



The Daily

Statistics Canada

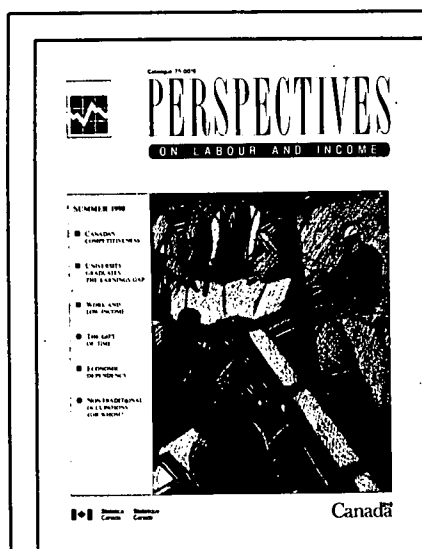
Tuesday, May 29, 1990

For release at 10:00 a.m.

MAJOR RELEASES

- **Wholesale Trade, March 1990** 3
Wholesale merchants' sales totalled \$16.6 billion in March 1990, a decrease of 1.2% from a year earlier.
- **Industrial Corporations: Financial Statistics, First Quarter 1990 (Preliminary Data)** 5
Seasonally adjusted operating profits were unchanged in the first quarter of 1990, following declines averaging 12% in each of the previous three quarters.

(Continued on page 2)



Perspectives on Labour and Income Summer 1990

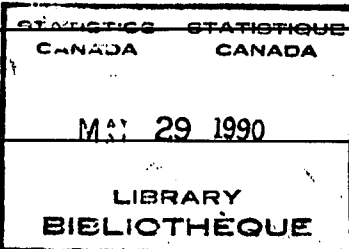
The new edition of Statistics Canada's quarterly journal on labour and income issues is now available.

This issue of *Perspectives on Labour and Income* looks at Canada's international competitiveness in manufacturing. The edition also features studies on the earnings gap between recent male and female university graduates, women and men in non-traditional occupations, work and relative poverty, an international comparison of dependency ratios, and volunteers.

Each quarter, *Perspectives on Labour and Income* uses results from several data sources to examine and offer insights on emerging issues. Articles trace recent labour market developments as well as current income and wealth issues.

The Summer issue of *Perspectives on Labour and Income* (75-001E, \$13.25/\$53) is now available. See "How to Order Publications".

For further information on this release, contact Ian Macredie (613-951-9456) or Henry Pold (613-951-4608).



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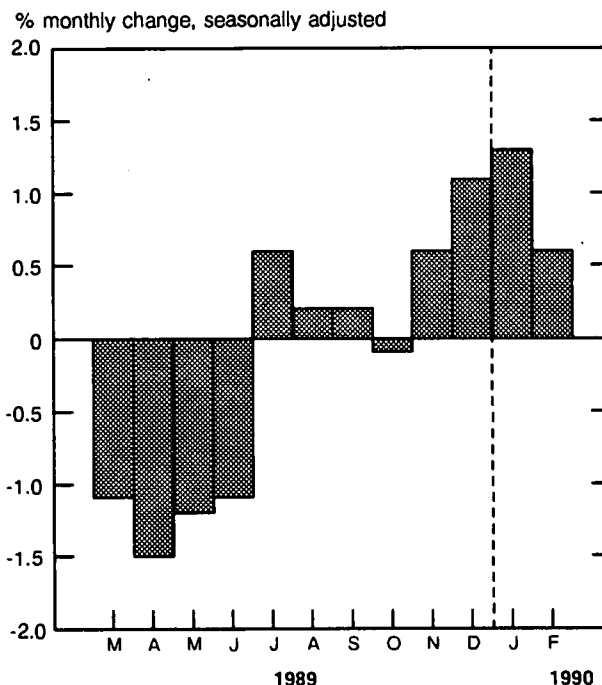
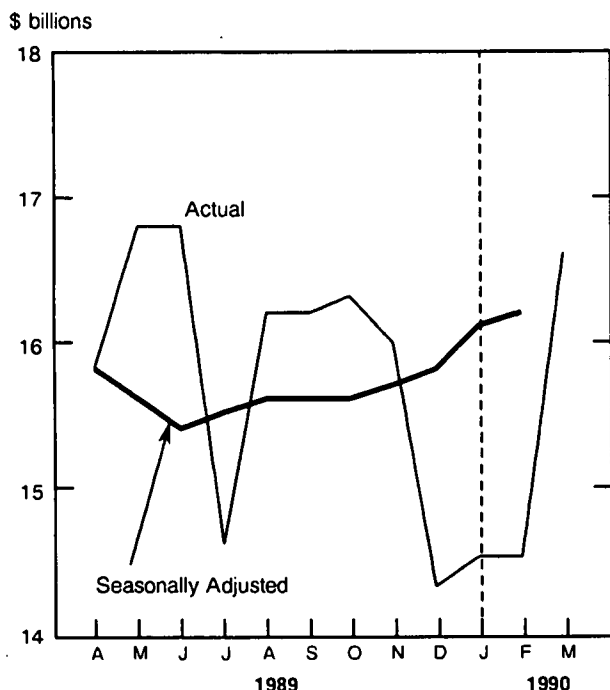
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MAJOR RELEASES

