8	5.1	4.9	5.3
II	2.9	3.3	2.8	2.7	-2.3	-3.5	2.0	2.1
III	2.1	.3	3.0	2.6	2.7	2.8	2.6	2.4
IV	2.4	1.2	3.3	2.6	1.5	1.4	-1.3	-2.3
1982 I	1.6	1.4	1.1	1.9	.7	.1	2.1	2.4

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.

NATIONAL ACCOUNTS IMPLICIT PRICE INDEXES, 1971 = 100  
RATIO OF SELECTED COMPONENTS TO GNE INDEX, SEASONALLY ADJUSTED

	BUSINESS FIXED INVESTMENT				EXPORTS		IMPORTS	
	TOTAL	RESIDENTIAL CONSTRUC- TION	NON- RESIDENTIAL CONSTRUC- TION	MACHINERY & EQUIPMENT	TOTAL	MERCHANDISE	TOTAL	MERCHANDISE
1977	110.9	130.0	109.9	99.3	116.9	118.1	108.9	110.5
1978	112.4	130.5	109.8	103.1	118.5	120.0	115.0	117.0
1979	114.8	131.9	113.3	106.7	132.5	136.4	122.9	125.6
1980	113.7	126.0	114.9	106.7	139.2	144.5	128.3	133.0
1981	113.4	124.1	115.0	106.6	134.9	138.6	128.3	132.7
1980 II	113.2	124.2	114.9	106.6	138.1	143.7	127.9	132.2
III	112.7	124.4	114.5	105.7	137.9	142.9	127.8	133.0
IV	113.8	126.0	114.8	106.8	137.4	141.9	127.3	131.5
1981 I	113.3	125.1	114.1	106.4	139.9	145.0	129.8	134.7
II	113.5	125.8	114.2	106.4	133.2	136.4	129.0	133.9
III	113.2	123.3	115.0	106.6	133.6	137.0	129.3	134.0
IV	113.7	122.3	116.5	107.2	133.0	136.2	125.1	128.3
1982 I	112.2	120.5	114.5	106.1	130.1	132.5	124.1	127.7

SOURCE: NATIONAL INCOME AND EXPENDITURE ACCOUNTS, CATALOGUE 13-001, STATISTICS CANADA.

INDUSTRY SELLING PRICE INDEXES, 1971 = 100  
PERCENTAGE CHANGES, NOT SEASONALLY ADJUSTED

	TOTAL MANUFAC- TURING	FOOD AND BEVERAGE	TOBACCO PRODUCTS	RUBBER AND PLASTICS	LEATHER PRODUCTS	TEXTILES	KNITTING	WOOD	FURNITURE & FIXTURES	PAPER AND ALLIED INDUSTRIES
1977	7.9	7.0	6.0	5.5	7.8	5.5	5.6	12.4	5.8	5.9
1978	9.2	10.6	5.1	5.6	10.5	6.2	5.7	19.4	6.2	5.5
1979	14.5	12.7	7.4	11.5	25.0	13.2	10.0	15.8	13.8	17.3
1980	13.5	10.7	12.0	16.3	2.5	12.8	8.8	-6.2	12.0	15.7
1981	10.2	8.9	11.8	10.6	6.8	11.9	8.4	.3	10.5	10.4
1980 III	2.8	5.1	1.2	1.8	1.8	1.8	2.0	5.6	2.7	1.0
IV	3.3	5.1	5.2	1.9	1.7	2.1	.7	-4	1.5	2.3
1981 I	2.6	.6	2.6	3.2	3.6	4.4	3.0	-3	3.4	3.4
II	2.2	.7	1.7	2.1	1.4	2.8	2.3	2.5	2.2	1.3
III	2.1	1.7	.9	2.8	.2	2.7	2.3	-1	3.1	3.2
IV	1.3	.1	9.3	3.0	1.1	.8	.7	-5.6	2.0	1.7
1982 I	1.4	1.2	.8	2.3	2.1	.2	2.0	.3	3.8	1.2
II	1.9	3.5	1.2	1.2	.1	.4	.9	1.8	.8	.8
1981 JUN	.9	1.3	.0	.7	-.1	1.1	.7	.1	.9	.5
JUL	.7	.6	.1	.8	.0	1.1	1.4	2.4	1.6	1.1
AUG	.7	.4	.1	1.7	.1	.6	.5	-2.7	.5	2.5
SEP	.3	-.4	1.3	.5	.1	.2	-.1	-3.8	.5	-.5
OCT	.9	.4	7.2	1.6	.3	.6	.5	-3.1	.8	1.3
NOV	-.2	-.3	1.6	.6	.8	.1	.1	-1.0	.8	-.3
DEC	.4	.0	.0	.1	.2	-.2	-.1	1.9	.7	.4
1982 JAN	.7	.5	.2	1.2	1.7	.1	1.7	-.6	2.7	.3
FEB	.5	1.1	.0	.8	-.1	.3	.1	-.4	.6	.9
MAR	.4	.2	.1	.7	.0	.0	.6	.7	.1	.4
APR	1.0	2.0	-.1	.1	.1	.1	.3	1.1	.4	-.6
MAY	.5	1.2	.0	.2	.0	.2	.1	-.1	-.1	.6
JUN	.4	.6	3.7	.6	.1	.1	.3	1.3	.7	1.2

SOURCE: INDUSTRY PRICE INDEXES, CATALOGUE 62-011, STATISTICS CANADA.

INDUSTRY SELLING PRICE INDEXES, 1971 = 100  
RATIO OF SELECTED COMPONENTS TO MANUFACTURING INDEX, NOT SEASONALLY ADJUSTED

	FOOD AND BEVERAGE	TOBACCO PRODUCTS	RUBBER AND PLASTICS	LEATHER PRODUCTS	TEXTILES	KNITTING	WOOD	FURNITURE & FIXTURES	PAPER AND ALLIED INDUSTRIES
1977	106.6	83.8	85.0	99.4	86.3	75.9	108.2	99.2	111.0
1978	108.0	80.7	82.2	100.5	83.9	73.4	118.3	96.5	107.3
1979	106.4	75.7	79.9	109.9	82.9	70.6	119.8	95.9	110.0
1980	103.7	74.7	82.0	99.3	82.5	67.7	99.0	94.6	112.1
1981	102.6	75.8	82.2	96.3	83.8	66.6	90.2	94.9	112.4
1980 III	104.5	73.7	82.3	98.4	82.8	68.0	99.1	95.3	112.6
IV	106.4	75.1	81.3	97.0	81.8	66.3	95.5	93.6	111.6
1981 I	104.3	75.1	81.7	97.9	83.3	66.6	92.7	94.3	112.4
II	102.7	74.7	81.6	97.1	83.8	66.6	93.0	94.3	111.5
III	102.3	73.8	82.1	95.2	84.2	66.7	91.0	95.2	112.6
IV	101.1	79.6	83.5	95.0	83.8	66.3	83.9	95.9	113.1
1982 I	100.9	79.1	84.3	95.6	82.9	66.7	83.0	98.1	112.9
II	102.5	78.6	83.7	93.9	81.7	66.1	82.9	97.1	111.6
1981 JUN	102.8	74.3	81.5	96.3	84.0	66.4	92.8	94.5	111.1
JUL	102.7	73.8	81.5	95.6	84.3	66.9	94.4	95.2	111.6
AUG	102.4	73.4	82.3	95.1	84.2	66.8	91.2	95.1	113.5
SEP	101.8	74.2	82.5	94.9	84.1	66.6	87.4	95.3	112.7
OCT	101.3	78.8	83.1	94.4	83.9	66.3	84.0	95.2	113.2
NOV	101.2	80.2	83.8	95.4	84.1	66.5	83.2	96.1	113.1
DEC	100.8	79.9	83.6	95.2	83.5	66.2	84.5	96.3	113.0
1982 JAN	100.6	79.5	84.0	96.1	83.1	66.9	83.4	98.2	112.6
FEB	101.2	79.1	84.3	95.6	82.9	66.6	82.6	98.3	113.0
MAR	100.9	78.8	84.5	95.2	82.6	66.7	82.9	97.9	113.0
APR	101.9	77.9	83.8	94.3	81.9	66.2	83.0	97.4	111.2
MAY	102.7	77.6	83.5	93.9	81.7	66.0	82.5	96.8	111.4
JUN	102.9	80.2	83.7	93.5	81.4	65.9	83.2	97.1	112.3

SOURCE: INDUSTRY PRICE INDEXES, CATALOGUE 62-011, STATISTICS CANADA.

