

The Daily

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Income Distributions by Size in Canada, 1986 2

- After adjusting for inflation, the average income of Canadian families increased for the second consecutive year.

Business Conditions Survey, Canadian Manufacturing Industries, October 1987 4

- The survey, based mainly on questionnaires completed prior to the substantial drop in the stock market on October 19, showed the optimism of Canadian manufacturers continued to strengthen.

Wholesale Trade, September 1987 7

- Wholesale merchants' sales increased 16.5% over September 1986.

Sales of Natural Gas, September 1987 9

- Sales of natural gas in Canada declined 5.3% from a year earlier.

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Major Releases

Income Distributions by Size in Canada

1986

In 1986, real average family income increased by an estimated 1.9% from 1985 and 4.2% from 1984. However, real average family income still remained below the peak level experienced in 1980.

The number of persons below Statistics Canada's low income cut-offs declined significantly in 1986 for the second year in a row. As a result, the proportion of low income persons dropped to 14.9% from 16.0% and was not much different from the 1981 rate. (From 1981 to 1984, there had been an upward trend in the percentage.)

Reductions in the low income rates were widespread among socio-demographic groups. Lone-parent families and unattached individuals continued to have rates substantially above average.

Other highlights of the report *Income Distributions by Size in Canada*, released today, include:

- In 1986, average family income (estimated at \$40,356) was 1.9% higher than in 1985, on an inflation-adjusted basis.
- Provincial average family income ranged from under \$30,000 (Newfoundland at \$29,446) to over \$45,000 (Ontario at 45,078).
- The average income of female lone-parent families was \$17,353 compared to \$44,919 for two-parent families with children.
- The upper 20% of all families (those with incomes in excess of \$56,703) received 39.4% of all income, while the lowest 20% (incomes below \$18,977) received 6.3%. (The median or mid-point income was \$36,042.)
- There were an estimated 3,689,000 low income persons (14.9% of the population) in 1986, down 262,000 from 1985 for a total drop of over one-half million (525,000) since 1984.
- Children under 16 years of age represented 27.5% (1,016,000) of the low income population in 1986. Since 1984, the number of low income children has declined by an estimated 193,000. In 1986, 17.6% of children under 16 years of age were members of low income families, down from 19.5% in 1985.
- An estimated 18.8% of elderly persons 65 years of age and over were below the low income cut-offs in 1986, down from 20.0% in 1985. This continued the downward trend in rates for the elderly observed during the 1970s and 1980s.
- Low income elderly persons totalled an estimated 480,000 in 1986, down almost 120,000 in three years (596,000 in 1983). Over this same three-year period, the total elderly population increased by approximately 200,000.
- For families, the rate of low income was 12.3% in 1986, down from 13.3% in 1985, reflecting a reduction of 57,000 families.
- No age group experienced an increase in the low income rate. Young families (with the head of the household younger than 25) had the highest proportion with low income at 30.2%, while families with heads aged 45 to 54 years of age had the lowest rate, at 8.8%.

(continued on page 3)

These estimates were prepared from data collected as a supplement to the April 1987 Labour Force Survey using two-thirds of the regular sample (approximately 32,000 households). They exclude the institutional population and households in the Yukon and Northwest Territories and on Indian reserves.

Users should note that the content and publication schedule for reports from the Survey of Consumer Finances program have been modified, starting with the 1986 data. As a result of improved timeliness, catalogue 13-207 is being released in November and *Income Distributions by Size in Canada, Preliminary Estimates* (13-206) has been discontinued. Earnings data usually contained in publication 13-207 have been consolidated into *Earnings of Men and Women* (13-217), due for release in December.

Order *Income Distributions by Size in Canada*, 1986 (13-207, \$38), now available. Contact the Income and Housing Surveys Section (613-951-9775), Household Surveys Division.

Note: Two microdata tapes containing information on the 1986 incomes of economic families and of individuals aged 15 years and over, along with socio-demographic characteristics, will be released later. These tapes can be ordered by contacting the Household Surveys Division (613-951-9775). Microdata tapes are carefully reviewed to ensure that they do not contain information that could allow identification of specific families or individuals.