Wholesale Merchants' Sales



Wholesale Trade

March 1990

Highlights

Unadjusted

- Wholesale merchants' sales were \$16.6 billion in March 1990, a decrease of 1.2% from the same month a year earlier. For the third consecutive month, moderate year-over-year sales fluctuations were recorded. A decline of 0.3% in January was followed by a gain of 0.9% in February.
- The overall decline between March 1989 and March 1990 sales was primarily attributable, in order of dollar impact, to decreases reported by wholesalers of metals, hardware, plumbing and heating equipment and supplies (-10.0%) and wholesalers of other machinery, equipment and supplies (-2.7%). Gains were reported by

wholesalers of other products (+3.1%) and wholesalers of food, beverage, drug and tobacco products (+1.2%).

- Seven provinces posted sales decreases, ranging from -13.4% in Newfoundland to -1.8% for Manitoba. Increases ranged from 9.9% for the Yukon and Northwest Territories to 3.3% for Alberta.

Year-to-date

- Cumulative sales for the first three months of 1990 were estimated at \$45.6 billion, 0.3% lower than the value for the corresponding period in 1989.

Seasonally Adjusted - February 1990

- Wholesale merchants' sales on a seasonally adjusted basis were up 0.6% over the previous month, to \$16.2 billion in February 1990.

- Five of the nine trade groups registered higher sales than in January 1990. The strongest growth to the overall sales, in order of dollar impact, came from wholesalers of other machinery, equipment and supplies (+2.2%), followed by wholesalers of other products (+2.0%). Lower sales were recorded by wholesalers of metals, hardware, plumbing and heating equipment and supplies (-1.7%) and wholesalers of lumber and building materials (-1.3%).
- Regionally, growth was led by Alberta (+2.2%), followed by Prince Edward Island (+2.0%) and

Ontario (+1.5%). Declines were registered in only three provinces: Saskatchewan (-2.7%), Nova Scotia (-2.4%) and New Brunswick (-0.8%).

Available on CANSIM: matrices 648 and 649.

