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- **National Income and Expenditure Accounts, Second Quarter 1992** 2
Real GDP at market prices expanded 0.2% in the second quarter of 1992, similar to the first quarter's 0.3% growth rate.
- **Real Gross Domestic Product at Factor Cost by Industry, June 1992** 9
Gross Domestic Product at Factor Cost advanced 0.2% in June, following a flat April and a 0.1% decline in May.
- **Balance of International Payments, Second Quarter 1992** 12
Canada's seasonally adjusted current account deficit amounted to \$7.5 billion, up slightly from the first quarter and in line at annual rates with the record deficit of 1991.
- **Financial Flow Accounts, Second Quarter 1992** 16
The demand for funds on financial markets rose in the second quarter of 1992, as borrowing in the government sector grew substantially.

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Chart 1

GDP at 1986 Prices

Quarterly percentage change

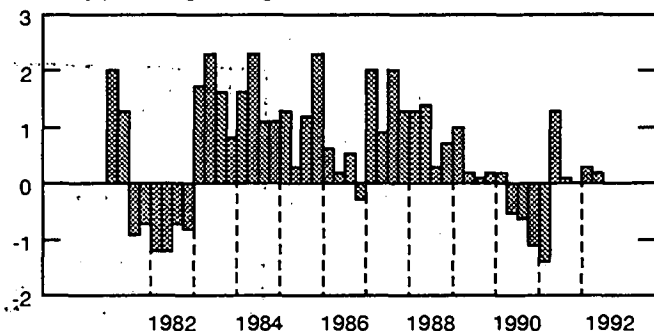
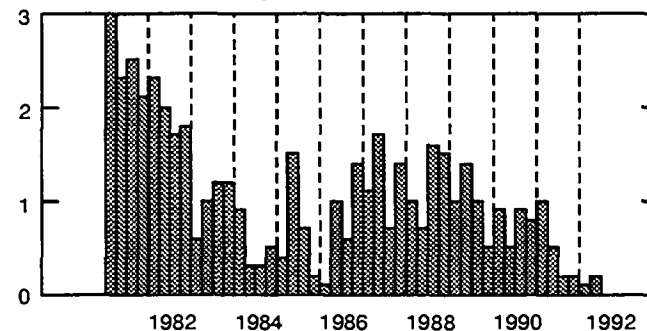


Chart 2

GDP Implicit Price Index

Quarterly percentage change



National Income and Expenditure Accounts

Second Quarter 1992

Gross Domestic Product (GDP) at market prices grew 0.4% in the second quarter of 1992 to a seasonally adjusted annual rate of \$684 billion. GDP at 1986 prices increased 0.2% (equivalent to a compound annual rate of 0.7%), while the implicit price index also increased 0.2% (see Charts 1 and 2).

The modest second quarter growth of economic activity was attributable to higher exports and an accumulation of stocks at the wholesale level, as real final domestic demand remained essentially unchanged. Export volumes rose 1.1%, benefitting from improved competitiveness and stronger demand from the United States. Residential construction increased 1.6% and consumer spending grew 0.4%, although purchases of durable goods decreased. The main weak spot in final demand was business plant and equipment investment, which fell 3.1%.

Components of Demand

Real consumer spending edged up 0.4% in the second quarter after remaining essentially unchanged in the previous three quarters. The static picture since the spring of 1991 reflects an absence of growth in personal disposable income, after allowance for inflation, coupled with a high level of uncertainty associated with rising unemployment. Retail sales rose in April, fell back in May and picked up again in June. Expenditure on non-durable goods rose 0.9%, with gains in motor fuels, electricity, other fuels, and

food and non-alcoholic beverages. Purchases of semi-durable goods advanced 0.4%, led by women's and children's clothing and footwear. The demand for durable goods, in contrast, fell 0.9% as spending was lower on new and used cars and on furniture and household appliances. Among services, there was a drop in net expenditure abroad. The decrease in cross-border shopping, due in part to the declining value of the Canadian dollar vis-à-vis the U.S. dollar, continued as same-day automobile trips to the United States decreased from 15.2 million in the first quarter to 14.6 million in the second. Gross rents increased 0.8% and restaurant and hotel spending grew 0.7%.

