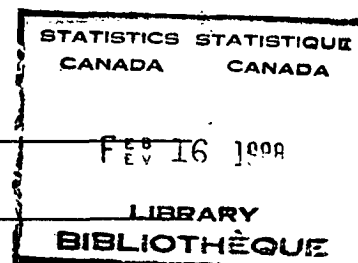


The Daily

Statistics Canada

Tuesday, February 16, 1988



Major Releases

Provincial Income and Expenditure Accounts, Preliminary Data for 1986

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- Strong growth in gross domestic product was posted in Central Canada and the Atlantic provinces in 1986; growth was weak in the Western provinces.

Farm Cash Receipts, January-December 1987

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- Farm cash receipts were 2% higher than in 1986.

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Major Releases

Provincial Income and Expenditure Accounts

Preliminary Data for 1986

Canada's gross domestic product at market prices grew 6.4% in 1986. The rate of increase varied substantially among the provinces and territories. Prince Edward Island, New Brunswick, Quebec, Ontario and both Yukon and the Northwest Territories recorded growth rates well above the national average. In the West, due primarily to the sharp drop in commodity prices, Saskatchewan and Alberta each experienced economic declines. British Columbia continued to expand at a rate somewhat below the national average.

Central Canada saw its share of total domestic production grow from 61.7% in 1985 to 63.8% in 1986, with corresponding declines in the shares of the Western provinces. The Atlantic provinces and Central Canada grew more rapidly than the Western provinces (except for the territories) for the fourth consecutive year, a reversal of the general trend through the 1970s.

The Provincial Income and Expenditure Accounts estimates are measured in current dollars. Constant dollar estimates of provincial gross domestic product are not available at the present time. Although the broad trends in price levels are expected to be similar among the different provinces and territories over long periods of time, this may not be so in short periods. The preliminary estimates for 1986 must be interpreted with particular caution since the year was marked by large relative price changes. The overall increase of 3.0% in the GDP implicit price index for Canada was the net result of a 2.4% decline in the implicit price index for exports and a 3.9% increase in the implicit price index for final domestic demand. Sharp price decreases were recorded for petroleum and gas products and a number of agricultural commodities. It seems likely that the Western provinces, being major exporters of these commodities, experienced much smaller average price increases. For this reason, the

disparity in real growth rates between the Western provinces and the rest of Canada was probably less in 1986 than the current dollar estimates seem to imply.

Components of Demand

Personal expenditure on consumer goods and services grew at rates similar to those of 1985 in all regions. Slower growth in purchases of goods was offset by a pickup in spending on services. Ontario and British Columbia registered the strongest increases in consumer expenditure on services (12.0%). In the case of British Columbia, a major factor in the increase was Expo'86.

In terms of business investment, growth was concentrated in four provinces: Prince Edward Island, Quebec, Ontario and Manitoba. Elsewhere, investment outlays weakened with the largest declines, of 20-30%, in non-residential construction activity. On the other hand, residential construction expenditure rose strongly for the second consecutive year. Ontario and Prince Edward Island experienced the strongest growth in this area and only Alberta and Saskatchewan did not participate in the building boom. Finally, Newfoundland led the way in the machinery and equipment investment category with an increase of 44%, compared to the national average of 11%.

Components of Income

On the income side of the accounts, the decreases in current dollar gross domestic product in Saskatchewan (0.7%) and Alberta (7.9%) were largely attributable to corporation profits before taxes. Profits contracted by \$5.8 billion in Alberta and \$0.9 billion in Saskatchewan, record amounts in both cases. The drop in oil and gas prices also had a negative effect on corporation profits in Newfoundland and Nova Scotia, although of smaller magnitude. On the other hand, profits grew substantially in New Brunswick, Quebec and Ontario.

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Ontario had the most rapid growth in labour income at 8.4%. The smallest increases were recorded in Alberta (1.8%) and British Columbia (2.9%). Farm incomes were up significantly in Prince Edward Island, Saskatchewan and Alberta, reflecting good harvests and large production subsidies.

Personal disposable income, slowed by an increase in personal income taxes, grew less rapidly than personal income in all provinces except Prince Edward Island and Ontario. The personal savings rate declined in most provinces.

