

# The Daily

Statistics Canada

Thursday, May 10, 1990

For release at 10:00 a.m.

## MAJOR RELEASES

- **New Measures of Fixed Assets, 1970-1989** 2  
In manufacturing, the average service life of assets fell to 17 years from 25, while in the non-manufacturing sector, the average life dropped to 22 from 32 years.
- **Farm Product Price Index, March 1990** 4  
Farm prices increased 0.9% over February.
- **Construction Union Wage Rate Index, March 1990** 6  
The Canada total Union Wage Rate Index for construction trades remained unchanged from February.

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## MAJOR RELEASES

### New Measures of Fixed Assets

1970-1989

Statistics Canada has revised its estimates of fixed capital stocks using new service life information collected through the Capital and Repair Expenditures Survey. Since 1985 the survey has included questions on service life data. Earlier estimates of capital stocks by Statistics Canada assumed constant service lives based on engineering studies and comprehensive reviews of company records from the 1940s and 1950s.

The information derived from the Capital and Repair Expenditures Survey suggests that companies replace old equipment at a much faster rate than before. In manufacturing, the average service life of assets fell to 17 years from 25, while in the non-manufacturing sector, the average life dropped to 22 from 32 years.

The estimation of the values of capital stocks relies on: the value of new acquisitions of capital, the expected service life of the newly acquired capital, and the rate at which existing assets are being discarded. Previously, assets were assumed to remain in the stock for the exact amount of time their

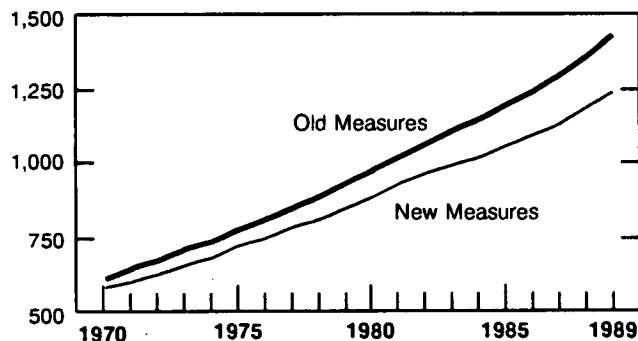
service life stipulated. However, new information derived from the Survey of Capital and Repair Expenditures suggests that there is a more complex pattern involving premature discards because of accelerated obsolescence as well as the retention of fully depreciated assets.

The accompanying graph compares the old and new measures of gross fixed assets over time. The revised measures are less than the old ones. For example, in 1989 the new constant dollar estimate of \$1,235 billion is 14% less than the old estimate of \$1,430 billion. This reflects the findings of the survey: shorter lives and more complex ways of discarding. For the period 1970 to 1989, the average real growth rate for the new measures is 4.2%, compared with 4.6% for the old. Table 1 presents the old and new measures of gross fixed assets by industry and Table 2 shows their respective growth rates.

Tables 3 and 4 illustrate the changing importance of machinery and equipment proportionally to all fixed assets. Table 3 shows the share of machinery and equipment increasing for the manufacturing and service industries. Together with the results shown in Table 4, that more machinery and equipment is being used per employee, this suggests that in many industries, production methods are changing towards the introduction of newer and more efficient technology.

#### Gross Fixed Capital Stocks - All Industries, 1970-1989

Billions of 1981 Dollars



Source: Statistics Canada, National Wealth and Capital Stock Section, Investment and Capital Stock Division

The new measures of fixed capital flows and stocks for the period 1926-1989 are now available on CANSIM: matrices 6520-6570 (for current dollars) and 6571-6621 (for constant 1981 dollars) and by special request. Also available by request is a description of the revised methodology. The old matrices, 3435-3470 and 3472-3522, will be removed from CANSIM in July 1990 when the new matrices are updated. Provincial measures will become available on request in approximately one month.

For further information on the revisions, please contact Richard Landry (613-951-2579) or David Wallace (613-951-9685), National Wealth and Capital Stock Section, Investment and Capital Stock Division.