INDUSTRY SELLING PRICE INDEXES, 1971 = 100  
PERCENTAGE CHANGES, NOT SEASONALLY ADJUSTED

	PRIMARY METALS	METAL FABRICATION	MOTOR VEHICLES	MOTOR VEHICLE PARTS	ELECTRICAL PRODUCTS	NON- METALLIC MINERALS	CHEMICALS	NON-DURABLE MANUFACT- URING	DURABLE MANUFACT- URING
1977	12.1	6.1	8.2	10.1	5.1	8.8	5.2	7.6	8.5
1978	9.0	9.3	8.8	11.0	6.6	8.3	7.7	8.9	9.5
1979	24.6	12.4	12.2	8.0	9.8	9.2	13.5	14.5	14.4
1980	19.1	10.0	11.9	10.5	9.9	11.9	17.1	15.8	10.5
1981	1.4	10.0	12.2	9.7	7.5	15.2	13.8	12.3	7.4
1980 III	2.1	1.4	3.3	1.8	1.4	.9	.7	3.2	2.4
IV	2.0	2.1	5.5	3.4	1.5	2.7	1.7	4.1	2.2
1981 I	-1.6	3.3	1.7	1.6	1.7	8.3	6.0	3.4	1.6
II	1.6	2.7	2.6	2.8	2.3	2.9	3.3	2.1	2.4
III	.4	1.2	.6	2.6	1.9	1.8	2.7	2.7	1.3
IV	.1	3.4	5.1	1.5	1.7	1.4	2.2	1.3	1.3
1982 I	-.4	2.5	-1.7	4.3	1.3	7.1	1.8	1.3	1.5
II	-.1	1.7	.5	2.2	1.6	2.0	1.1		
1981 JUN	.0	.3	.1	.3	-.1	.4	.5	1.4	.2
JUL	-1.2	.7	.0	.8	1.3	.6	1.6	.9	.5
AUG	1.8	-.1	.0	2.1	.4	.3	.7	.9	.4
SEP	.6	.3	.2	-1.2	1.0	.4	.0	.4	.1
OCT	-.1	2.6	5.4	1.2	.3	.9	1.9	.8	1.0
NOV	-1.5	.6	-.6	.5	.5	.0	.0	-.2	-.2
DEC	.7	.5	.0	.4	.6	.3	.2	.3	.6
1982 JAN	-.3	1.6	-1.1	2.6	.7	6.1	1.7	.5	.9
FEB	.8	.5	-.6	1.9	.1	.7	.0	.6	.4
MAR	-1.6	.1	.0	.1	.0	.9	-.2	.9	-.1
APR	1.0	1.2	-.3	.6	1.2	.3	1.0	1.2	.8
MAY	-.1	.3	1.4	.8	.3	1.0	.3	.5	.3
JUN	-.5	.2	.2	1.0	.3	.4	.2		

SOURCE: INDUSTRY PRICE INDEXES, CATALOGUE 62-011, STATISTICS CANADA.

INDUSTRY SELLING PRICE INDEXES, 1971 = 100  
RATIO OF SELECTED COMPONENTS TO MANUFACTURING INDEX, NOT SEASONALLY ADJUSTED

	PRIMARY METALS	METAL FABRICATION	MOTOR VEHICLES	MOTOR VEHICLE PARTS	ELECTRICAL PRODUCTS	NON- METALLIC MINERALS	CHEMICALS	NON-DURABLE MANUFACT- URING	DURABLE MANUFACT- URING
1977	109.3	98.8	75.8	90.4	84.5	101.9	100.9	104.4	95.0
1978	109.1	98.9	75.5	91.9	82.5	101.1	99.5	104.1	95.3
1979	118.6	97.1	74.1	86.7	79.2	96.5	98.6	104.2	95.3
1980	124.8	94.1	73.0	84.4	76.7	95.1	101.8	106.3	92.8
1981	114.8	94.0	74.4	84.0	74.8	99.4	105.2	108.4	90.4
1980 III	123.3	94.1	73.1	84.2	76.7	94.5	102.1	106.5	92.5
IV	121.7	93.0	74.7	84.3	75.4	94.0	100.5	107.4	91.5
1981 I	116.6	93.6	74.0	83.5	74.7	99.1	103.8	108.1	90.6
II	116.0	94.0	74.3	83.9	74.8	99.7	104.9	108.0	90.8
III	114.0	93.2	73.2	84.3	74.7	99.3	105.5	108.6	90.1
IV	112.6	95.1	76.0	84.5	75.0	99.5	105.4	108.7	90.0
1982 I	110.6	96.2	73.7	86.9	74.9	105.1	106.8	108.6	90.1
II	108.5	96.0	72.6	87.1	74.7	105.2	106.0		
1981 JUN	115.2	93.6	74.1	83.9	74.2	99.6	104.7	108.3	90.5
JUL	113.0	93.7	73.5	83.9	74.6	99.5	105.6	108.5	90.3
AUG	114.3	92.9	73.1	85.1	74.4	99.2	105.6	108.7	90.0
SEP	114.7	93.0	73.0	83.9	75.0	99.3	105.3	108.8	89.9
OCT	113.6	94.6	76.3	84.1	74.6	99.4	106.4	108.7	90.0
NOV	112.1	95.4	76.0	84.6	75.1	99.6	106.6	108.8	90.0
DEC	112.3	95.4	75.6	84.6	75.2	99.5	106.4	108.6	90.2
1982 JAN	111.2	95.3	74.3	86.2	75.2	104.8	107.4	108.4	90.3
FEB	111.4	96.3	73.5	87.4	74.9	105.0	106.9	108.5	90.2
MAR	109.2	95.9	73.2	87.1	74.6	105.5	106.2	109.0	89.7
APR	109.2	96.2	72.2	86.7	74.8	104.8	106.2	109.2	89.5
MAY	108.6	96.0	72.9	87.0	74.6	105.4	106.1	109.3	89.4
JUN	107.6	95.8	72.8	87.6	74.6	105.5	105.8		

SOURCE: INDUSTRY PRICE INDEXES, CATALOGUE 62-011, STATISTICS CANADA.



UNIT LABOUR COST BY INDUSTRY  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	AGRICULTURE	FORESTRY	MINING	MANUFACTURING	CONSTRUCTION	TRANSPORTATION, COMMUNICATION AND UTILITIES	TRADE	FINANCE, INSURANCE, REAL ESTATE	COMMUNITY, BUSINESS AND PERSONAL SERVICES	PUBLIC ADMINISTRATION AND DEFENSE
1977	13.8	3.9	10.5	6.3	10.8	5.0	4.5	7.0	8.3	9.4
1978	16.6	6.1	14.2	4.6	-1.2	5.2	4.3	7.0	6.3	7.1
1979	25.5	11.2	9.4	8.5	5.6	5.4	8.6	11.0	7.6	8.6
1980	2.0	13.4	23.4	13.4	9.6	13.6	12.9	11.7	13.1	12.5
1981	-5	8.2	25.1	10.5	10.3	8.7	10.7	10.9	11.6	13.3
1980 II	6.9	11.6	5.7	4.2	-1.6	3.9	3.4	1.2	4.1	1.8
III	1.0	-6.6	5.9	2.2	6.5	1.7	2.4	3.4	2.8	3.5
IV	8.8	.4	5.8	1.7	4.0	.6	1.9	3.6	2.8	3.7
1981 I	-13.1	-3.9	5.0	2.2	.6	1.7	1.8	2.5	1.5	2.4
II	4.1	17.6	7.0	1.4	.1	2.8	2.6	2.6	3.5	3.8
III	3.1	5.5	7.4	3.1	4.7	2.1	4.7	2.5	3.9	4.4
IV	2.4	-10.5	1.4	7.5	4.8	5.2	3.7	.3	2.2	1.2
1982 I	-6.4	4.4	5.3	3.9	2.5	2.0	2.3	4.7	3.3	3.6
1981 APR	3.3	-3.7	2.3	1.9	-1.3	2.7	-.1	1.4	1.8	2.5
MAY	4.7	26.5	3.8	.3	1.7	.3	1.4	1.6	1.3	1.2
JUN	-1.9	-5.4	3.7	1.2	1.1	-.5	1.5	.5	1.4	1.5
JUL	1.1	5.9	9.9	1.2	.2	-.4	2.5	1.7	.1	2.9
AUG	2.0	-5.7	-10.4	-.7	3.4	3.1	.4	-.6	1.0	-1.2
SEP	1.4	-.4	4.2	4.5	2.5	2.2	1.4	.8	5.2	2.6
OCT	-.9	-.2	1.5	2.3	-1.5	2.4	1.8	.2	-2.4	-.8
NOV	1.4	-13.0	1.0	2.3	4.8	.6	-.3	-.6	.6	.7
DEC	2.4	1.5	.7	2.4	.8	-.5	2.9	.8	1.7	.5
1982 JAN	-11.8	-1.9	4.5	.6	1.1	.5	.2	3.5	2.3	.0
FEB	5.7	.6	-.7	1.0	-2.2	1.6	-.6	1.6	-.6	2.2
MAR	-.6	30.4	1.3	.7	2.2	1.7	2.0	-.7	.3	4.8
APR	5.4	.8	2.1	1.5	-1.2	3.3	1.2	2.2	.7	.2

