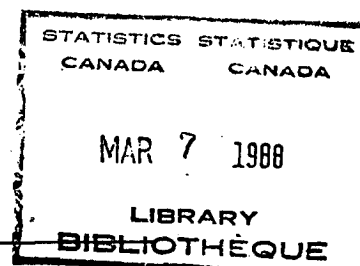


The Daily

Statistics Canada

Monday, March 7, 1988



Major Release

Financial Activity in Canada, Fourth Quarter 1987

2

- Strong demand for funds by persons and non-financial private corporations continued.

Data Availability Announcements

Specified Domestic Electrical Appliances, January 1988

5

Major Appliances, January 1988

5

Railway Financial and Operating Statistics, November 1987

5

Publications Released

6



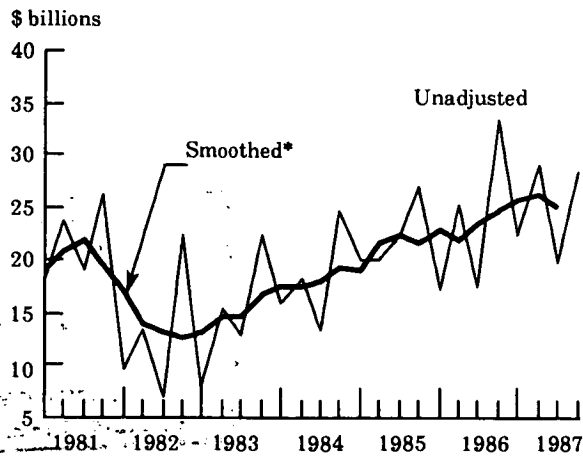
Statistics
Canada

Statistique
Canada

Canada

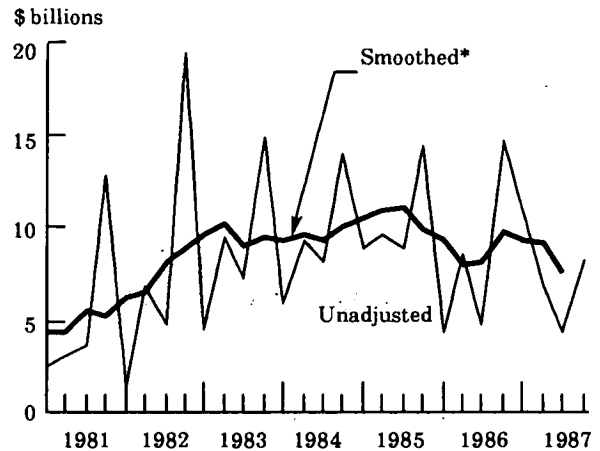
Major Release

**Total Funds Raised on Conventional Credit Markets
by Domestic Non-financial Sectors**



* 4-quarter moving average

Funds Raised by Governments



Financial Activity in Canada Fourth Quarter 1987

Non-financial sectors of the Canadian economy borrowed \$28.5 billion on credit markets during the fourth quarter of 1987. This was below the record \$33.4 billion borrowed in the same quarter of the previous year. The decrease was attributable mainly to a sharp reduction in government borrowing. Borrowing by households registered a moderate decline, while non-financial corporations increased their demand for funds.

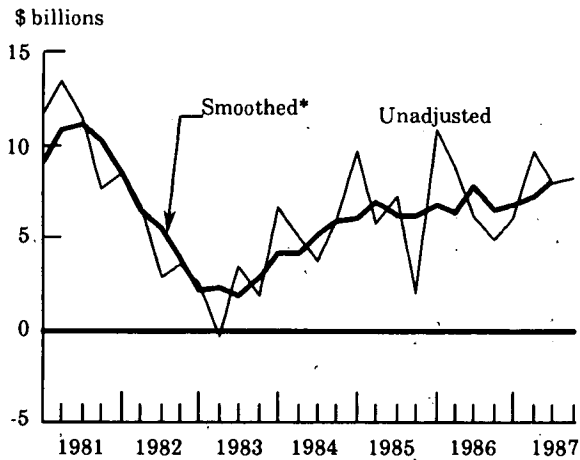
Reduced demand for funds by both **federal and provincial governments** reflected continuing deficit reduction. Total borrowing by the federal government fell to \$6.9 billion from \$10.4 billion a year earlier. There was, however, a large increase in net sales of Canada Savings Bonds which offered a risk-free investment at a time of instability in financial markets. The \$12.9 billion raised by this instrument exceeded the government's financing requirements, allowing the reduction of

outstanding treasury bills by over \$7 billion. In comparison, the \$3.7 billion raised a year earlier had been supplemented by net new issues of treasury bills. Provincial governments' borrowing also showed a pronounced decline; a total of only \$1.4 billion compared to \$4.2 billion in the fourth quarter of the previous year. Treasury bills and short-term paper accounted for most of the funds raised, with net new issues of marketable bonds at a very low \$155 million.