Chart 1

Balance of Opinion for Expected Volume of Production During Next Three Months Compared with Last Three Months

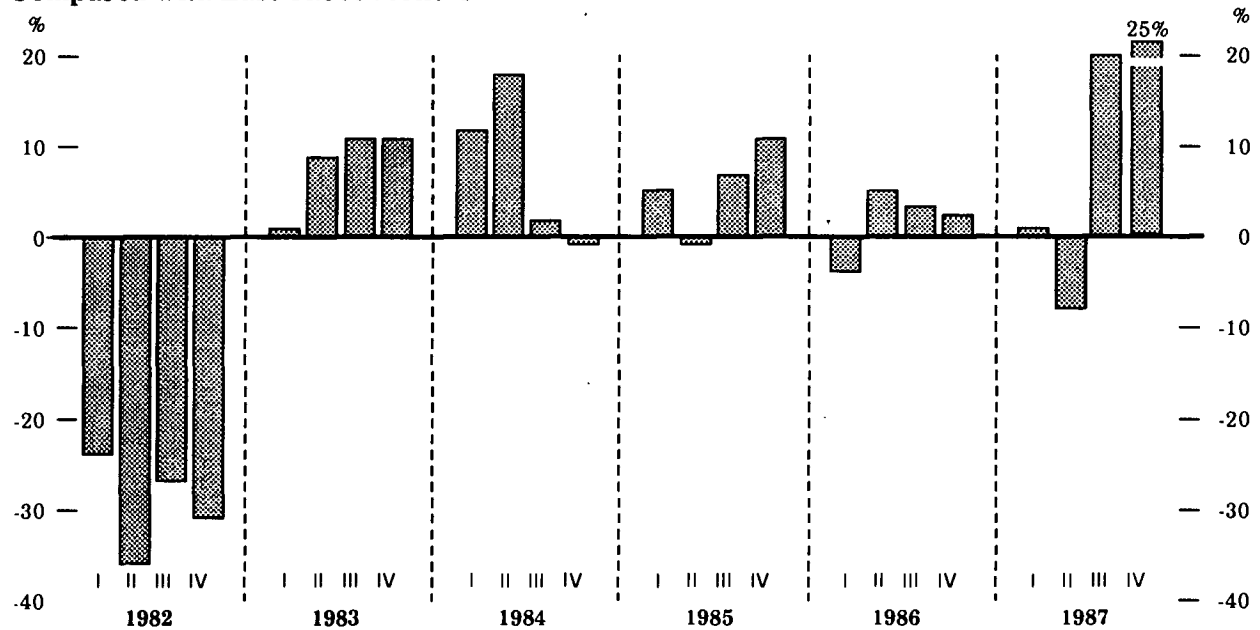
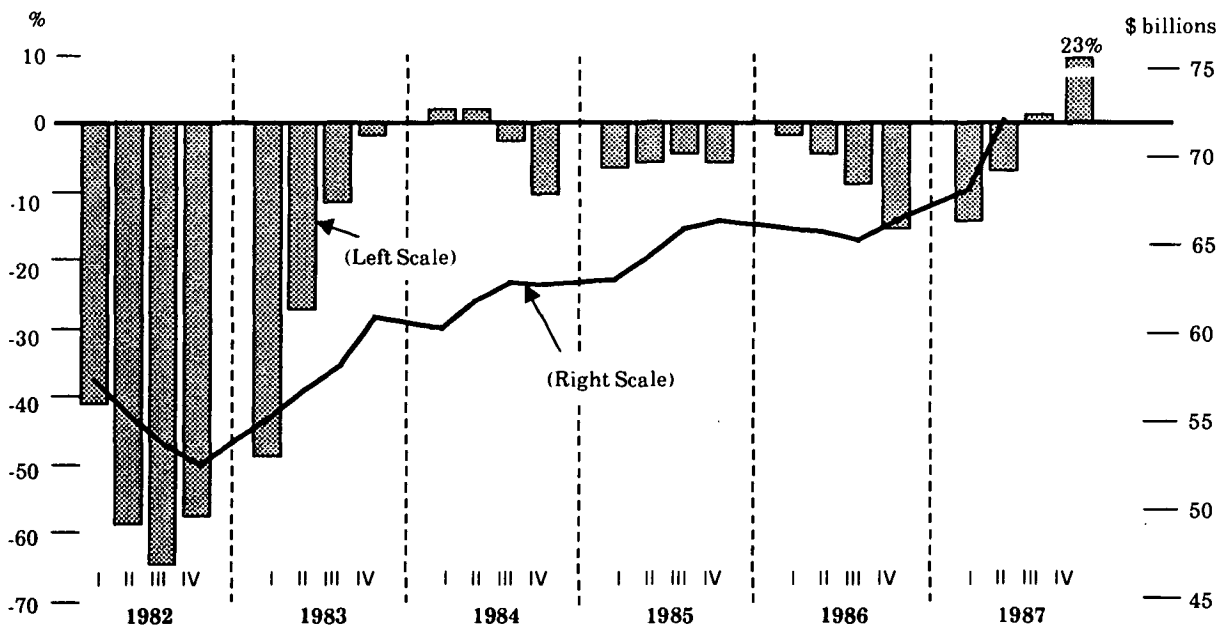