SOURCE: INDEXES OF REAL DOMESTIC PRODUCT BY INDUSTRY, CATALOGUE 61-005, ESTIMATES OF LABOUR INCOME, CATALOGUE 72-005, STATISTICS CANADA.

EXPORT AND IMPORT PRICES  
PERCENTAGE CHANGES IN PAASCHE INDEXES (1)  
NOT SEASONALLY ADJUSTED

	EXPORTS					IMPORTS				
	TOTAL	FOOD, FEED, BEVERAGES AND TOBACCO	CRUDE MATERIALS	FABRICATED MATERIALS	END PRODUCTS	TOTAL	FOOD, FEED, BEVERAGES AND TOBACCO	CRUDE MATERIALS	FABRICATED MATERIALS	END PRODUCTS
1977	6.5	-9.3	11.0	11.3	7.8	12.1	19.3	11.0	13.4	12.3
1978	8.8	10.9	8.7	11.1	9.3	13.4	12.5	7.4	15.1	14.0
1979	20.9	22.1	26.9	23.6	11.5	14.3	12.6	20.2	21.8	10.8
1980	17.2	15.2	34.1	14.7	11.0	16.7	10.5	19.2	20.5	12.0
1981	6.4	8.6	3.6	7.5	9.7	11.1	4.9	19.7	4.0	14.1
1980 II	-.7	3.7	-8.6	-3.2	3.2	1.2	3.2	1.3	1.8	2.8
III	2.2	4.7	-2.8	-.8	2.8	3.5	6.0	3.3	-4.1	2.2
IV	1.0	8.9	7.1	7.4	1.6	1.4	6.9	-3.1	2.5	3.8
1981 I	6.4	-3.2	11.9	2.9	2.4	5.6	2.9	14.9	.1	6.7
II	-4.1	7.7	-11.7	-2.0	1.4	1.8	-4.3	5.4	6.5	1.3
III	2.6	-6.4	-1.5	3.0	3.0	2.4	-3.3	9.7	-1.2	1.7
IV	1.0	-.8	3.1	1.4	4.1	-2.3	-6.7	-15.8	-2.1	1.1
1982 I	1.5	-6.1	16.2	-1.5	.2	2.5	8.5	9.0	2.8	2.8
1981 MAY	-.6	8.0	-14.5	-1.0	1.0	2.7	-4.7	10.9	2.9	1.9
JUN	-.4	-1.1	-8.9	-.3	-.1	-1.9	4.0	-1.1	-3.1	.1
JUL	2.3	-5.1	12.3	3.5	1.1	1.1	-3.2	-2.3	-.8	.8
AUG	2.1	-3.4	-.1	.1	1.7	5.7	-.6	27.1	-1.4	1.5
SEP	-1.8	-2.3	-3.2	-.1	1.4	-5.9	-1.8	-20.3	5.2	-2.1
OCT	-.1	1.4	.1	.4	1.9	-.4	-4.6	-7.6	-6.2	1.9
NOV	2.4	2.3	9.3	2.3	.0	-2.8	-2.0	-13.5	1.8	-.1
DEC	.0	-3.0	-2.3	-1.7	2.0	6.8	1.7	26.1	.6	.7
1982 JAN	4.5	-5.8	20.4	.5	-.2	-1.6	8.5	-3.0	1.0	.8
FEB	-4.3	1.1	-.1	-2.1	-1.9	2.6	.2	7.8	1.7	3.2
MAR	-2.3	.4	-14.2	-.8	1.1	-3.4	-1.5	-10.2	-1.1	-1.4
APR	-1.9	5.0	2.2	-1.9	-1.5	-1.8	.5	-13.2	1.0	-.4
MAY	-.2	1.2	-9.5	-.9	1.6	.0	-2.3	-5.5	-4.9	1.5

SOURCE: SUMMARY OF EXTERNAL TRADE, CATALOGUE 65-001, STATISTICS CANADA.  
(1) SEE GLOSSARY.

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## Foreign Sector

62	External Trade, Merchandise Exports by Commodity Groupings, Millions of Dollars, Not Seasonally Adjusted	61
63	External Trade, Merchandise Exports by Commodity Groupings, Year over Year Percentage Changes	61
64	External Trade, Merchandise Imports by Commodity Groupings, Millions of Dollars, Not Seasonally Adjusted	62
65	External Trade, Merchandise Imports by Commodity Groupings, Year over Year Percentage Changes	62
66	Current Account Balance of International Payments, Receipts, Millions of Dollars, Seasonally Adjusted	63
67	Current Account Balance of International Payments, Receipts, Percentage Changes of Seasonally Adjusted Figures	63
68	Current Account Balance of International Payments, Payments, Millions of Dollars, Seasonally Adjusted	64
69	Current Account Balance of International Payments, Payments, Percentage Changes of Seasonally Adjusted Figures	64
70	Current Account Balance of International Payments, Balances, Millions of Dollars, Seasonally Adjusted	65

EXTERNAL TRADE  
MERCHANDISE EXPORTS BY COMMODITY GROUPINGS  
MILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED

	INDEX OF PHYSICAL VOLUME	TOTAL EXPORTS	DOMESTIC EXPORTS						MOTOR VEHICLES AND PARTS
			FOOD AND LIVE ANIMALS	CRUDE MATERIALS INEDIBLE	CRUDE PETROLEUM & NATURAL GAS	FABRICATED MATERIALS INEDIBLE	END PRODUCTS INEDIBLE, TOTAL	MACHINERY & EQUIPMENT FOR INVESTMENT	
1977	131.8	44554.4	4608.0	8850.2	3778.7	14926.9	15231.1	2128.1	10423.8
1978	144.8	53182.7	5301.6	8830.8	3763.1	19155.0	18855.0	2707.1	12540.4
1979	147.5	65641.2	6314.0	12537.8	5293.8	24375.7	20923.8	3572.4	11899.7
1980	145.7	76158.7	8263.3	14759.4	6883.0	29345.0	21850.5	4082.1	10923.9
1981	149.5	83678.1	9441.0	15209.3	6874.9	30530.8	25351.2	4997.0	13084.1
1980 III	135.6	17847.3	2320.5	3473.5	1449.1	6961.1	4627.2	895.1	2158.6
IV	155.6	20677.3	2425.2	3588.1	1652.1	7669.5	6420.5	1012.9	3587.5
1981 I	141.3	20081.8	1842.7	3962.4	2046.1	7948.3	5550.9	1133.0	2738.7
II	164.1	22402.6	2505.9	3757.9	1576.2	8321.4	6969.1	1307.6	3695.4
III	139.2	19509.6	2354.5	3587.9	1493.4	6948.0	5851.5	1234.3	2956.7
IV	153.2	21684.1	2737.9	3901.1	1759.2	7313.1	6979.7	1322.1	3693.3
1982 I	142.3	20361.3	1858.3	3948.1	2152.8	7203.0	6684.7	1236.6	3591.7
II		22475.5	2871.1	3696.6	1685.5	7020.5	8110.7	1198.6	4962.9
1981 JUN	178.1	8056.3	1043.4	1336.5	481.3	2970.5	2423.7	447.2	1311.2
JUL	144.8	6734.8	697.8	1158.3	484.3	2536.9	2054.1	450.3	1004.2
AUG	126.4	5968.5	792.6	1140.4	499.1	2126.5	1680.0	360.1	815.9
SEP	146.5	6806.3	864.1	1289.2	510.0	2284.6	2117.4	423.9	1136.6
OCT	155.4	7218.5	936.6	1241.5	532.3	2455.0	2337.0	455.8	1211.6
NOV	160.6	7533.9	1002.0	1380.4	621.1	2544.0	2433.2	424.1	1393.8
DEC	143.7	6831.7	799.3	1279.2	605.8	2314.1	2209.5	442.2	1087.9
1982 JAN	121.0	5999.9	537.9	1259.7	721.5	2228.0	1779.2	384.7	831.9
FEB	142.2	6757.4	599.5	1329.7	764.5	2318.6	2284.7	403.0	1288.3
MAR	163.7	7604.0	720.9	1358.7	666.8	2656.4	2620.8	448.9	1471.5
APR	155.1	7113.2	758.7	1229.3	619.8	2281.3	2563.4	386.4	1533.6
MAY	164.2	7454.3	953.6	1253.9	530.1	2348.6	2647.6	407.4	1587.1
JUN		7908.0	1148.8	1213.4	535.6	2390.6	2899.7	404.8	1842.2