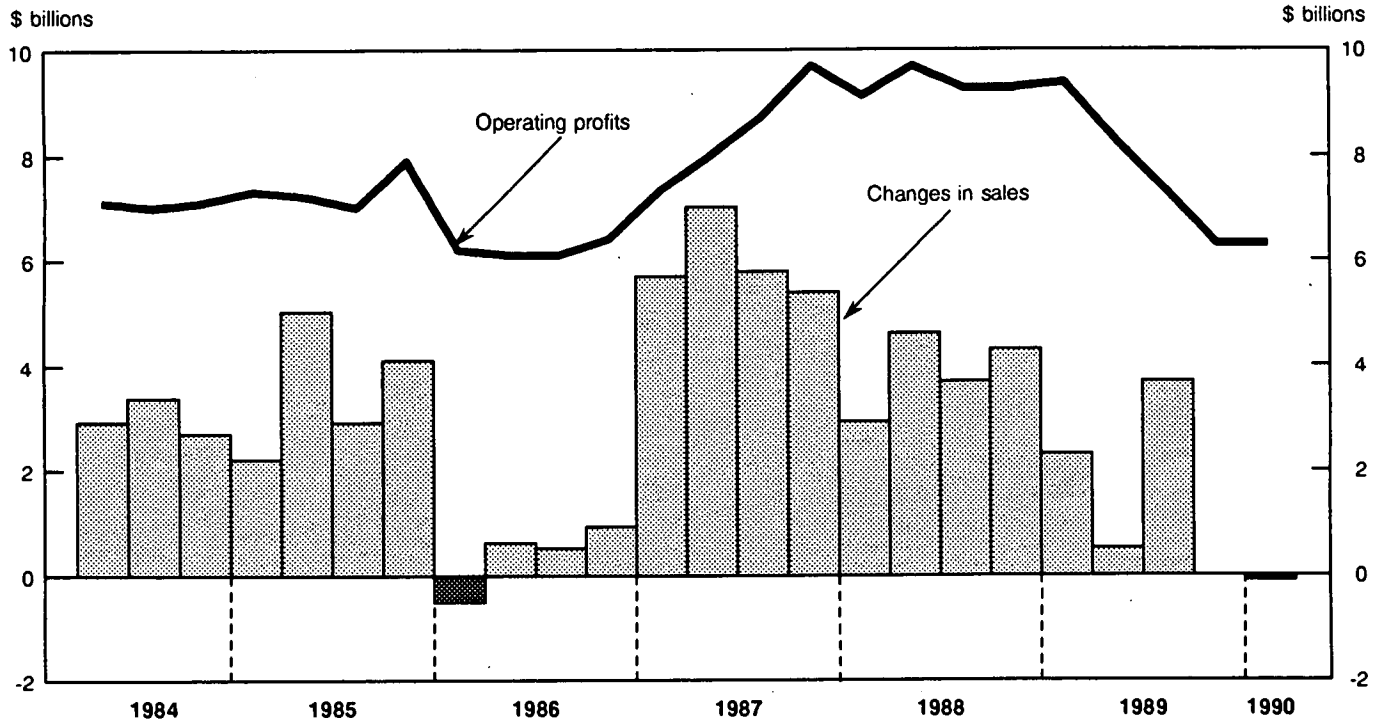
The March 1990 issue of *Wholesale Trade* (63-008, \$14.40/\$144) will be available the second week of June. See "How to Order Publications".

For more information on this release contact Gilles Berniquez (613-951-3540) or Larry Murphy (613-951-3589), Industry Division.