The Provincial Income and Expenditure Accounts are available on CANSIM: matrices 2610-2619, 2621-2631, 2633, 4995-5026, 5027-5035, 5037-5046, 5048-5056, 5058-5066, 5068-5076, 5078-5087, 5089-5097, 5099, 6745-6825, 6949-6950, 6953-6966, 6670-6676, 6678-6680, 6682, 6685. A computer printout with all of the Provincial Accounts tables is also available on the day of release from the Income and Expenditure Accounts Division at a cost of \$100. The annual publication entitled *Provincial Income and Expenditure Accounts* will be released in April. Contact: Gylliane Gervais (613-951-3835), Income and Expenditure Accounts Division.

Note to Data Users

Revised Provincial Income and Expenditure Accounts estimates for previous years are being released at the same time as the preliminary data for 1986. These statistics are consistent with the revised estimates of the National Income and Expenditure Accounts that were released in July 1987. Most of the revisions are confined to the 1982-1985 period. However, in the case of Yukon and the Northwest Territories, separate estimates are being released for the first time, back to 1977. The new breakdown has been developed over the past three years with considerable support from the two territorial governments and will be updated annually henceforth.

The Provincial Income and Expenditure Accounts have been released annually since 1978. The conceptual framework of the Provincial Accounts is close to that of the National Income and Expenditure Accounts. Although the sources and methods of the two sets of accounts are similar, the Provincial Accounts are of lower statistical reliability than the National Accounts and are subject to greater annual revisions.

(see tables on page 4)

Gross Domestic Product at Market Prices
Annual percentage change

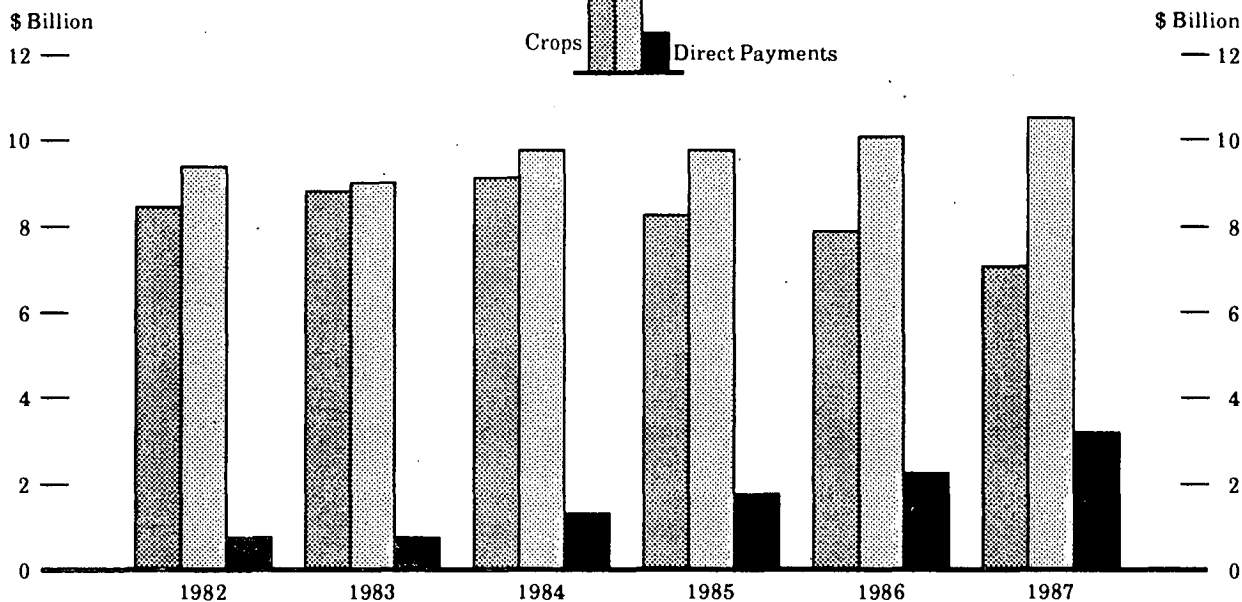
	Average		1982	1983	1984	1985	1986
	1962-1971	1972-1981					
	%						
Newfoundland	9.8	13.5	9.0	8.4	9.9	5.6	6.5
Prince Edward Island	8.4	14.7	4.2	10.8	11.4	1.7	11.4
Nova Scotia	8.3	11.9	15.2	13.8	11.2	9.0	7.8
New Brunswick	8.6	12.6	9.6	14.8	11.6	5.7	11.3
Atlantic Provinces	8.7	12.6	11.3	12.7	11.0	6.8	8.9
Quebec	8.6	12.9	5.8	7.0	9.4	8.0	9.5
Ontario	9.3	12.5	4.2	10.7	12.3	8.4	10.5
Central Provinces	9.0	12.6	4.8	9.3	11.0	8.3	10.1
Manitoba	7.9	12.8	6.5	6.4	11.1	8.7	6.1
Saskatchewan	8.0	15.3	2.9	3.2	10.7	2.7	-0.7
Alberta	9.2	20.4	5.9	4.7	7.4	6.4	-7.9
British Columbia	9.9	15.8	3.2	4.4	5.9	6.4	4.2
Yukon	12.1	13.5	2.0	-13.8	12.4	7.1	20.4
Northwest Territories			30.2	16.9	19.3	7.7	8.5
Western Provinces	9.1	16.9	4.8	4.6	7.8	6.2	-1.0
Canada	9.0	13.9	5.1	7.9	10.0	7.5	6.4
GDP implicit price index, Canada	3.4	9.1	8.7	5.0	3.4	3.1	3.0