SOURCE: TRADE OF CANADA, EXPORTS, CATALOGUE 65-004, STATISTICS CANADA.

EXTERNAL TRADE  
MERCHANDISE EXPORTS BY COMMODITY GROUPINGS  
YEAR OVER YEAR PERCENTAGE CHANGES

	INDEX OF PHYSICAL VOLUME	TOTAL EXPORTS	DOMESTIC EXPORTS						MOTOR VEHICLES AND PARTS
			FOOD AND LIVE ANIMALS	CRUDE MATERIALS INEDIBLE	CRUDE PETROLEUM & NATURAL GAS	FABRICATED MATERIALS INEDIBLE	END PRODUCTS INEDIBLE, TOTAL	MACHINERY & EQUIPMENT FOR INVESTMENT	
1977	8.9	15.8	7.3	6.8	-3.2	22.1	19.8	16.4	26.7
1978	9.9	19.4	15.1	-2	-4	28.3	23.8	27.2	20.3
1979	1.8	23.4	19.1	42.0	40.7	27.3	11.0	32.0	-5.1
1980	-1.2	16.0	30.9	17.7	30.0	20.4	4.4	14.3	-8.2
1981	2.6	9.9	14.3	3.0	-1	4.0	16.0	22.4	19.8
1980 III	-4.3	9.5	32.8	5.7	17.0	11.6	-7	-8	-6.2
IV	2.2	14.2	22.0	.6	2.5	16.5	15.3	5.4	21.3
1981 I	-1.9	7.6	21.2	3.8	1.5	5.8	3.3	8.7	3.5
II	11.3	18.1	25.5	-3.1	-10.7	15.5	28.4	15.6	45.9
III	2.7	9.3	1.5	3.3	3.1	-2	26.5	37.9	37.0
IV	-1.5	4.9	12.9	8.7	6.5	-4.6	8.7	30.5	2.9
1982 I	.7	1.4	.8	-4	5.2	-9.4	20.4	9.1	31.1
II		.3	14.6	-1.6	6.8	-15.6	16.4	-8.3	34.3
1981 JUN	16.2	22.3	16.3	-1.2	-15.0	21.9	38.1	28.7	61.7
JUL	5.3	11.6	-5.7	-4.6	-1.9	4.8	36.2	34.3	63.0
AUG	1.0	7.3	-5.6	5.9	4.7	-2.3	27.2	32.7	46.1
SEP	1.6	8.9	16.7	9.0	6.6	-3.3	17.8	46.9	15.5
OCT	-6.8	-6	-1.5	2.8	8.1	-9.1	5.3	27.2	-3.7
NOV	2.7	10.8	39.6	14.7	16.9	-1.9	11.9	36.8	9.9
DEC	-1	4.6	5.7	8.7	-3.6	-2.6	9.0	28.4	2.4
1982 JAN	-13.1	-10.0	-17.0	-10.4	2.3	-15.8	1.3	5.7	4.5
FEB	8.2	6.1	4.6	1.9	7.7	-8.9	35.5	15.2	55.7
MAR	6.7	8.0	15.9	8.5	5.6	-3.7	24.3	7.1	32.0
APR	1.2	1.2	28.2	3.1	2.8	-16.2	14.6	-11.9	31.2
MAY	2.0	1.9	10.7	2.1	7.7	-10.7	14.6	-3.4	30.6
JUN		-1.8	10.1	-9.2	11.3	-19.5	19.8	-9.5	40.5

SOURCE: TRADE OF CANADA, EXPORTS, CATALOGUE 65-004, STATISTICS CANADA.

EXTERNAL TRADE  
MERCHANDISE IMPORTS BY COMMODITY GROUPINGS  
MILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED

	INDEX OF PHYSICAL VOLUME	TOTAL IMPORTS	FOOD AND LIVE ANIMALS	CRUDE MATERIALS INEDIBLE	CRUDE PETROLEUM	FABRICATED MATERIALS INEDIBLE	END PRODUCTS INEDIBLE	MACHINERY & EQUIPMENT FOR INVESTMENT	MOTOR VEHICLES AND PARTS
1977	153.1	42362.6	3306.7	5320.2	3215.2	6993.2	26321.5	6101.7	11575.6
1978	158.0	50107.9	3781.7	5882.1	3457.0	8748.2	31303.5	7308.9	13385.9
1979	175.5	62870.6	4236.2	7970.0	4497.1	12023.8	38073.3	9770.5	15160.7
1980	165.8	69273.9	4802.8	11344.6	6919.3	12708.3	39656.1	11082.7	13609.2
1981	170.6	79129.4	5238.9	12170.6	7861.4	14552.1	46237.3	12462.3	15995.9
1980 III	148.3	15756.6	1169.4	2870.0	1792.2	2702.4	8824.9	2575.4	2553.8
IV	172.3	18544.8	1495.2	2942.1	1691.7	3146.6	10740.2	2815.1	3936.0
1981 I	166.5	18936.1	1207.1	2992.9	1984.7	3316.6	11213.4	3065.3	3732.5
II	188.4	21829.5	1356.7	3292.3	2164.2	4086.5	12868.0	3360.0	4973.9
III	161.2	19088.1	1313.9	3055.3	2039.5	3572.2	10905.8	3026.9	3623.1
IV	166.5	19275.7	1361.2	2830.1	1673.0	3576.8	11250.1	3010.1	3666.4
1982 I	146.9	17448.7	1146.3	2322.8	1605.1	3186.2	10562.2	2821.3	3426.4
II		18075.1	1281.3	2100.9	1073.2	2953.1	11473.1	2696.6	4702.4
1981 JUN	197.0	7578.1	489.4	1061.7	727.0	1387.4	4553.7	1191.6	1821.6
JUL	172.7	6717.3	487.3	1030.4	648.0	1190.4	3916.8	1088.8	1346.8
AUG	139.7	5746.1	389.2	1095.9	821.2	1080.4	3112.8	874.3	986.2
SEP	171.2	6624.7	437.4	929.0	570.3	1301.4	3876.2	1063.8	1290.1
OCT	176.6	6804.3	490.6	987.3	587.6	1284.6	3941.7	1105.7	1277.0
NOV	173.3	6491.9	452.4	760.8	394.6	1221.2	3976.0	1012.3	1318.8
DEC	149.5	5979.5	418.2	1082.0	690.8	1071.0	3332.4	892.1	1070.6
1982 JAN	125.4	4939.3	334.3	688.4	454.1	981.0	2869.7	829.4	800.1
FEB	143.9	5815.1	357.2	824.7	597.4	1032.7	3521.6	894.7	1208.8
MAR	171.5	6694.3	454.8	809.7	553.6	1172.5	4170.9	1097.2	1417.5
APR	160.2	6140.7	402.7	659.5	360.9	1067.4	3924.5	943.4	1573.2
MAY	154.1	5906.6	418.2	667.8	334.0	977.6	3759.5	883.1	1570.9
JUN		6027.8	460.4	773.6	378.3	908.1	3789.1	870.1	1558.3

SOURCE: TRADE OF CANADA, IMPORTS, CATALOGUE 65-007, STATISTICS CANADA.