Chart 2

Comparison Between Balance of Opinion For Present Backlog of Unfilled Orders (Left Scale) and The Real Gross Domestic Product At Factor Cost in 1981 Prices (Right Scale) For All Manufacturing Industries, Adjusted For Seasonal Variation



Business Conditions Survey

October 1987

(Note: almost all returns were completed prior to October 19, 1987)

The October 1987 Business Conditions Survey recorded increases in the balance of opinion for three of the four manufacturing indicators. An unprecedented percentage of the weighted response reported a higher than normal backlog of unfilled orders. This growth was also reflected by the increase recorded in the balance of manufacturers' opinions on the levels of orders received and the expected volume of production over the next three months. This latter indicator surpassed the highest levels recorded since the start of the seasonally adjusted data series in January 1981.

The recently released data from the monthly survey of Inventories, Shipments and Orders provided a strong base for the optimism noted in the October survey. As of September 1987, shipments had increased for the sixth consecutive month while new orders had increased for five of those six months.

Highlights

(Seasonally adjusted data)

- Manufacturers indicating a higher than normal **backlog of unfilled orders** reached a record level of 32% of response. The balance of manufacturers' opinions, obtained by subtracting the negative responses (i.e. lower than normal backlog) from the positive responses, was +23. This balance of opinion represents a marked improvement from the balance recorded for the previous quarter at +1 (July 1987) and the fourth quarter last year at -15 (October 1986).
- The balance of opinion for the expected **volume of production** over the next three months rose a further five points from July to October. This increase, coupled with the dramatic jump recorded in the third quarter of 1987, confirms a strengthening of optimism by Canadian manufacturers.

Note to Users: Individual responses to the Business Conditions Survey are weighted by the value of the respondent's shipments reported to the annual Census of Manufactures. The proportions, therefore, reflect the magnitude of the individual manufacturer's contribution to the total. The balance is the difference between the proportion associated with the positive-type response (e.g. higher volume of production) and the proportion related to the negative-type response (e.g. lower volume of production). Both the raw data (raw) and seasonally adjusted (s.a.) data are given for the balance. The seasonally adjusted value for the neutral components (e.g. expected production about the same) is calculated by subtracting the sum of the seasonally adjusted values of the other two components from 100.

- An increase in the proportion of manufacturers who indicated rising **orders received** was reflected in an improvement in the balance of opinion from +14 in July 1987 to +22 in the October survey. The proportion of manufacturers reporting little change in orders remained constant.
- There was a slight dampening of optimism observed regarding **finished product inventory on hand**. The negative balance, which recorded its lowest level in several years in July 1987 at -7, slipped slightly to -9 heading into the fourth quarter of 1987.
- There were definite shifts in **sources of production difficulties** for the fourth quarter of 1987. The most noteworthy of these was the increase from six in July to nine in October for "shortage of skilled labour."

(see table on page 6)

Data users should note the July 1987 results have been revised to include responses received after the first release of these results.

Available on CANSIM (raw data only): matrices 2843-2845.

Contact L. Deschambault (613-951-3507), Shipments, Inventories and Orders Section, Industry Division.

Business Conditions Survey, Canadian Manufacturing Industries
October 1987

All Manufacturing Industries	October 1986	January 1987	April 1987	July 1987	October 1987
Volume of production during next three months compared with last three months will be:					
Seasonally adjusted					
About the same	44	47	52	48	49
Higher	29	27	20	36	38
Lower	27	26	28	16	13
Balance	2	1	-8	20	25
Raw					
Balance	-1	-3	11	9	23
Orders received are:					
Seasonally adjusted					
About the same	52	54	53	64	64
Rising	21	22	23	25	29
Declining	27	24	24	11	7
Balance	-6	-2	-2	14	22
Raw					
Balance	-10	-4	5	15	18
Present backlog of unfilled orders is:					
Seasonally adjusted					
About normal	59	66	62	73	59
Higher than normal	13	10	16	14	32
Lower than normal	28	24	22	13	9
Balance	-15	-14	-8	1	23
Raw					
Balance	-16	-16	-5	4	22
Finished product inventory on hand is:					
Seasonally adjusted					
About right	74	80	67	78	69
Too low	3	5	8	8	11
Too high ¹	23	15	25	14	20
Balance	-20	-10	-18	-7	-9
Raw					
Balance	-18	-11	-18	-6	-7
Sources of production difficulties					
Raw					
Working capital shortage	3	3	4	3	4
Skilled labour shortage	5	4	5	6	9
Unskilled labour shortage	1	1	1	2	3
Raw material shortage	5	3	4	7	6
Other difficulties	3	2	4	14	6
No difficulties	85	88	84	71	77

¹ No evident seasonality.