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**Table 1**  
**Gross Fixed Capital Stocks by Industry**

Industry	New Measures			Old Measures		
	1970	1980	1989	1970	1980	1989
Billions of Constant 1981 Dollars						
Agriculture	35.4	51.0	42.0	40.6	63.8	66.1
Forestry, Fishing and Mining	46.1	83.7	121.5	49.9	97.5	151.3
Manufacturing	93.2	134.2	185.3	102.9	154.0	225.1
Construction	5.8	9.9	14.4	5.7	10.0	14.5
Transportation and Utilities	165.4	250.2	340.8	169.9	266.6	373.2
Trade	20.5	25.7	31.2	24.9	34.4	49.4
Finance, Insurance and Real Estate	16.4	42.3	94.7	16.5	42.8	97.4
Personal and Commercial Services	60.0	93.3	173.8	61.5	97.0	193.8
Public Administration	127.2	183.3	231.5	133.0	197.3	258.8
<b>Total</b>	<b>570.0</b>	<b>873.6</b>	<b>1,235.2</b>	<b>604.9</b>	<b>963.4</b>	<b>1,429.6</b>

**Table 2**  
**Gross Fixed Capital Stocks by Industry**  
**Average Real Annual Growth Rates**

Industry	New Measures		Old Measures	
	1970-1980	1981-1989	1970-1980	1981-1989
Agriculture	3.7	-2.1	4.6	0.4
Forestry, Fishing and Mining	6.1	4.3	6.9	5.0
Manufacturing	3.7	3.7	4.1	4.3
Construction	5.6	4.2	5.7	4.2
Transportation and Utilities	4.2	3.5	4.6	3.8
Trade	2.3	2.2	3.3	4.1
Finance, Insurance and Real Estate	10.0	9.4	10.0	9.6
Personal and Commercial Services	4.5	7.2	4.7	8.0
Public Administration	3.7	2.6	4.0	3.1
<b>Total</b>	<b>4.4</b>	<b>3.9</b>	<b>4.8</b>	<b>4.5</b>

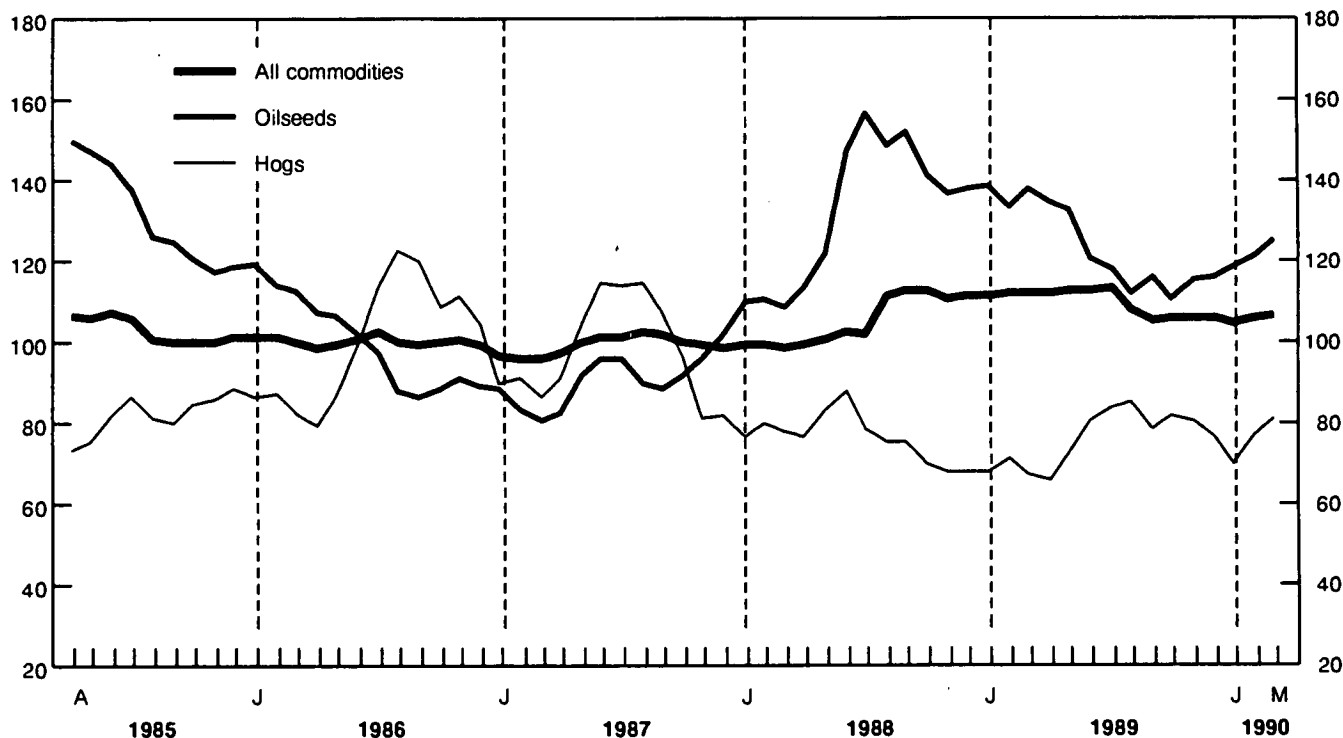
**Table 3**  
**Percentage of Total Fixed Assets Consisting of Machinery and Equipment**