EXTERNAL TRADE  
MERCHANDISE IMPORTS BY COMMODITY GROUPINGS  
YEAR OVER YEAR PERCENTAGE CHANGES

	INDEX OF PHYSICAL VOLUME	TOTAL IMPORTS	FOOD AND LIVE ANIMALS	CRUDE MATERIALS INEDIBLE	CRUDE PETROLEUM	FABRICATED MATERIALS INEDIBLE	END PRODUCTS INEDIBLE	MACHINERY & EQUIPMENT FOR INVESTMENT	MOTOR VEHICLES AND PARTS
1977	.7	13.0	15.2	4.5	-2.0	12.6	15.3	8.3	22.6
1978	3.2	18.3	14.4	10.6	7.5	25.1	18.9	19.8	15.6
1979	11.1	25.5	12.0	35.5	30.1	37.4	21.6	33.7	13.3
1980	-5.5	10.2	13.4	42.3	53.9	5.7	4.2	13.4	-10.2
1981	2.9	14.2	9.1	7.3	13.6	14.5	16.6	12.4	17.5
1980 III	-11.5	2.3	6.1	30.3	41.0	-9.7	-1.4	.2	-15.3
IV	-2.1	10.2	28.1	23.2	26.0	-9.2	11.6	16.7	.9
1981 I	-9.9	11.2	22.9	6.7	9.1	-3.5	16.3	11.8	11.4
II	7.8	21.7	17.3	20.7	34.0	19.4	23.1	13.8	32.0
III	8.7	21.1	12.4	6.5	13.8	32.2	23.6	17.5	41.9
IV	-3.4	3.9	-9.0	-3.8	-1.1	13.7	4.7	6.9	-6.8
1982 I	-11.7	-7.9	-5.0	-22.4	-19.1	-3.9	-5.8	-8.0	-8.2
II		-17.2	-5.6	-36.2	-50.4	-27.7	-10.8	-19.7	-5.5
1981 JUN	15.0	31.7	17.3	37.1	88.5	29.7	32.6	23.6	52.4
JUL	8.8	21.4	6.5	8.0	10.0	24.6	26.2	16.1	53.0
AUG	1.9	18.9	2.7	37.5	75.1	22.2	14.5	5.6	41.2
SEP	14.8	22.9	31.3	-17.0	-22.3	50.8	29.1	31.4	32.3
OCT	-7.5	.1	-4.7	-15.3	-15.1	7.9	2.3	6.5	-8.1
NOV	1.6	8.3	-6.4	-10.5	-17.7	24.4	10.3	11.5	-2.1
DEC	-3.7	4.1	-15.9	16.8	32.9	9.8	1.4	2.7	-10.8
1982 JAN	-19.5	-17.7	-17.9	-38.1	-39.1	-2.1	-16.0	-13.7	-25.8
FEB	-9.9	-3.6	.4	-7.8	10.2	-4.8	-3.0	-5.6	-5.9
MAR	-6.7	-3.0	3.1	-17.9	-20.5	-4.7	.1	-5.2	3.5
APR	-14.7	-14.4	-8.7	-40.5	-47.9	-20.3	-6.8	-13.5	1.0
MAY	-14.6	-16.6	-1.9	-40.5	-55.2	-25.1	-8.4	-18.1	-1.5
JUN		-20.5	-5.9	-27.1	-48.0	-34.5	-16.8	-27.0	-14.5

SOURCE: TRADE OF CANADA, IMPORTS, CATALOGUE 65-007, STATISTICS CANADA.



CURRENT ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
RECEIPTS  
MILLIONS OF DOLLARS, SEASONALLY ADJUSTED

	MERCHAN- DISE EXPORTS	SERVICE RECEIPTS				TOTAL	TRANSFER RECEIPTS		WITHHOLD- ING TAX	TOTAL CURRENT RECEIPTS
		TRAVEL	INTEREST AND DIVIDENDS	FREIGHT AND SHIPPING	OTHER SERVICE RECEIPTS		INHERI- TANCES AND MIGRANTS' FUNDS	PERSONAL & INSTITU- TIONAL REMITTANCES		
1977	44253	2025	874	2371	3025	8295	590	331	534	54103
1978	53054	2378	1208	2714	3631	9931	616	394	582	64577
1979	65275	2887	1271	3469	4279	11906	799	448	754	79182
1980	76772	3349	1577	3966	5280	14172	1161	515	995	93615
1981	84221	3760	1631	4279	5577	15247	1404	561	1110	102543
1980 II	18113	827	487	957	1322	3593	308	122	265	22401
III	19469	843	366	1015	1337	3561	298	138	212	23678
IV	20640	839	411	1033	1353	3636	317	135	216	24944
1981 I	20266	939	427	1042	1211	3619	350	128	236	24599
II	21486	937	299	1078	1364	3678	346	135	250	25895
III	21174	941	390	1088	1479	3898	331	152	339	25894
IV	21295	943	515	1071	1523	4052	377	146	285	26155
1982 I	20522	946	356	1013	1498	3813	411	139	264	25149

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

CURRENT ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
RECEIPTS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	MERCHAN- DISE EXPORTS	SERVICE RECEIPTS				TOTAL	TRANSFER RECEIPTS		WITHHOLD- ING TAX	TOTAL CURRENT RECEIPTS
		TRAVEL	INTEREST AND DIVIDENDS	FREIGHT AND SHIPPING	OTHER SERVICE RECEIPTS		INHERI- TANCES AND MIGRANTS' FUNDS	PERSONAL & INSTITU- TIONAL REMITTANCES		
1977	16.5	4.9	5.9	13.9	9.2	9.1	-5.1	19.1	6.0	14.8
1978	19.9	17.4	38.2	14.5	20.0	19.7	-10.7	19.0	9.0	19.4
1979	23.0	21.4	5.2	27.8	17.8	19.9	29.7	13.7	29.6	22.6
1980	17.6	16.0	24.1	14.3	23.4	19.0	45.3	15.0	32.0	18.2
1981	9.7	12.3	3.4	7.9	5.6	7.6	20.9	8.9	11.6	9.5
1980 II	-2.4	-1.5	55.6	-4	4.3	6.2	29.4	1.7	-12.3	-8
III	7.5	1.9	-24.8	6.1	1.1	-8	-3.2	13.1	-20.0	5.7
IV	6.0	-5	12.3	1.8	1.2	2.1	6.4	-2.2	1.9	5.3
1981 I	-1.8	11.9	3.9	.9	-10.5	-5	10.4	-5.2	9.3	-1.4
II	6.0	-2	-30.0	3.5	12.6	1.8	-1.1	5.5	5.9	5.3
III	-1.5	.4	30.4	.9	8.4	6.0	-4.3	12.6	35.6	.0
IV	.6	.2	32.1	-1.6	3.0	4.0	13.9	-3.9	-15.9	1.0
1982 I	-3.6	.3	-30.9	-5.4	-1.6	-5.9	9.0	-4.8	-7.4	-3.8

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

CURRENT ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
PAYMENTS  
MILLIONS OF DOLLARS, SEASONALLY ADJUSTED

	MERCHAN- DISE IMPORTS	SERVICE PAYMENTS					TRANSFER PAYMENTS		OFFICIAL CONTRIBU- TIONS	TOTAL CURRENT PAYMENTS
		TRAVEL	INTEREST AND DIVIDENDS	FREIGHT AND SHIPPING	OTHER SERVICE PAYMENTS	WITHHOLD- ING TAX	INHERI- TANCES AND MIGRANTS' FUNDS	PERSONAL & INSTITU- TIONAL REMITTANCES		
1977	41523	3666	4532	2397	4610	534	235	364	-543	58404
1978	49047	4084	5904	2583	5770	582	252	380	-910	69512
1979	61157	3955	6512	3160	7269	754	255	437	-645	84144
1980	68284	4577	6961	3430	8040	995	266	478	-680	94711
1981	76870	4876	8105	3792	11622	1110	273	523	-718	107889
1980 II	16825	1102	1803	848	2134	265	66	118	-150	23311
III	16821	1160	1746	865	2238	212	67	120	-214	23443
IV	17789	1213	1712	888	2455	216	67	121	-132	24593
1981 I	18448	1192	1910	930	2696	236	67	129	-158	25766
II	19850	1222	1942	936	2933	250	67	130	-177	27507
III	19989	1208	2244	977	3071	339	70	131	-187	28216
IV	18583	1254	2009	949	2922	285	69	133	-196	26400
1982 I	16951	1225	2178	895	2904	264	71	143	-230	24861