Wholesale Merchants Sales, by Trade Group and Region March, 1990

Trade group	Unadjusted				Seasonally Adjusted						
	March 1989	Feb. 1990 ^r	March 1990 ^p	March 1990/ 1989	Feb. 1989	Nov. 1989 ^r	Dec. 1989 ^r	Jan. 1990 ^r	Feb. 1990 ^p	Feb./ Jan. 1990	Feb. 1990/ 1989
	millions of \$			%	millions of \$					%	%
Canada											
Food, beverage, drug and tobacco products	3,400	3,305	3,441	1.2	3,461	3,559	3,580	3,617	3,588	-0.8	3.7
Apparel and dry goods	497	429	491	-1.2	419	365	368	384	390	1.6	-6.9
Household goods	613	519	632	3.0	586	567	589	600	599	-0.2	2.2
Motor vehicles, parts and accessories	1,995	1,593	1,999	0.2	1,859	1,782	1,790	1,787	1,805	1.0	-2.9
Metals, hardware, plumbing and heating equipment and supplies	1,547	1,249	1,393	-10.0	1,476	1,330	1,336	1,367	1,345	-1.7	-8.9
Lumber and building materials	1,460	1,203	1,405	-3.8	1,548	1,622	1,608	1,603	1,582	-1.3	2.2
Farm machinery, equipment and supplies	337	267	335	-0.8	380	377	366	363	373	2.8	-2.0
Other machinery, equipment and supplies	4,492	3,772	4,369	-2.7	3,967	3,628	3,749	3,859	3,943	2.2	-0.6
Other products	2,481	2,152	2,558	3.1	2,519	2,451	2,461	2,478	2,527	2.0	0.3
Total, all trades	16,822	14,490	16,623	-1.2	16,215	15,681	15,848	16,058	16,151	0.6	-0.4
Regions											
Newfoundland	182	139	158	-13.4	193	163	159	156	156	0.1	-18.9
Prince Edward Island	44	36	42	-4.8	45	41	41	41	42	2.0	-5.6
Nova Scotia	426	356	416	-2.3	427	416	417	420	410	-2.4	-4.0
New Brunswick	297	242	257	-13.3	307	282	278	276	274	-0.8	-10.6
Quebec	4,128	3,740	4,039	-2.2	4,079	3,936	4,062	4,145	4,145	--	1.6
Ontario	7,073	5,782	6,838	-3.3	6,748	6,285	6,271	6,304	6,396	1.5	-5.2
Manitoba	525	449	516	-1.8	529	518	514	520	527	1.3	-0.4
Saskatchewan	487	447	508	4.3	502	557	565	566	551	-2.7	9.9
Alberta	1,464	1,272	1,512	3.3	1,450	1,376	1,410	1,440	1,472	2.2	1.5
British Columbia	2,176	2,012	2,317	6.5	1,993	2,095	2,154	2,188	2,203	0.7	10.5
Yukon and Northwest Territories	19	16	21	9.9	20	20	20	21	21	0.8	8.2

Industrial Corporations – All Industries Quarterly Operating Profits and Changes in Sales (seasonally adjusted)



Industrial Corporations: Financial Statistics

First Quarter 1990 (Preliminary Data)

Seasonally Adjusted

- Operating profits of Canadian industrial corporations were unchanged in the first quarter of 1990, in sharp contrast to the 12% average profit slides of the previous three quarters. The first and previous quarters' profits, both at \$6.3 billion, were the lowest since the third quarter of 1986 and well below the recent peak of \$9.7 billion in the second quarter of 1988.
- Sales remained virtually unchanged for the third consecutive quarter at \$240.4 billion.
- Of the 46 industry groupings, 25 registered profit increases, 19 posted declines and two remained unchanged.

- The largest operating profit increases were for transportation equipment (\$143 million) and mineral fuels (\$132 million). The most significant profit declines were for primary metals (\$115 million), transportation (\$77 million), wholesale lumber (\$66 million) and metal mining (\$62 million).

First Quarter – Industry Highlights

Transportation Equipment: After falling for three consecutive quarters to \$65 million in the final quarter of 1989 (the lowest level since 1982), operating profits rebounded somewhat in the first quarter. The current profit level of \$208 million, however, is still well below the recent high of \$462 million recorded in the first quarter of 1989. In spite of a sales decline of 3.8%, profits increased because of improved operating margins.

Mineral fuels: Following six consecutive quarters of operating losses, profits rose \$132 million to \$105 million in the first quarter. The average price of crude oil in the first quarter was up from 1989 levels, helping sales rise 7.2% to \$5.7 billion.

Primary metals: Operating profits fell \$115 million to record a loss of \$10 million. This represented the first quarterly loss since the second quarter of 1983. Profits had grown to \$0.6 billion in the first quarter of 1989, but have steadily declined since that time. Slumping demand and prices contributed to the 6.1% decline in industry sales in the current quarter.

Transportation: Operating profits continued to weaken, falling \$77 million to a loss of \$191 million. The industry has registered operating losses in five of the past six quarters. Sales rose slightly to \$8.4 billion.

Wholesale lumber: Operating profits were down \$66 million to \$8 million, the lowest profit level since 1982. Sales declined 4.2% to \$3.9 billion.