Industry	1970	1975	1980	1985	1989
Agriculture	47	51	56	51	43
Forestry, Fishing and Mining	20	19	18	17	16
Manufacturing	53	54	55	57	61
Construction	82	81	78	76	74
Transportation and Utilities	25	26	27	29	31
Trade	26	28	31	35	40
Finance, Insurance and Real Estate	3	3	4	9	14
Personal and Commercial Services	10	12	17	27	42
Public Administration	3	3	4	5	7
<b>Total</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>31</b>

**Table 4**  
**Index of Machinery and Equipment-Labour Ratios**  
**1981 = 100**

Industry	1970	1975	1980	1985	1989
Agriculture	53.8	72.0	99.3	88.4	70.5
Forestry, Fishing and Mining	81.8	100.2	97.9	125.8	123.5
Manufacturing	75.3	88.3	94.0	120.9	143.1
Construction	79.5	77.2	97.6	127.6	109.4
Transportation and Utilities	74.5	82.7	93.8	126.5	138.6
Trade	90.9	88.6	97.7	109.1	129.5
Finance, Insurance and Real Estate	45.5	51.5	78.8	269.7	566.7
Personal and Commercial Services	48.3	63.8	89.7	151.7	305.2
Public Administration	74.0	82.3	94.8	134.4	204.2
<b>Total</b>	<b>78.2</b>	<b>85.5</b>	<b>95.5</b>	<b>116.4</b>	<b>139.1</b>

## Farm Product Price Index (1981 = 100)



## Farm Product Price Index

March 1990

The Farm Product Price Index (1986=100) for Canada stood at 106.6 in March, up 0.9% over the revised February level of 105.6. The crops index recorded a 0.6% increase, while the livestock and animal products index increased 1.3%. However, the overall index remained 4.7% below the year-earlier level of 111.9. Cereal and oilseed prices for the 1989-90 crop year (August 1 – July 31) have been much lower than for the previous crop year, as 1989 North American grain production rebounded from the drought-reduced 1988 level.

The percentage changes in the index between February and March 1990 by province were as follows:

• Newfoundland	-4.4%
• Prince Edward Island	+8.2%
• Nova Scotia	+0.9%

• New Brunswick	-0.5%
• Quebec	+0.8%
• Ontario	+1.2%
• Manitoba	+0.9%
• Saskatchewan	+0.8%
• Alberta	+1.1%
• British Columbia	-0.2%
• Canada	+0.9%

### Crops

The crops index rose 0.6% in March to 112.7, as prices for cereals, oilseeds, and potatoes all increased, but remained 15.0% below the year-earlier level of 132.6. Grain prices for the 1989-90 crop year have fallen below those of the previous crop year, but have been trending upwards since November 1989, mainly due to increasing oilseed prices. Grain prices in 1988-89 were the highest in four years, as drought in North America reduced crop production.

- The cereals index decreased 0.1% to 108.7 in March. Cereal prices increased in November and December 1989, but have decreased in the first quarter of 1990 to stand 21.1% below year-earlier levels.
- The oilseeds index rose 3.1% to 124.8 in March but remained 9.4% below year-earlier levels, despite increasing prices since November 1989.
- The potatoes index increased 4.9% to 173.0 in March. Although the March index stood 7.3% above the year-earlier level, it remained 22.0% below the record level attained in July 1989.

#### Livestock and Animal Products

The livestock and animal products index increased 1.3% in March to 102.9, as both hog and cattle prices increased. Poultry prices dropped 0.4%, while egg prices rose 2.0%. The March increase in the livestock index was a continuation of the generally rising trend which occurred throughout 1989, mainly resulting from higher hog prices from May to December 1989.

- The hog index rose 5.7% over the February index of 76.6, to 81.0 in March. Canadian hog slaughter during the first three months of 1990 was 1.0% below first quarter 1989 levels.

#### Note to Users

As of March 1990, the Farm Product Price Index has been rebased to 1986=100. The weighting period of 1981-1984=100 has been maintained, and the commodities included in the index remain unchanged from those included in the 1981=100 index. To provide a measure of continuity, an annual series of linked indexes on a 1986=100 base is available from 1950 to date. The monthly index has been recalculated using a 1986 time base as far back as January 1981. Annual indexes from 1950 to 1980 are linked to the current time base at January 1981.

- The cattle index increased 0.8% to 108.4 in March. This was 1.3% higher than the year-earlier level of 107.0. Reduced cattle slaughter in North America in 1989 and the early part of 1990 has contributed to the slight upward trend in cattle prices since January 1989.