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

CURRENT ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
PAYMENTS  
PERCENTAGE CHANGES OF SEASONALLY ADJUSTED FIGURES

	MERCHAN- DISE IMPORTS	SERVICE PAYMENTS					TRANSFER PAYMENTS		OFFICIAL CONTRIBU- TIONS	TOTAL CURRENT PAYMENTS
		TRAVEL	INTEREST AND DIVIDENDS	FREIGHT AND SHIPPING	OTHER SERVICE PAYMENTS	WITHHOLD- ING TAX	INHERI- TANCES AND MIGRANTS' FUNDS	PERSONAL & INSTITU- TIONAL REMITTANCES		
1977	13.4	17.5	36.4	7.4	10.1	6.0	29.8	6.1	19.3	14.6
1978	18.1	11.4	30.3	7.8	25.2	9.0	7.2	4.4	67.6	19.0
1979	24.7	-3.2	10.3	22.3	26.0	29.6	1.2	15.0	-29.1	21.0
1980	11.7	15.7	6.9	8.5	24.4	32.0	4.3	9.4	5.4	12.6
1981	12.6	6.5	16.4	10.6	28.6	11.6	2.6	9.4	5.6	13.8
1980 II	-1.1	.0	6.1	2.3	-3.6	-12.3	.0	-8	-18.5	-.2
III	.0	5.3	-3.2	2.0	4.9	-20.0	1.5	1.7	42.7	.6
IV	5.8	4.6	-1.9	2.7	9.7	1.9	.0	.8	-38.3	4.9
1981 I	3.7	-1.7	11.6	4.7	9.8	9.3	.0	6.6	19.7	4.8
II	7.6	2.5	1.7	.6	8.8	5.9	.0	.8	12.0	6.8
III	.7	-1.1	15.6	4.4	4.7	35.6	4.5	.8	5.6	2.6
IV	-7.0	3.8	-10.5	-2.9	-4.9	-15.9	-1.4	1.5	4.8	-6.4
1982 I	-8.8	-2.3	8.4	-5.7	-.6	-7.4	2.9	7.5	17.3	-5.8

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

CURRENT ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
BALANCES  
MILLIONS OF DOLLARS, SEASONALLY ADJUSTED

	MERCHAN- DISE TRADE	SERVICE TRANSACTIONS				INHERI- TANCES AND MIGRANTS' FUNDS	TRANSFERS		GOODS AND SERVICES	TOTAL CURRENT ACCOUNT
		TRAVEL	INTEREST AND DIVIDENDS	FREIGHT AND SHIPPING	TOTAL		PERSONAL & INSTITU- TIONAL REMITTANCES	TOTAL		
1977	2730	-1641	-3658	-26	-7444	455	-33	413	-4714	-4301
1978	4007	-1706	-4696	131	-8992	364	14	50	-4985	-4935
1979	4118	-1068	-5241	309	-9744	544	11	664	-5626	-4962
1980	8488	-1228	-5384	536	-10831	895	37	1247	-2343	-1096
1981	7351	-1116	-6474	487	-14258	1131	38	1561	-6907	-5346
1980 II	1288	-275	-1316	109	-2559	242	4	361	-1271	-910
III	2648	-317	-1380	150	-2660	231	18	247	-12	235
IV	2851	-374	-1301	145	-2848	250	14	348	3	351
1981 I	1818	-253	-1483	112	-3345	283	-1	360	-1527	-1167
II	1636	-285	-1643	142	-3605	279	5	357	-1969	-1612
III	1185	-267	-1854	111	-3941	261	21	434	-2756	-2322
IV	2712	-311	-1494	122	-3367	308	13	410	-655	-245
1982 I	3571	-279	-1822	118	-3653	340	-4	370	-82	288

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

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## Financial Markets

71	Monetary Aggregates	69
72	Foreign Exchange and Money Market Indicators, Seasonally Adjusted, Millions of Dollars	69
73	Net New Security Issues Payable in Canadian and Foreign Currencies, Millions of Canadian Dollars, Not Seasonally Adjusted	70
74	Interest Rates, Average of Wednesdays, Not Seasonally Adjusted	70
75	Exchange Rates, Canadian Dollars Per Unit of Other Currencies, Not Seasonally Adjusted	71
76-77	Capital Account Balance of International Payments, Long-Term Capital Flows, Millions of Dollars, Not Seasonally Adjusted	71-72
78-79	Capital Account Balance of International Payments, Short-Term Capital Flows, Millions of Dollars, Not Seasonally Adjusted	72-73





## MONETARY AGGREGATES

	NOT SEASONALLY ADJUSTED					SEASONALLY ADJUSTED				
	YEAR OVER YEAR PERCENTAGE CHANGES					MONTHLY PERCENTAGE CHANGES				
	HIGH POWERED MONEY (1)	M1 (2)	M1B (3)	M2 (4)	M3 (5)	HIGH POWERED MONEY (1)	M1 (2)	M1B (3)	M2 (4)	M3 (5)
1977	10.2	8.4	7.2	14.0	15.8	10.3	8.4	7.2	14.1	15.8
1978	12.1	10.1	8.8	10.6	13.7	12.1	10.0	8.8	10.7	13.7
1979	10.4	6.9	4.8	15.7	19.3	10.4	6.9	4.8	15.7	19.3
1980	7.7	6.3	4.4	18.1	14.3	7.6	6.3	4.4	18.1	14.3
1981	7.4	4.1	3.1	14.5	12.2	7.6	4.2	3.2	14.5	12.2
1980 III	7.4	4.6	2.6	17.5	13.4	2.7	3.2	2.8	3.3	2.2
IV	9.7	9.7	8.7	16.5	10.7	3.1	3.9	4.3	3.6	1.6
1981 I	10.3	6.4	6.2	13.5	11.1	1.6	.3	-.1	2.5	3.9
II	8.8	8.8	7.6	13.8	8.4	1.1	1.2	.4	3.8	.5
III	7.5	4.6	3.4	14.6	12.1	1.4	-1.0	-1.5	4.1	5.7
IV	3.5	-2.7	-4.1	15.9	17.1	-.7	-2.9	-2.7	4.7	6.1
1982 I	4.4	1.5	-.1	18.2	17.6	2.5	4.0	3.5	4.5	4.4
II		1.9	2.1	17.6	18.8		1.9	2.9	3.2	1.5
1981 JUN	7.6	7.6	6.2	13.8	8.5	-.5	-1.9	-1.8	.9	2.2
JUL	8.2	9.8	7.5	14.7	9.1	.6	3.8	2.6	2.4	2.6
AUG	7.1	4.2	3.2	14.6	12.9	.2	-3.6	-2.5	.7	2.1
SEP	7.3	.1	-.5	14.6	14.5	.9	-2.8	-2.8	1.2	1.4
OCT	5.6	-4.3	-5.0	13.8	13.4	-.8	-1.9	-1.8	.7	.7
NOV	2.3	-6.6	-7.2	16.0	17.4	-1.9	-.7	-.4	3.0	3.7
DEC	2.6	2.6	-.1	17.7	20.4	2.1	8.1	6.5	2.4	3.5
1982 JAN	6.5	2.7	.5	18.7	17.0	2.2	.1	.1	1.1	-.6
FEB	4.8	1.2	-.3	18.2	16.4	.6	-1.5	-.9	.7	1.3
MAR	1.8	.5	-.4	17.6	19.6	-2.4	.1	.0	.9	1.9
APR	3.1	-.1	-.4	16.8	18.7	.3	1.8	2.1	1.0	-.3
MAY	-2.1	2.9	2.9	18.4	19.8	-3.1	2.2	2.3	2.0	-.1
JUN		2.9	3.7	17.4	17.9		-2.4	-1.4	.1	.6

SOURCE: BANK OF CANADA REVIEW.