Metal mining: Operating profits fell sharply for the fourth consecutive quarter. Profits fell to \$164 million from \$226 million in the fourth quarter and the \$995 million registered in the first quarter of 1989. Continued weakness in selling prices contributed to the profit slide and to a 5% decline in sales.

The information covers all corporations in Canada except government-owned corporations and those in agriculture, fishing and finance industries.

More detailed statistics for the 46 industry groups are now available on CANSIM: matrices 4780-4791, 4796-4921 and 4928-4942.

Order *Industrial Corporations: Financial Statistics* (61-003P), available the third week of June. See "How to Order Publications".

For further information on this release, contact Gail Campbell or Bill Potter (613-951-9843), Industrial Organization and Finance Division.

Industrial Corporations, Financial Statistics

First Quarter 1990
(Billions of dollars)

	Seasonally Adjusted			Unadjusted		
	Third Quarter 1989	Fourth Quarter 1989	First Quarter 1990	First Quarter 1988	First Quarter 1989	First Quarter 1990
Sales						
All Industries	240.5	240.5	240.4	214.6	229.4	233.6
Mining	10.0	9.6	9.8	9.3	10.3	10.0
Manufacturing	85.5	84.8	84.7	79.3	83.5	83.0
Other	145.0	146.1	145.9	126.0	135.6	140.6
Operating Profit						
All Industries	7.3	6.3	6.3	8.9	9.2	6.0
Mining	.5	.3	.4	.7	1.1	.5
Manufacturing	3.8	3.2	3.2	4.7	4.7	2.9
Other	3.0	2.8	2.7	3.5	3.4	2.6
Profit before Taxes						
All Industries	11.8	11.7	10.4	13.4	13.3	10.0
Mining	1.2	1.1	.8	1.4	1.7	1.0
Manufacturing	5.2	4.8	4.5	6.4	6.0	4.1
Other	5.4	5.8	5.1	5.6	5.6	4.9
Net Profit after Taxes (excluding extraordinary items)						
All Industries	7.6	7.9	6.8	8.6	8.6	6.5
Mining	.8	.7	.4	.8	1.1	.5
Manufacturing	3.4	3.3	3.0	4.3	3.9	2.7
Other	3.4	3.9	3.4	3.5	3.6	3.3

Department Store Sales and Stocks

March 1990

Highlights

Seasonally Adjusted

- Adjusted for seasonal fluctuations and the number of trading days, department store sales including concessions totalled \$1,172 million in March 1990, a modest decrease of 0.2% from the previous month's revised total of \$1,175 million.
- During the first three months of 1990, department store sales have fluctuated markedly, with an overall quarterly decline of 0.5% compared to an increase of 1.2% in the last quarter of 1989.
- Department store stocks (at selling value) totalled \$4,710 million at the end of March, a decrease of 0.8% from the February 1990 revised value of \$4,750 million. This decrease followed an increase of 1.2% in February.

Note to Users:

Data users should note that unadjusted monthly department store sales estimates for the previous year (1989) have been revised to incorporate late responses. Seasonally adjusted data have been revised for the period January 1986 to February 1990, and incorporate the latest unadjusted data as well as trading day adjustment factors.

- The ratio of stocks-to-sales stood at 4.02:1 in March, a slight decrease from the average ratio of 4.04:1 observed in the three previous months.

Available on CANSIM: matrix 111 and 112.

Order the March 1990 issue of *Department Store Sales and Stocks* (63-002, \$13/\$130), available the third week of July. See "How to Order Publications".

For further information on this release, contact Roger Laplante (613-951-3552), Retail Trade Section, Industry Division.

Department Store Sales, Canada (including concessions)

	Unadjusted				Seasonally Adjusted						
	March 1989	Feb. 1990	March 1990	March 1990/1989	March 1989	Dec. 1989 r	Jan. 1990 r	Feb. 1990 r	March 1990 P	March/ Feb. 1990	March 1990/1989
	millions of \$		%		millions of \$		%		%		
Total Sales	984.2	775.2	1,029.0	4.6	1,141.2	1,178.8	1,160.9	1,175.2	1,172.5	-0.2	2.7
Total Stocks	4,505.4	4,365.9	4,760.2	5.7	4,451.4	4,759.9	4,695.3	4,749.6	4,709.6	-0.8	5.8
Stock-to-Sales Ratio	4.58	5.63	4.63		3.90	4.04	4.04	4.04	4.02		

Measuring Canada's International Competitiveness

1981-1988

Canada's productivity growth in manufacturing trailed its major competitors in the 1980s. Between 1981 and 1988, the output per hour in Canadian manufacturing rose 2.3% per year, the lowest rate of increase among the seven major OECD countries.