Wholesale Trade

September 1987

Sales

- Preliminary estimates indicate that wholesale merchants' sales for September 1987 were 16.5% above those of September 1986. In the first nine months of 1987, cumulative sales were up 13.4% compared to the corresponding period in 1986.
- In September, all major groups registered increased sales over a year earlier. The trade groups having the most significant impact on the overall sales increase were wholesalers of electrical and non-electrical machinery, equipment and supplies (+32.4%), other wholesalers (+17.8%) and wholesalers of motor vehicles and accessories (+13.1%).

- Wholesale trade increases between September 1986 and September 1987 were posted in all regions, ranging from 26.3% in the Prairies to 13.6% in Ontario.

Inventories

- Inventory levels in September 1987 were 3.8% higher than those reported in September 1986. The ratio of inventories to sales at the end of September 1987 stood at 1.31:1, down from 1.47:1 recorded in the corresponding month of 1986.

(see table on page 8)

Available on CANSIM: matrix 44.

Order the September 1987 issue of *Wholesale Trade* (63-008, \$5/\$50), available the third week of December. Contact Gilles Simard (613-951-3541), Wholesale Trade Section, Industry Division.

Wholesale Trade

Percentage Change in Sales and Inventories for September 1987/1986

Major Trade Groups - Regions	Sales			Inventories		Stocks/Sales Ratios	
	Aug. 1987/86 ^r	Sept. 1987/86 ^p	Jan.-Sept. 1987/86 ^p	Aug. 1987/86 ^r	Sept. 1987/86 ^p	Sept. 1986 ^r	Sept. 1987 ^p
Total all trades	12.4	16.5	13.4	3.4	3.8	1.47	1.31
Food	7.1	7.5	12.3	9.6	5.7	0.71	0.70
Tobacco, drugs and toilet preparations	4.7	6.2	6.2	7.3	9.4	0.89	0.91
Apparel, dry goods, furniture and general merchandise	6.6	8.3	13.4	2.4	0.8	1.70	1.59
Motor vehicles and accessories	8.0	13.1	7.0	7.5	4.7	1.92	1.78
Farm machinery, equipment and supplies	-10.4	7.9	-3.4	-7.8	-4.8	2.73	2.41
Other machinery, equipment and supplies ¹	27.0	32.4	23.1	2.7	0.5	1.81	1.38
Metals, hardware, plumbing and heating equipment	10.1	13.2	13.2	0.4	2.4	1.52	1.38
Lumber and building materials	6.6	11.4	15.7	8.2	15.9	1.07	1.11
Other wholesalers ²	18.1	17.8	11.3	2.3	7.2	1.43	1.30
Regions							
Atlantic provinces	17.1	16.3	14.9	10.8	7.9	1.37	1.28
Quebec	9.1	14.5	10.3	6.6	8.8	1.32	1.25
Ontario	12.7	13.6	15.2	4.5	3.2	1.44	1.31
Prairie provinces	16.7	26.3	13.6	-3.6	-2.7	2.07	1.59
B.C., Yukon and Northwest Territories	12.2	18.7	13.5	3.9	6.0	1.25	1.12

^r Revised figures.

^p Preliminary figures.

¹ Includes: electrical machinery, equipment and supplies; and machinery and equipment, n.e.s.

² Includes: farm products (excluding grain); paper and paper products; scrap and waste materials; and wholesalers, n.e.s.

Sales of Natural Gas September 1987

Sales of natural gas in Canada during September 1987 totalled 2 607 188 thousand cubic metres (including direct sales), a 5.3% decrease from the level recorded the previous year.

On the basis of rate structure information, sales in September 1987 were broken down as follows, with the percentage changes from September 1986 in brackets: residential sales, 362 859 thousand cubic metres (-17.3); commercial sales, 349 978 thousand cubic metres (-17.3) and industrial sales (including direct sales) 1 894 351 thousand cubic metres (+0.1).

Year-to-date figures for the first nine months of 1987 indicate that sales of natural gas totalled 32 176 876 thousand cubic metres,

an 8.7% decrease from the level recorded during the same period of 1986.

On the basis of rate structure information, year-to-date sales were broken down as follows, with the percentage changes from the corresponding period in 1986 in brackets: residential sales, 8 064 133 thousand cubic metres (-6.6); commercial sales, 6 771 302 thousand cubic metres (-6.9) and industrial sales (including direct sales) 17 341 441 thousand cubic metres (-10.3).