- (1) NOTES IN CIRCULATION, COINS OUTSIDE BANKS AND CHARTERED BANK DEPOSITS WITH THE BANK OF CANADA.  
 (2) CURRENCY AND DEMAND DEPOSITS.  
 (3) CURRENCY AND ALL CHEQUABLE DEPOSITS.  
 (4) CURRENCY AND ALL CHEQUABLE, NOTICE AND PERSONAL TERM DEPOSITS.  
 (5) CURRENCY AND TOTAL PRIVATELY-HELD CHARTERED BANK DEPOSITS.

FOREIGN EXCHANGE AND MONEY MARKET INDICATORS  
SEASONALLY ADJUSTED  
MILLIONS OF DOLLARS

	CHANGE IN			RATIO OF ACTUAL TO REQUIRED CASH RESERVES	CALL LOAN RATE (1)	CHARTERED BANKS				
	HOLDINGS BY BANK OF CANADA	GOVERNMENT OF CANADA TREASURY BILLS	ALL GOVERNMENT OF CANADA SECURITIES			TOTAL ASSETS (1)	LIQUID ASSETS (1)	TOTAL LOANS (1)	ORDINARY PERSONAL LOANS (2)	BUSINESS LOANS (2)
1977	-1236	333	1840	1.007	7.35	90955	15789	58636	18706	31984
1978	-41	1071	1699	1.008	8.11	106278	17053	65868	21634	35180
1979	-679	751	1628	1.008	11.23	125260	17709	82087	25148	45838
1980	143	1012	2242	1.007	12.13	139299	17645	96275	28839	56630
1981	341	-7	1121	1.009	17.62	185665	17954	130809		
1980 III	-357	384	818	1.009	9.87	135685	18396	90474	27282	51374
IV	80	588	845	1.007	12.45	139289	17645	96275	28839	56630
1981 I	-314	-1307	-694	1.007	16.78	147885	18948	103234	29940	60687
II	-661	1139	1242	1.007	17.55	152870	18705	108550	30461	65082
III	-58	-923	-620	1.013	19.38	164892	19993	118752	31354	72182
IV	1374	1085	1193	1.009	16.77	185665	17954	130809		
1982 I	-1402	-432	-205	1.009	14.28	187097	17131	130261		
II	-42				15.07	185525	15700	129442		
1981 JUL	-747	-152	148	1.015	18.59	155924	19193	111065	31098	66294
AUG	985	151	154	1.014	20.26	161841	19291	116483	31295	70763
SEP	-295	-923	-922	1.010	19.28	164892	19993	118752	31354	72182
OCT	-190	-134	16	1.007	18.64	165566	19817	119736	31382	73755
NOV	1748	626	598	1.007	16.78	183679	18370	127236		
DEC	-184	592	579	1.013	14.90	185665	17954	130809		
1982 JAN	-73	-907	-904	1.009	13.85	183982	18532	127681		
FEB	-797	-179	-305	1.010	14.06	185397	18198	127670		
MAR	-532	654	1004	1.007	14.93	187097	17131	130261		
APR	553	-587	-941	1.011	14.73	186147	17296	129076		
MAY	-651	104	246	1.000	14.98	184472	16140	128256		
JUN	56				15.50	185525	15700	129442		
JUL	344									

SOURCE: BANK OF CANADA REVIEW.

- (1) AVERAGE OF WEDNESDAYS.  
 (2) MONTH END.

NET NEW SECURITY ISSUES PAYABLE IN CANADIAN AND FOREIGN CURRENCIES  
MILLIONS OF CANADIAN DOLLARS  
NOT SEASONALLY ADJUSTED

	GOVERNMENT OF CANADA			PROVINCIAL GOVERNMENTS	MUNICIPAL GOVERNMENTS	CORPORATIONS		OTHER INSTITU- TIONS AND FOREIGN DEBTORS	TOTAL
	BONDS	TREASURY BILLS	TOTAL			BONDS	PREFERRED AND COMMON STOCKS		
1977	5537	2470	8007	7463	1201	5072	3143	62	24946
1978	7670	2820	10490	7239	636	4654	6964	3	29986
1979	6159	2125	8284	6464	587	2858	4363	47	22602
1980	5913	5475	11388	8708	439	3747	5026	215	29522
1981	12784	-35	12749	11243	361	6264	5781	54	36449
1980 II	-78	2300	2222	3572	64	1112	1516	19	8505
III	1571	1160	2731	1162	195	1055	1019	160	6321
IV	3187	950	4137	2038	122	669	1640	34	8639
1981 I	714	1035	1749	2290	-60	1375	1424	80	6857
II	-602	620	18	2248	151	1694	2264	3	6397
III	765	500	1265	3019	16	831	1166	-26	6272
IV	11906	-2190	9716	3686	254	2364	907	-3	16923
1982 I	338	-1325	-987	3221	215	2112	666	-32	5194

SOURCE: BANK OF CANADA REVIEW.

INTEREST RATES  
MONTH-END  
NOT SEASONALLY ADJUSTED

	BANK RATE	GOVERNMENT OF CANADA SECURITIES					MCLEOD, YOUNG WEIR AVERAGES			90 DAY FINANCE COMPANY RATE
		3-MONTH BILLS	1-3 YEAR BONDS	3-5 YEAR BONDS	5-10 YEAR BONDS	10+ YEAR BONDS	10 PRD- VINCIALS	10 MUNI- CIPALS	10 INDUS- TRIALS	
1977	7.71	7.33	7.33	7.79	8.13	8.70	9.53	9.71	9.71	7.48
1978	8.98	8.68	8.74	9.00	9.08	9.27	9.88	10.06	10.02	8.83
1979	12.10	11.69	10.75	10.42	10.16	10.21	10.74	10.94	10.88	12.07
1980	12.89	12.79	12.44	12.32	12.29	12.48	13.02	13.35	13.24	13.15
1981	17.93	17.72	15.96	15.50	15.29	15.22	15.95	16.46	16.22	18.33
1980 III	10.55	10.50	11.93	12.19	12.17	12.57	13.23	13.49	13.43	10.72
IV	14.03	14.21	13.05	12.89	12.85	12.97	13.48	13.93	13.76	14.53
1981 I	16.91	16.71	13.59	13.44	13.25	13.27	14.00	14.39	14.20	17.13
II	18.51	18.20	16.06	15.44	15.06	15.02	15.65	16.21	15.97	18.57
III	20.18	20.15	18.82	18.06	17.45	17.17	18.10	18.63	18.32	21.02
IV	16.12	15.81	15.35	15.04	15.41	15.42	16.05	16.62	16.41	16.62
1982 I	14.86	14.59	15.41	15.02	15.27	15.34	16.59	17.04	17.01	15.35
II	15.74	15.50	15.33	14.97	15.16	15.17	16.52	16.99	17.12	16.05
1981 JUN	19.07	18.83	16.19	15.52	15.24	15.03	16.63	16.36	15.93	19.20
JUL	19.89	20.29	18.77	17.91	17.37	17.07	18.09	18.50	17.93	21.25
AUG	21.03	20.82	18.77	17.58	17.00	16.77	17.48	18.24	17.95	22.20
SEP	19.63	19.35	18.93	18.68	17.99	17.66	18.73	19.15	19.09	19.60
OCT	18.30	17.95	17.30	16.91	16.79	16.66	17.01	17.65	17.28	18.80
NOV	15.40	15.07	13.56	13.41	14.14	14.32	15.16	15.84	15.46	15.40
DEC	14.66	14.41	15.19	14.80	15.29	15.27	15.97	16.37	16.48	15.65
1982 JAN	14.72	14.34	15.93	15.73	15.95	15.94	16.81	17.15	16.87	14.90
FEB	14.74	14.58	14.99	14.58	14.87	15.01	16.53	16.94	17.24	15.00
MAR	15.11	14.86	15.32	14.76	14.99	15.06	16.44	17.04	16.93	16.15
APR	15.32	14.98	15.08	14.53	14.86	14.75	16.12	16.61	16.73	15.50
MAY	15.32	15.18	14.66	14.54	14.71	14.72	16.17	16.68	16.84	15.60
JUN	16.58	16.33	16.24	15.85	15.90	16.03	17.27	17.69	17.80	17.05

SOURCE: BANK OF CANADA REVIEW.