"Measuring Canada's International Competitiveness" is one of the seven studies featured in the Summer 1990 issue of the quarterly, *Perspectives on Labour and Income* (75-001E). This article examines how successful Canadian manufacturers have been in terms of price competitiveness and productivity during the past decade. The impact of high technology products is also discussed.

Highlights include:

- Between 1981 and 1988, the growth in unit labour costs in Canadian manufacturing exceeded that in the United States (3.0% per year versus 0.4%, when expressed in American dollars). This faster growth was caused by larger increases in labour costs (3.4% per year versus 0.4%) that were only partially offset by the depreciation of the Canadian dollar.
- During the same period, the cost competitiveness of Canadian manufacturing deteriorated against the United Kingdom. But it remained virtually unchanged against France and improved against

Japan, West Germany and Italy. The strong appreciation of the yen and the deutschemark against the Canadian dollar explains the gain in Canada's competitiveness versus Japan and West Germany.

- Since 1986 Canada has suffered a serious deterioration in its cost competitiveness in the U.S. market. With 1977 equalling 1.0, the ratio between the Canadian and American unit labour cost indexes rose from .92 in 1986 to 1.19 in 1989, an increase of 29%. The ratio was at its highest level since the beginning of the series in 1950. As a result, the merchandise trade surplus fell to \$13.6 billion in 1988.
- In 1987, Canada ran a trade deficit of \$7.2 billion in high-technology products, up from \$5.4 billion in 1981. The largest deficits were in computers, electronic equipment, scientific instruments, electric machinery and non-electric machinery. In the two high-technology product areas where Canadian firms are doing significant research and development (telecommunications and aerospace), Canada's trade deficit was relatively better.

To obtain "Measuring Canada's International Competitiveness", order the Summer 1990 issue of *Perspectives on Labour and Income* (75-001E, \$13.25/\$53). See "How to Order Publications".

For further information, contact Dr. Andrew Sharpe (613-234-0505), Canadian Labour Market and Productivity Centre. ■

DATA AVAILABILITY ANNOUNCEMENTS

Railway Carloadings

April 1990

Revenue freight loaded by railways in Canada totalled 21.3 million tonnes in April 1990, an increase of 8.6% over the April 1989 figure. The carriers received an additional 1.1 million tonnes from United States connections.

Total loadings in Canada for the year to date showed an increase of 5.7% over the 1989 period, while receipts from United States connections showed an increase of 4.1%.

All 1989 figures and 1990 cumulative data have been revised.

Available on CANSIM: matrix 1431.

The April 1990 issue of *Railway Carloadings* (52-001, \$8.30/\$83) will be released the fourth week of June.

For seasonally adjusted revenue freight loadings, contact Angus MacLean (613-951-2484), Transportation Division. ■

Asphalt Roofing

April 1990

Shipments of asphalt shingles totalled 3 546 130 metric bundles in April 1990, an increase of 13.3% over the 3 129 655^r bundles shipped a year earlier.

January-to-April 1990 shipments were 11 192 542 bundles, up 5.9% over 10 567 648^r bundles shipped during the same period in 1989.

Available on CANSIM: matrices 32 and 122 (series 27 and 28).

The April 1990 issue of *Asphalt Roofing* (45-001, \$5/\$50) will be available at a later date. See "How to Order Publications".

For more detailed information on this release, contact Sandra Bohatyretz (613-951-3531), Industry Division. ■

Process Cheese and Instant Skim Milk Powder

April 1990

Production of process cheese in April 1990 totalled 6 132 646 kilograms, a decrease of 25.8% from (revised) March 1990, but an increase of 15.6% over (revised) April 1989. The 1990 year-to-date production totalled 28 349 515^r kilograms, compared to the corresponding 1989 amount of 24 363 319^r kilograms.