Components of Final Demand at Constant Prices

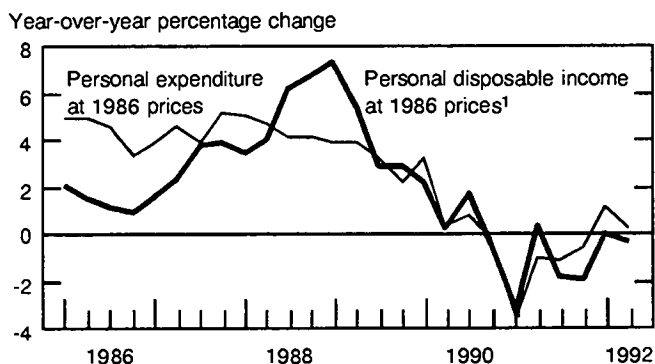
Second quarter 1992

(Percentage change from the previous quarter)

	At 1986 Prices	At 1992 Q1 Prices ¹
Personal expenditure	0.4	0.4
Durable goods	-0.9	-0.8
Semi-durable goods	0.4	0.4
Non-durable goods	0.9	0.8
Services	0.4	0.4
Government current expenditure	0.4	-0.3
Government investment	-0.5	-1.2
Business investment	-1.7	-1.8
Residential construction	1.6	1.7
Non-residential construction	-5.5	-5.6
Machinery and equipment	-1.6	-2.5
Final domestic demand	0.0	-0.2
Exports of goods and services	1.1	0.6
Merchandise	1.5	1.0
Non-merchandise	-1.8	-1.8
GDP excluding inventories	-0.3	-0.3

¹ This is the chain Laspeyres volume index.

Chart 3

Personal Expenditure and Disposable Income

¹ Deflated by the implicit price index for personal expenditure on consumer goods and services

Investment in residential construction increased 1.6% in real terms in the second quarter following a decrease of similar magnitude in the first quarter. The advance resumed the upward trend that began in the spring of 1991 and reflected the considerable improvement in the affordability of housing, which has been associated with lower mortgage interest rates, land prices and building costs. New construction rose 1.1% as starts increased from 153,000 at a seasonally adjusted annual rate in the first quarter to 165,000 in the second. Starts jumped further in July, to 179,000. The second-quarter pickup in starts was focused in Quebec and the Atlantic provinces. Spending on alterations and improvements to existing dwellings rose a more substantial 2.4% in the second quarter, while transfer costs grew 1.4%.

Business investment in plant and equipment decreased substantially during the second quarter. For the first half of 1992, spending in current dollars was 4.3% lower than in the corresponding period in 1991. The drop reflected stagnant consumer demand, low capacity utilization rates, weak corporate balance sheets and continuing high long-term corporate borrowing rates. Non-residential building construction (such as office towers, shopping malls and factories) continued the decline which had been evident since early 1990. Engineering construction (such as hydroelectric plants and oil and gas facilities) also turned down, following a period of steady growth since mid-1987. The overall second quarter drop in non-residential construction was 5.5% in real terms. Investment in machinery and equipment declined as purchases of commercial vehicles and industrial

machinery both decreased, while outlays for office equipment and aircraft grew.

Wholesalers accumulated inventories in the second quarter, while retailers and manufacturers reduced their stocks. An inventory buildup of cars was evident among both retailers and wholesalers. For manufacturers, it was the tenth consecutive quarter of inventory reductions, with the most recent cutback occurring in both raw materials and finished goods. In the farm sector, stocks accumulated by \$0.3 billion on a seasonally adjusted constant dollar basis following a \$1.0 billion drawdown in the first quarter, which was associated with strong wheat exports.

Merchandise exports and imports each grew about 1.5% in volume terms during the second quarter. Office machines and equipment accounted for a large part of the increase in both cases. Exports of natural gas, motor vehicles and parts, newsprint and consumer goods also rose, while foreign sales of wheat and crude petroleum decreased. Other notable increases were recorded in imports of crude and refined petroleum, automobiles and aircraft equipment.

In contrast, trade in services declined during the quarter. Decreases in outlays of foreign travellers in Canada, in freight charges and in other business service receipts resulted in a 1.8% drop in the volume of service exports. In the case of service imports, the 0.7% decline mainly reflected lower spending by Canadian travellers outside the country.

The deficit on trade in goods and services, at current prices and seasonally adjusted at annual rates, rose to \$5.6 billion from \$4.4 billion in the first quarter. The current account deficit, which also takes into account net investment income flows and transfer payments, increased from \$28.5 billion in the first quarter to \$29.9 billion in the second.