EXCHANGE RATES  
CANADIAN DOLLARS PER UNIT OF OTHER CURRENCIES  
NOT SEASONALLY ADJUSTED

	U. S. DOLLAR	BRITISH POUND	FRENCH FRANC	GERMAN MARK	SWISS FRANC	JAPANESE YEN (THOUSAND)	INDEX OF GROUP OF TEN COUNTRIES (1)
1977	1.063	1.857	.217	.459	.445	3.982	105.9
1978	1.141	2.191	.254	.570	.644	5.484	117.0
1979	1.171	2.486	.276	.640	.705	5.369	121.4
1980	1.169	2.720	.277	.644	.698	5.185	121.8
1981	1.199	2.430	.222	.532	.613	5.452	121.5
1980 III	1.159	2.760	.281	.653	.710	5.273	121.3
IV	1.184	2.825	.288	.620	.687	5.624	123.6
1981 I	1.194	2.757	.246	.573	.630	5.810	123.5
II	1.199	2.492	.222	.527	.589	5.455	121.7
III	1.212	2.225	.209	.499	.579	5.228	120.9
IV	1.192	2.244	.211	.531	.652	5.315	119.8
1982 I	1.209	2.231	.202	.515	.645	5.173	120.6
II	1.245	2.215	.198	.523	.624	5.101	123.2
1981 JUN	1.204	2.376	.213	.507	.581	5.374	121.2
JUL	1.211	2.269	.209	.496	.578	5.216	121.0
AUG	1.223	2.227	.204	.489	.564	5.236	121.6
SEP	1.201	2.179	.214	.511	.594	5.232	120.0
OCT	1.203	2.215	.214	.534	.639	5.196	120.5
NOV	1.187	2.260	.211	.533	.665	5.327	119.6
DEC	1.185	2.257	.208	.525	.654	5.422	119.4
1982 JAN	1.192	2.249	.205	.520	.647	5.306	119.7
FEB	1.214	2.241	.202	.513	.641	5.152	121.0
MAR	1.220	2.204	.199	.513	.647	5.061	121.1
APR	1.225	2.172	.196	.511	.625	5.023	121.2
MAY	1.234	2.234	.205	.533	.633	5.204	122.8
JUN	1.275	2.240	.194	.525	.614	5.076	125.6

SOURCE: BANK OF CANADA REVIEW, ECONOMIC REVIEW, DEPARTMENT OF FINANCE.

(1) GEOMETRICALLY WEIGHTED BY 1971 BILATERAL SHARES OF TRADE. THE GROUP OF TEN COUNTRIES COMPRISE BELGIUM, CANADA, FRANCE, GERMANY, ITALY, JAPAN, THE NETHERLANDS, SWEDEN, THE UNITED KINGDOM, THE UNITED STATES AND SWITZERLAND.

CAPITAL ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
LONG-TERM CAPITAL FLOWS  
MILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED

	DIRECT INVESTMENT		NET CANADIAN STOCKS	OUTSTANDING CANADIAN BONDS	NEW ISSUES OF CANADIAN BONDS	RETIREMENTS OF CANADIAN BONDS	TOTAL CANADIAN BONDS	EXPORT CREDITS
	IN CANADA	ABROAD						
1977	475	-740	-105	243	5876	-903	5216	-523
1978	85	-2150	-271	35	6404	-1314	5125	-881
1979	675	-2350	525	476	5080	-2175	3381	-877
1980	585	-2780	1450	1071	4972	-2072	3971	-1186
1981	-5300	-4900	-841	1267	13230	-2773	11724	-895
1980 II	215	-660	435	176	1438	-341	1273	-419
III	340	-475	558	316	1093	-653	756	-333
IV	-220	-1200	-201	493	1279	-642	1130	-261
1981 I	205	-1305	-411	279	1633	-446	1466	-66
II	-3405	-840	-301	466	2161	-609	2018	-457
III	-580	-1560	101	246	2938	-488	2696	-206
IV	-1520	-1195	-230	276	6498	-1230	5544	-166
1982 I	-1950	1175	-206	345	4306	-585	4066	-201

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.



CAPITAL ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
LONG-TERM CAPITAL FLOWS CONTINUED  
MILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED

	FOREIGN SECURITIES			GOVERNMENT OF CANADA LOANS AND SUBSCRIPTIONS			OTHER LONG-TERM CAPITAL	TOTAL LONG-TERM CAPITAL
	TRADE IN OUTSTANDING SECURITIES	NEW ISSUES	RETIREMENTS	TO NATIONAL GOVERNMENTS	TO INTER- NATIONAL AGENCIES	REPAYMENTS		
1977	166	-41	96	-200	-339	36	176	4217
1978	29	-25	21	-261	-248	262	1395	3081
1979	-315	-313	46	-230	-322	33	1846	2099
1980	60	-194	20	-238	-279	36	-140	1305
1981	-7	-97	9	-319	-309	41	2234	1340
1980 II	162	-5	5	-64	-9	1	101	1035
III	39	-70	4	-40	0	0	-217	562
IV	-187	-55	6	-37	-262	30	-5	-1262
1981 I	-243	-17	4	-124	-24	9	-14	-520
II	-315	-22	2	-29	-9	1	43	-3314
III	548	-50	2	-67	-57	0	1260	2087
IV	3	-8	1	-99	-219	31	945	3087
1982 I	41	-10	5	-100	-8	1	1228	4041

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

CAPITAL ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
SHORT-TERM CAPITAL FLOWS  
MILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED

	NON-RESIDENT HOLDINGS OF:						OTHER PAPER
	CANADIAN DOLLAR DEPOSITS	GOVERNMENT DEMAND LIABILITIES	TREASURY BILLS	FINANCE COMPANY PAPER	OTHER FINANCE COMPANY OBLIGATIONS	COMMERCIAL PAPER	
1977	230	172	242	42	-55	-85	243
1978	37	55	-53	128	-40	-186	144
1979	524	217	-178	-5	0	153	527
1980	-56	171	542	-164	70	-64	751
1981	1401	164	-61	760	471	-86	543
1980 II	34	-19	212	-290	27	-65	512
III	74	-25	240	-18	-36	-48	-532
IV	-56	231	-75	-156	21	-128	258
1981 I	402	-8	26	73	29	92	563
II	-4	-57	-93	265	135	-11	-89
III	-43	41	213	209	200	0	491
IV	1046	188	-207	213	107	-167	-412
1982 I	-525	-6	28	-24	31	54	-137

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

CAPITAL ACCOUNT BALANCE OF INTERNATIONAL PAYMENTS  
 SHORT-TERM CAPITAL FLOWS CONTINUED  
 MILLIONS OF DOLLARS, NOT SEASONALLY ADJUSTED

	RESIDENT FOREIGN CURRENCY HOLDINGS		ALL OTHER TRAN- SACTIONS	TOTAL SHORT-TERM CAPITAL	NET CAPITAL MOVEMENT	MOVEMENTS OF OFFICIAL INTER- NATIONAL RESERVES
	CHARTERED BANKS' NET POSITION	NONBANK HOLDINGS				
1977	1384	-655	-870	668	4885	-1421
1978	2771	-667	-952	1237	4318	-185
1979	4107	7	1400	6752	8851	-858
1980	1406	-517	-1026	1113	2418	-542
1981	17898	-6828	-59	14203	15543	382
1980 II	96	-642	819	684	1719	331
III	-254	390	-195	-404	158	-532
IV	2270	-116	-1100	1149	-113	84
1981 I	5912	-1337	362	6114	5594	-314
II	8098	-1241	-190	6803	3489	-637
III	2721	-1949	-2783	-900	1187	-126
IV	1167	-2301	2552	2186	5273	1459
1982 I	1173	-1187	-1112	-1705	2336	-1546

SOURCE: QUARTERLY ESTIMATES OF THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS, CATALOGUE 67-001, STATISTICS CANADA.

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