#### Available on CANSIM: matrix 176.

The March issue of the *Farm Product Price Index* (62-003,\$7.10/\$71) is scheduled for release on May 23. See "How to Order Publications".

For further information on this release, contact Liz Leckie (613-951-2436), Farm Income and Prices Section, Agriculture Division. ■

## Construction Union Wage Rate Index

March 1990

The Canada Total Union Wage Rate Index (including supplements) for construction trades (1981 = 100) showed no change in March from February's figure of 157.6. On a year-over-year basis, the composite index increased 5.6% to 157.6 from 149.3.

The table below shows wage rates for bricklayers, plasterers and cement finishers.

Available on CANSIM: matrices 400-405, 956 and 958.

The first quarter 1990 issue of *Construction Price Statistics* (62-007, \$18/\$72) will be available in June. See "How to Order Publications".

For further information on this release, contact the Information and Current Analysis Unit (613-951-9607), Prices Division.

### Construction Union Wage Rates<sup>1</sup>

(in dollars)

March 1990

	Trades					
	Bricklayer		Plasterer		Cement Finisher	
	Basic Rate	Basic Rate and Selected Pay Supplements	Basic Rate	Basic Rate and Selected Pay Supplements	Basic Rate	Basic Rate and Selected Pay Supplements
St. John's	17.25	20.31	17.25	20.31	17.25	20.31
Halifax	19.57	22.64	16.36	17.83	16.20	17.53
Saint John	17.33	20.41	17.33	20.41	17.33	20.41
Montreal	20.16	23.86	19.42	23.03	18.47	21.98
Ottawa	22.13	26.23	20.32	23.87	19.93	23.46
Toronto	22.13	27.62	20.50	25.09	20.65	25.28
Thunder Bay	21.84	26.39	19.28	23.75	18.45	22.86
Winnipeg	18.55	21.06	18.23	20.35	16.55	18.46
Regina	..	..	..	..	..	..
Edmonton	..	..	..	..	..	..
Vancouver	21.34	26.88	22.47	26.70	20.46	26.19

<sup>1</sup> Rates are available for other trades and other cities.

.. Figures not available.

Basic Rate and selected pay supplements consists of vacation pay, statutory holiday pay, employer's contribution to health and welfare and pension plans.

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## DATA AVAILABILITY ANNOUNCEMENTS

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### Steel Primary Forms (Steel Ingots)

Week Ending May 5, 1990

Preliminary estimates indicate that Canadian steel primary forms production for the week ending May 5, 1990 totalled 286 509 tonnes, a decrease of 0.5% from the preceding week's total of 288 032 tonnes and down 7.2% from the year-earlier level of 308 572 tonnes. The cumulative total in 1990 was 4 891 163 tonnes, a decrease of 12.6% from 5 593 395 tonnes for the same period in 1989.

For further information on this release, contact Greg Milsom (613-951-9827), Industry Division. ■

### Steel Pipe and Tubing

March 1990

Steel pipe and tubing production for March 1990 totalled 131 274 tonnes, a decrease of 5.9% from the 139 575<sup>r</sup> tonnes produced a year earlier.

Year-to-date production totalled 411 319 tonnes, up 5.3% over the 390 728<sup>r</sup> tonnes produced during the same period in 1989.

Available on CANSIM: matrix 35.

The March 1990 issue of *Steel Pipe and Tubing* (41-011 \$5/\$50) will be available at a later date. See "How to Order Publications".

For further information on this release, contact Gerry Barrett (613-951-3515), Industry Division. ■

### Industrial Chemicals and Synthetic Resins

March 1990

Canadian chemical firms produced 125 523 tonnes of polyethylene synthetic resins in March 1990, an increase of 2.2% over the 122 853 tonnes produced in March 1989.

January to March 1990 production totalled 384 635<sup>r</sup> tonnes, up 6.6% over 360 897 tonnes produced during the same period in 1989.

Data are also available on Canadian production of three other types of synthetic resins and 24 industrial chemicals for March 1990, March 1989 and corresponding cumulative figures.

Available on CANSIM: matrix 951.

The March 1990 issue of *Industrial Chemicals and Synthetic Resins* (46-002, \$5.60/\$56) will be available at a later date. See "How to Order Publications".

For further information on this release, contact Raj Sehdev (613-951-3513), Industry Division. ■

### Footwear Statistics

March 1990

Canadian manufacturers produced 2,907,793 pairs of footwear in March 1990, a decrease of 3.5% from the 3,013,637<sup>r</sup> pairs produced a year earlier.