Provincial Share of Gross Domestic Product at Market Prices

	Average		1982	1983	1984	1985	1986
	1961-1971	1971-1981					
	%						
Newfoundland	1.3	1.3	1.3	1.3	1.4	1.3	1.3
Prince Edward Island	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Nova Scotia	2.5	2.3	2.3	2.4	2.4	2.4	2.5
New Brunswick	1.9	1.8	1.8	1.9	1.9	1.8	1.9
Atlantic Provinces	6.0	5.7	5.7	5.9	6.0	5.8	6.0
Quebec	25.9	24.0	23.1	22.9	22.8	22.9	23.5
Ontario	41.3	39.5	36.7	37.7	38.4	38.8	40.3
Central Provinces	67.2	63.5	59.8	60.6	61.2	61.7	63.8
Manitoba	4.3	3.9	3.7	3.7	3.7	3.8	3.8
Saskatchewan	4.2	3.8	3.9	3.8	3.8	3.6	3.4
Alberta	7.9	11.0	14.2	13.7	13.4	13.3	11.5
British Columbia	10.2	11.7	12.3	11.9	11.5	11.4	11.1
Yukon	0.2	0.4	0.1	0.1	0.1	0.1	0.1
Northwest Territories			0.3	0.3	0.3	0.3	0.3
Western Provinces	26.8	30.8	34.5	33.5	32.8	32.5	30.2
Canada	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Farm Cash Receipts

January - December



Note: Western grain stabilization and crop insurance payments have been deducted from crop receipts and added to direct payments.

Farm Cash Receipts

January-December 1987

Farm cash receipts rose for the second consecutive year, reaching \$21.0 billion for January to December 1987. This was a 2% increase over the 1986 level of \$20.5 billion. Higher direct program payments and livestock and animal product receipts more than offset a decline in crop receipts.

Highlights

Crops

Crop receipts fell 5% to \$8.9 billion from the 1986 level of \$9.3 billion. Declines in Canadian Wheat Board (CWB) payments, crop insurance payments, cereal and oilseed receipts and tobacco receipts offset a large increase in Western Grain Stabilization Plan payments.

- CWB payments for wheat, oats and barley totalled \$51.8 million in 1987 compared to the previous year's level of \$415.8 million.

- Crop insurance payments returned to more normal levels at \$355.8 million, down from the 1986 level of \$553.6 million. For the most part, the large payments in 1986 reflected poor growing conditions in 1985.
- Cereal and oilseed receipts fell to \$4.6 billion from the 1986 level of \$4.8 billion. This decrease largely resulted from price declines in every commodity. Higher marketings, led by stronger wheat exports, compensated for most of the drop in prices.
- Tobacco receipts dropped 43% to \$257.2 million. Marketings of Ontario flue-cured tobacco were lower in 1987, reflecting both a smaller crop and a return to the usual marketing pattern.
- Interim and final payments under the Western Grain Stabilization Plan totalled a record \$1.4 billion compared to the previous year's level of \$859 million.

(continued on page 6)

Livestock and Animal Products

Livestock and animal product receipts increased 4% to \$10.5 billion, led by higher receipts for cattle and calves. Dairy and poultry receipts were also higher.

- Cattle and calf receipts increased 6% to \$3.8 billion in 1987 as prices rose 9%. An increase in prices for cattle more than offset a 6% decline in the number of animals slaughtered.
- Dairy receipts rose 3% to a record \$2.9 billion as a result of higher marketings of fluid and industrial milk. Prices for industrial milk were 3% higher.
- Poultry receipts increased 6% to \$997 million. Increased marketings of both chicken and turkeys more than offset a 3% drop in prices.