Personal sector mortgage borrowing declined slightly from a year earlier but remained strong, in line with a continued high level of activity in residential construction. While most other forms of borrowing by the sector also showed slight decreases from the previous year, demand for consumer credit increased significantly as consumer expenditure rose. A notable reduction in deposits at chartered banks provided the sector with an additional source of funds, partly used to purchase Canada Savings Bonds.

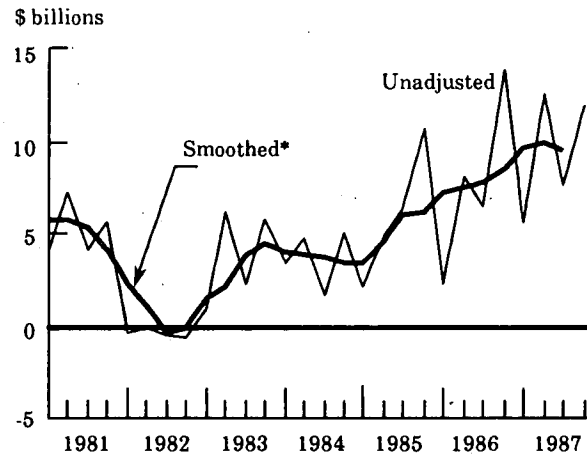
(continued on page 3)

Funds Raised by Non-financial Corporations



* 4-quarter moving average

Funds Raised by Persons and Unincorporated Business



Borrowing by **non-financial private corporations** during the quarter increased strongly from a year earlier, despite a sharp drop in share issues. Demand for bank and other loans and issues of bankers' acceptances increased markedly, corresponding to increased investment in inventory and fixed capital. After the October decline on stock markets, share issues were confined to flow-through shares, which allow expenses, such as mining exploration, of the issuer to flow through to the purchaser, providing tax relief. Redemptions of preferred shares and buy-backs of common shares were larger than new issues.

(see table on page 4)

Available on CANSIM: matrices 701-741, 743 and 750.

The fourth quarter 1987 issue of *Financial Flow Accounts* (13-002P, \$11.50/\$12.50) is now available. See "How to Order Publications".

For more information on this release, contact Gerry Gravel or Christian Lajule (613-951-9043), International and Financial Economics Division.

Financial Market Summary Table
(Millions of Dollars)

	1986		1987				
	IV	Annual	I	II	III	IV	Annual
1. Persons and unincorporated business	13,836	30,580	5,602	12,514	7,573	11,969	37,658
Consumer credit	1,688	7,100	1,292	3,430	2,379	3,457	10,558
Bank loans	2,611	-1,835	-25	839	-1,065	1,099	848
Other loans	3,995	5,531	805	298	-557	2,226	2,772
Mortgages	5464	19,704	3,557	8,062	6,864	5,235	23,718
Bonds	78	80	-27	-115	-48	-48	-238
2. Non-financial private corporations	4,179	26,117	5,322	10,061	6,741	7,572	29,696
Bank loans	-677	-2,318	-1,054	1,342	240	1,963	2,491
Other loans	-1,731	168	-327	744	61	1,947	2,425
Short-term paper	1,342	8,556	2,589	1,000	1,356	2,288	7,233
Mortgages	803	3,264	891	1,950	1,274	895	5,010
Bonds	215	3,405	79	1,848	571	507	3,005
Stocks	4,227	13,042	3,144	3,177	3,239	-28	9,532
3. Non-financial government enterprises	707	4,401	649	-336	1,159	660	2,132
Bank loans	-442	1,296	109	-236	-8	-239	-374
Other loans	-23	157	-67	-164	-56	11	-276
Short-term paper	-407	-880	201	-54	678	544	1,369
Mortgages	-4	-10	-2	-3	-2	2	-5
Government of Canada Bonds	271	552	0	0	0	-90	-90
Provincial Government Bonds	1,613	2,887	566	138	373	432	1,509
Municipal Government Bonds	0	0	0	0	0	0	0
Other bonds	1	589	-158	-17	174	0	-1
Stocks	-302	-190	0	0	0	0	0
4. Federal government	10,428	19,049	9,172	2,381	4,910	6,907	23,370
Bank loans	0	-1,237	0	0	0	0	0
Other loans	420	-332	112	-57	-86	310	279
Short-term bills	3,840	11,425	6,977	1,700	2,806	-7,150	4,333
Bonds	6,168	9,193	2,083	738	2,190	13,747	18,758
5. Other levels of government	4,225	13,258	1,649	4,381	-654	1,377	6,753
Bank loans	-517	-853	310	-289	-50	244	215
Other loans	-518	-461	166	208	-43	20	351
Short-term paper	1,789	4,788	-750	1,544	-639	1,100	1,255
Provincial Government Bonds	3,573	9,647	1,797	2,975	388	155	5,315
Municipal Government Bonds	-94	159	135	-47	-289	-131	-332
Other bonds	-8	-22	-9	-10	-21	-11	-51
6. Total borrowing by domestic non-financial sectors	33,375	93,405	22,394	29,001	19,729	28,485	99,609
(as a percentage of GDP)	25.5	18.3	17.6	21.4	13.5	19.7	18.0
7. Rest of the world	1,237	475	496	825	-1,050	4,566	4,837
8. Domestic financial institutions	4,558	27,039	6,809	7,367	4,924	2,182	21,282
9. Total funds raised	39,170	120,919	29,699	37,193	23,603	35,233	125,728