Order the September 1987 issue of *Gas Utilities* (55-002, \$10/\$100), available the third week of December. Contact Gary Smalldridge (613-951-3567), Energy Section, Industry Division.

Natural Gas

	Rate structure				
	Residential	Commercial	Industrial	Direct	Total
	(thousands of cubic metres)				
New Brunswick	10	28	-	-	38
Quebec	12 258	36 107	245 470	35 693	329 528
Ontario	147 904	138 407	604 393	66 900	957 604
Manitoba	13 955	14 153	35 794	-	63 902
Saskatchewan	23 318	15 389	95 331	-	134 038
Alberta	118 529	94 869	635 706	-	849 104
British Columbia	46 885	51 025	151 045	24 019	272 974
September 1987 - Canada	362 859	349 978	1 767 739	126 612	2 607 188
September 1986 - Canada	438 722	423 232	1 826 025	65 619	2 753 598
% change	-17.3	-17.3		0.1	-5.3
Year to date 1987 - Canada	8 064 133	6 771 302	16 469 887	871 554	32 176 876
Year to date 1986 - Canada	8 630 521	7 275 711	18 959 331	367 738	35 233 301
% change	-6.6	-6.9		-10.3	-8.7

Note: Revised figures will be available in the "Gas Utilities" publication (Catalogue No. 55-002) as well as on CANSIM.
- Nil.

Data Availability Announcements

Railway Carloadings

10-day Period Ending October 31, 1987

Highlights

- Revenue freight loaded by railways in Canada during the week totalled 8.0 million tonnes, an increase of 3.1% from the previous year.
- Piggyback traffic increased 11.5% from the same period last year. The number of cars loaded decreased 3.4%.
- The tonnage of revenue freight loaded to date this year is 3.6% more than that loaded in the previous year.

	10-day Period ending October 31, 1987	Year to date
Carload Traffic		
Tonnes	7 975 102	205 184 452
% change from previous year	3.1	3.6
Cars	106,600	3,012,301
% change from previous year	-6.7	1.4
Piggyback Traffic		
Tonnes	426 064	10 601 884
% change from previous year	11.5	5.1
Cars	13,139	377,523
% change from previous year	-3.4	3.6

Note: Piggyback traffic includes trailers and containers on flat cars. The 1986 figures and the 1987 year-to-date figures have been revised. Piggyback traffic numbers are included in total carload traffic.

Contact Angus McLean (613-951-2484), Surface Transport Unit, Transportation Division.

Telephone Statistics

September 1987

Canada's 13 major telephone systems reported monthly revenues of \$934.7 million in September 1987, up 3.7% from September 1986.

Operating expenses were \$652.8 million, an increase of 9.6% from the previous year and net operating revenue was \$281.9 million, a decrease of 7.7% from September 1986.

Available on CANSIM: matrix 355.

Order the September 1987 issue of *Telephone Statistics* (56-002, \$7.50/\$75), scheduled for release the week of November 30. Contact J.R. Slattery (613-951-2205), Services Division.

Exports of Major Grains

September 1987

Export clearances of the major grains during September 1987 were as follows (in thousand tonnes):

• Total wheat,	1 716.6
• Oats,	15.9
• Barley,	593.8
• Rye,	31.6
• Flaxseed,	55.1
• Canola (rapeseed),	169.8

Available on CANSIM: matrices 2650-2656.

Order the September 1987 issue of *Cereals and Oilseeds Review* (22-007, \$10/\$100), scheduled for release in early December. Contact A. Dupuis (613-951-3871) Agriculture Division.

Exports of Wheat Flour and Barley Malt

September 1987

Customs exports of wheat flour and barley malt during September 1987 were as follows (in thousand tonnes):

- | | |
|--------------------------------------|------|
| • Wheat flour,
(wheat equivalent) | 66.5 |
| • Malt, | 13.2 |

Available on CANSIM: matrices 5612 (series 1) and 5630. CANSIM matrix 5613 has been terminated. Refer to matrix 5630 for replacement data expressed in terms of wheat equivalent.

Order the September 1987 issue of *Cereals and Oilseeds Review* (22-007, \$10/\$100), scheduled for release in early December. Contact Anthony Dupuis (613-951-3871), Agriculture Division.

Notifiable Disease Summary

Four-week Period Ending October 24, 1987

Statistics and new cases of notifiable diseases for the four-week period ending October 24, 1987 are now available by sex and five-year age group for Canada and the provinces.

Available on CANSIM: cross-classified table 00050123.

Contact Beth Sander (613-951-1746), Health Division.



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