Total production of instant skim milk powder during the month was 266 560 kilograms, a decrease of 48.1% from March 1990 and a decrease of 21.6% from the (revised) April 1989. Cumulative year-to-date production totalled 1 539 184 kilograms, compared to the 1 757 723^r kilograms reported for the corresponding period in 1989.

Available on CANSIM: matrix 188 (series 1.10).

The April 1990 issue of *Production and Inventories of Process Cheese and Instant Skim Milk Powder* (32-024, \$5/\$50) will be available at a later date. See "How to Order Publications".

For more detailed information on this release, contact Brian Preston (613-951-3511), Industry Division. ■

Rigid Insulating Board

April 1990

Shipments of rigid insulating board totalled 3 256 thousand square metres (12.7 mm basis) in April 1990, a decrease of 5.4% compared to 3 443^r thousand square metres (12.7 mm basis) in April 1989.

For January to April 1990, year-to-date shipments amounted to 11 033^r thousand square metres (12.7 mm basis) compared to 11 909^r thousand square metres (12.7 mm basis) for the same period in 1989, a decrease of 7.4%.

Available on CANSIM: matrices 31 (series 1) and 122 (series 4-7).

The April 1990 issue of *Rigid Insulating Board* (36-002, \$5/\$50) will be available at a later date. See "How to Order Publications".

For more detailed information on this release, contact Sandra Bohatyretz (613-951-3531), Industry Division. ■

Local Government Long-term Debt

April 1990

Estimates on the accumulated long term debt of local governments in Canada, except Ontario, as at April 1990 are now available.

For further information on this release, contact Marlene Vollmer (613-951-1830), Public Institutions Division.

For more information, or general inquiries on Public Institutions Division's products or services, contact Patricia Phillips (613-951-0767). ■

**The
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Statistics Canada's Official Release Bulletin for Statistical Information

Catalogue 11-001E. Price: Canada: \$120.00 annually; United States: US\$144.00 annually; Other Countries: US\$168.00 annually

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

Senior Editor: Greg Thomson (613-951-1116)
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PUBLICATIONS RELEASED

Production, Shipments and Stocks on Hand of Sawmills East of the Roches (Excluding Newfoundland and Prince Edward Island),
March 1990.

Catalogue number 35-002

(Canada: \$10.00/100.00; United States: US\$12.00/US\$120.00; Other Countries: US\$14.00/US\$140.00).

Production, Shipments and Stocks on Hand of Sawmills in British Columbia, March 1990.
Catalogue number 35-003

(Canada: \$7.10/\$71.00; United States: US\$8.50/US\$85.00; Other Countries: US\$9.90/US\$99.00).

Mineral Wool Including Fibrous Glass Insulation,
April 1990.

Catalogue number 44-004

(Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Communications Service Bulletin - Cable Television Statistics, 1989.

Catalogue number 56-001

(Canada: \$8.20/\$49.00; United States: US\$9.85/US\$59.00; Other Countries: US\$11.50/US\$69.00).

Capital and Repair Expenditures - Manufacturing Sub-industries, Intentions 1990.
Catalogue number 61-214

(Canada \$17.00; United States: US\$20.00; Other Countries US\$24.00).

Imports by Commodity (H.S. Based), March 1990.
Catalogue number 65-007

(Canada: \$55.10/\$551.00; United States: US\$66.10/US\$661.00; Other Countries: US\$77.10/US\$771.00).

Perspectives on Labour and Income, Summer 1990.

Catalogue number 75-001E

(Canada \$13.25/\$53; United States: US\$16.00/\$64.00; Other Countries US\$18.50/\$74.00).

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Publications may also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, 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.



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Halifax, Nova Scotia
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Local calls: 426-5331
Toll free service: 1-800-565-7192

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General Post Office Building
266 Graham Avenue
Winnipeg, Manitoba
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