Data Availability Announcements

Specified Domestic Electrical Appliances

January 1988

Canadian electrical appliance firms produced 75,625 kitchen appliances in January 1988, down 31.2% from the 109,962 appliances produced a year earlier.

Production of home comfort products totalled 31,405 in January 1988, a decrease of 2.6% from the previous year.

The January 1988 issue of *Specified Domestic Electrical Appliances* (43-003, \$4.50/\$45) is scheduled to be released the week of March 2. See "How to Order Publications".

For more information on this release, contact J.P. Beauparlant (613-951-3526), Industry Division.

Major Appliances

January 1988

Domestic sales of major appliances by Canadian manufacturers increased to 158,017 units in January 1988, down 28.7% from 221,624 units in December 1987 but up 20.3% from the 131,304 units sold in the same month of 1987.

Available on CANSIM: matrices 65, 66 and 122 (series 30).

The January 1988 issue of *Production, Sales and Stocks of Major Appliances* (43-010, \$4.50/\$45) is scheduled to be released the week of March 14. See "How to Order Publications".

For more information on this release, contact J. P. Beauparlant (613-951-3526), Industry Division.

Railway Financial and Operating Statistics

November 1987

Canada's seven major railways reported a combined net operating income of \$73.8 million in November 1987. Operating revenues totalled \$700.9 million, up \$97.7 million from November 1986.

Revenue freight tonne-kilometres were up 14.0% during the month. Freight train-kilometres registered an increase of 9.4% while freight car-kilometres rose 9.2%.

Available on CANSIM: matrix 142.

The November 1987 issue of *Railway Financial and Operating Statistics* (52-003, \$9.50/\$95) is scheduled to be released the third week of March. See "How to Order Publications".

For more information on this release, contact Angus McLean (613-951-2484), Rail Unit, Transportation Division.



1010497177

The Daily, March 7, 1988

Publications Released

Financial Flow Accounts: Preliminary Data, Fourth Quarter 1987.
Catalogue number 13-002P
(Canada: \$11.50/\$46; Other Countries: \$12.50/\$50).

Department Store Sales and Stocks, August 1987. Catalogue number 63-002
(Canada: \$13/\$130; Other Countries: \$14/\$140).

Railway Operating Statistics, October 1987.
Catalogue number 52-003
(Canada: \$9.50/\$95; Other Countries: \$10.50/\$105).

How to Order Publications

Statistics Canada publications may be purchased by mail order from Publication Sales, Room 1710, Main Building, Statistics Canada, Ottawa K1A 0T6 or phone 613-951-7276.

Please enclose cheque or money order payable to the Receiver General for Canada/Publications and provide full information on publications required (catalogue number, title, issue).

Publications may also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Sturgeon Falls, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver, or from authorized bookstore agents or other booksellers.

A national toll-free telephone order service is now in operation at Statistics Canada. The toll-free line (1-800-267-6677) can be used by Canadian customers for the ordering of Statistics Canada products and services.

**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 (Director - Douglas Newson)
Statistics Canada, 3-O, R.H. Coats Bldg., Ottawa K1A 0T6.

Senior Editor: Greg Thomson (613-951-1103)

Editor: Deanna Jamieson (613-951-1198)

Published under the authority of the Minister of Supply and Services Canada. Statistics Canada should be credited when reproducing or quoting any part of this document. Extracts from this publication may be reproduced for individual use without permission provided the source is fully acknowledged. However, reproduction of this publication in whole or in part for purposes of resale or redistribution requires written permission from the Publishing Services Group, Permissions Officer, Canadian Government Publishing Centre, Ottawa, Canada K1A 0S9.