Other Cash Receipts

Other cash receipts, which include forest and maple products as well as some direct program payments, were up 55% to \$1.6 billion in 1987. Payments made to producers under the Special Canadian Grains Program, totalling \$966 million, were responsible for the increase.

User Notes

Farm cash receipts measure the gross returns to farmers in current dollars from the sale of all agricultural products except those associated with direct sales between farms in the same province. They also include Canadian Wheat Board and Ontario Wheat Producers' Marketing Board payments, cash advances paid on farm-stored commodities, deferred grain receipts and direct payments to farmers from various federal, provincial and municipal programs.

Realized net farm income, which takes into account producers' operating expenses and depreciation charges, is published in *Agriculture Economic Statistics* (21-603).

(see table on page 7)

Available on CANSIM: matrices 3417 to 3427.

Order the January-December 1987 issue of *Farm Cash Receipts* (21-001, \$10/\$40), scheduled for release at the end of February. This publication is also available immediately on ENVOY 100, an electronic messaging system. Contact: Lambert Gauthier or Jacqueline LeBlanc-Cooke (613-951-8706), Agriculture Division.

Total Cash Receipts from Farming Operations
January-December

	1986	1987	% change 1987/1986
(millions of dollars)			
Newfoundland	45.9	47.5	3.5
Prince Edward Island	188.2	208.5	10.8
Nova Scotia	265.0	287.1	8.3
New Brunswick	226.6	242.5	7.0
Quebec	3,227.6	3,265.1	1.2
Ontario	5,508.7	5,631.0	2.2
Manitoba	2,078.4	2,006.0	-3.5
Saskatchewan	4,135.4	4,239.1	2.5
Alberta	3,783.0	3,982.4	5.3
British Columbia	1,027.0	1,056.3	2.9
Canada	20,485.7	20,965.6	2.3

Note: Totals may not add due to rounding.

Data Availability Announcements

Livestock Report

January 1, 1988

Total pig numbers for Canada at January 1, 1988 are estimated at 10,648,000, 7% higher than January 1, 1987 at 9,996,000. Sows for breeding and bred gilts are estimated at 1,066,500, an increase of 4% from January 1, 1987 at 1,022,500. Farrowings during the fourth quarter of 1987 increased by 4%. Farrowings are expected to increase by 3% during the first quarter of 1988 and remain unchanged in the second quarter.

Total cattle and calves at January 1, 1988 are estimated at 10,818,100 head compared to 10,802,400 at January 1, 1987, relatively unchanged from the year before. Beef cows are estimated at 3,255,700, 2% higher than 3,191,100 at January 1, 1987. Beef cows remained unchanged in the East and increased 2% in the West. Dairy cows have declined and are estimated at 1,456,900 at January 1, 1988, 2% less than the previous year at 1,480,500.

Sheep and lamb numbers at January 1, 1988 are estimated at 475,400, down 1% from January 1, 1987 at 481,100. Sheep one year and over decreased 1% and lambs under one year dropped by 3%.

Available on CANSIM: matrices 9500-9510, 1150, 1151, 1166, 5645.

For further information, order the January 1, 1988 issue of *Livestock Report* (23-008, \$15/\$60). Contact: Bernard E. Rosien (613-951-2509), Agriculture Division.

Shipments of Rolled Steel

December 1987

Rolled steel shipments for December 1987 totalled 1 041 083 tonnes, a decrease of 1.6% from the preceding month's total of 1 058 433 tonnes but an increase of 14.0% from the year-earlier level of 912 955 tonnes.

Year-to-date shipments totalled 12 748 778 tonnes, an increase of 9.2% compared to 11 671 900 tonnes the previous year.

Available on CANSIM: matrices 58 and 122 (series 22-25).

Order the December 1987 issue of *Primary Iron and Steel* (41-001, \$4.50/\$45), to be released the week of February 29. Contact: Gerry Barrett (613-951-3515), Industry Division.

Publications Released

Production and Stocks of Eggs and Poultry, November 1987.
Catalogue number 23-003
(Canada: \$11/\$110; Other Countries: \$12/\$120).

Merchandising Inventories, September 1987. Catalogue number 63-014
(Canada: \$13/\$130; Other Countries: \$14/\$140).

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**The
Daily**

Statistics Canada's Official Release Bulletin for Statistical Information

Catalogue 11-001E. Price: Canada \$100/year; other countries \$125/year

Published by the Communications Division
Statistics Canada, 3-0, R.H. Coats Bldg., Ottawa K1A 0T6.

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