Year-to-date production for January to March 1990 totalled 8,275,775 pairs of footwear, up 2.9% over 8,046,309<sup>r</sup> pairs produced during the same period in 1989.

Available on CANSIM: matrix 8.

The March 1990 issue of *Footwear Statistics* (33-002, \$5/\$50) will be available at a later date. See "How to Order Publications".

For further information on this release, contact Don Grant (613-951-5998), Industry Division. ■

### Milling and Crushing Statistics

March 1990

#### Milling

The total amount of wheat milled in March 1990 was 196 912 tonnes, down 0.5% from the 197 576 tonnes milled in March 1989.

The resulting wheat flour production decreased 3% to 147 523 tonnes in March 1990 from 151 313 tonnes in March 1989.

## Crushing

Canola crushings for March 1990 amounted to 110 843 tonnes, up 5% over the 104 904 tonnes crushed in March 1989. The resulting oil production increased 4% to 43 553 tonnes from 41 825 tonnes in March 1989. Meal production increased 6% to 63 782 tonnes, from 59 810 tonnes in March 1989.

Soybean crushings for the same month increased 29% to 104 351 tonnes in 1990, from 74 289 tonnes a year earlier. As a result, oil production increased 31% to 18 828 tonnes in March 1990, from 12 983 tonnes in March 1989. Meal production also increased, up 30% to 81 127 tonnes from 56 756 tonnes in March 1989.

**Available on CANSIM: matrix 5687.**

The March 1990 issue of *Cereals and Oilseeds Review* (22-007, \$13.80/\$138) is scheduled for release in June. See "How to Order Publications".

For further information on this release, contact A. Dupuis (613-951-3871), Agriculture Division. ■

## Canadian Mushroom Production 1989

Preliminary estimates for the 1989 production and value of mushrooms are now available on CANSIM.

Mushroom production in Canada during 1989 was 52,026 tonnes, a 2.6 % increase over the previous year's production. Value of the 1989 mushroom crop was \$158,963,000.

**Available on CANSIM: matrix 1407.**

For further information, order *Fruit and Vegetable Production* (22-003, \$18/\$72). See "How to Order Publications".

For further information on this release, contact Ron Brzezinski (613-951-0374), Agriculture Division. ■

## Pack of Processed Beans, Green and Wax 1989

The data on pack of processed beans, green and wax for 1989 are now available.

The publication *Pack of Processed Beans, Green and Wax, 1989* (32-023, Vol.18, No.8, \$7.80/\$127) will be released at a later date.

For further information, contact Brian Preston (613-951-3511), Industry Division. ■

## Selected Financial Indexes

March 1990

March 1990 figures are now available for the selected financial indexes.

**Available on CANSIM: matrix 412.**

The first quarter 1990 issue of *Construction Price Statistics* (62-007, \$18/\$72) will be available in June. See "How to Order Publications."

For further information on this release, contact the Information and Current Analysis Unit (613-951-9607), Prices Division. ■

## Provincial Gross Domestic Product by Industry 1984-1986

Gross Domestic Product estimates for 1986 and the revised estimates for 1984 and 1985 are now available on CANSIM. The revised data incorporate the recent revisions in the source data for agriculture and related industries.

**Available on CANSIM: matrices 7360-7370 (GDP in current prices), matrices 7371-7381 (GDP in constant prices), matrices 7382-7392 (gross output in current prices) and matrices 7393-7403 (gross output in constant prices).**

The 1986 issue of *Provincial Gross Domestic Product by Industry* (15-203, \$35/\$42/\$49) is scheduled for release in June 1990. See "How to Order Publications".

For further information on this release, contact Ronald Rioux (613-951-3697), Input-Output Division. ■



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## PUBLICATIONS RELEASED

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*Prices for publications in the United States and "Other Countries" are expressed in \$U.S.*

**Cereals and Oilseeds Review**, February 1990.

**Catalogue number 22-007**

(Canada: \$13.80/\$138; United States: \$16.60/\$166; Other Countries: \$19.30/\$193).

**Labour Force Information**, April 1990.

**Catalogue number 71-001P**

(Canada: \$6.30/\$63; United States: \$7.60/\$76; Other Countries: \$8.80/\$88).

**Specified Domestic Electrical Appliances**, March 1990.

**Catalogue number 43-003**

(Canada: \$5/\$50; United States: \$6/\$60; Other Countries: \$7/\$70).

**Unemployment Insurance Statistics**, February 1990.

**Catalogue number 73-001**

(Canada: \$14.70/\$147; United States: \$17.60/\$176; Other Countries: \$20.60/\$206).

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