Price Indexes

The overall level of prices as measured by the GDP implicit price index, which nets out the effects of changes in import prices and, therefore, provides an indicator of domestic price inflation, increased just 0.2% in the second quarter and only 0.7% on a year-over-year basis. Weak domestic demand and slack labour markets underlay the low rate of inflation. Expenditure weight shifts due to compositional changes were an additional factor accounting for the small size of the increase; in contrast to the implicit price index, the fixed-weight and chain price indexes, which are unaffected by weight shifts, both rose 0.6% during the quarter.

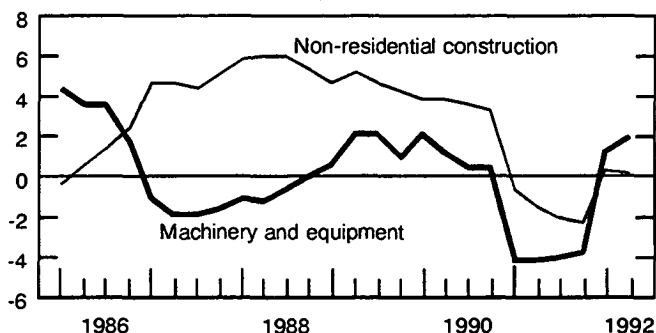
On a year-over-year basis, the fixed-weight price index for final domestic demand rose 1.4% in the second quarter. The advance was led by an increase of 2.4% in the price index for government current expenditure on goods and services. Consumer prices rose 1.4% on this same basis and residential construction prices dropped 0.5%. Business non-residential construction investment prices remained unchanged and the machinery and equipment price index rose 2.0% (see Chart 4).

The moderation of Canada's domestic inflation contrasted with the sharp upturn in import prices which began in the first quarter and continued in the second. Generally higher world commodity prices and the drop in the exchange value of the Canadian dollar were important contributing factors. The dollar depreciated by 1.4% in the second quarter vis-à-vis the U.S. dollar, after dropping 3.8% in the first. Partly due to these international influences, the raw material price index rose 5.9% and the chain price index for imports of goods and services increased 1.4%.

Chart 4

Fixed-weighted Investment Price Indexes

Year-over-year percentage change



Quarterly Price Indexes

(Percentage change from the previous quarter)

	1991				1992	
	Q1	Q2	Q3	Q4	Q1	Q2
Implicit Price Indexes						
Gross domestic product						
At factor cost	-1.1	0.3	0.2	-0.1	0.0	0.0
Indirect taxes less subsidies	19.7	1.6	0.7	1.0	1.3	1.9
At market prices	1.0	0.5	0.2	0.2	0.1	0.2
Personal expenditure						
At factor cost	-0.8	-0.1	0.3	-0.2	0.2	0.2
Indirect taxes less subsidies	26.5	3.1	1.7	1.1	0.6	1.6
At market prices	2.3	0.4	0.6	-0.1	0.2	0.4
Chain Price Indexes						
Personal expenditure	2.3	0.6	0.6	0.0	0.3	0.4
Government current expenditure	0.5	0.5	0.7	0.7	0.1	1.3
Residential construction	3.5	2.1	0.1	-0.7	-0.7	0.5
Non-residential construction	-3.0	0.7	-0.3	0.6	-0.8	0.4
Machinery and equipment	-3.5	-0.5	-0.9	-0.6	1.7	0.1
Final domestic demand	1.3	0.6	0.4	0.1	0.2	0.6
Exports	-2.6	-2.5	-0.8	0.4	1.4	1.4
Imports	-1.9	-1.4	-0.4	0.1	2.7	1.4
Gross domestic product ¹	1.1	0.3	0.3	0.2	-0.2	0.6
Fixed-weighted Price Indexes						
Personal expenditure	2.4	0.6	0.7	-0.1	0.2	0.5
Consumer price index	3.0	0.7	0.6	-0.2	0.5	0.5
Net price index ²	-0.7	0.2	0.4	-0.5	0.3	0.3
Gross domestic product ¹	1.2	0.4	0.4	0.1	0.0	0.6

¹ Excludes value of physical change in inventories.

² Consumer price index excluding indirect taxes and subsidies.

Components of Income

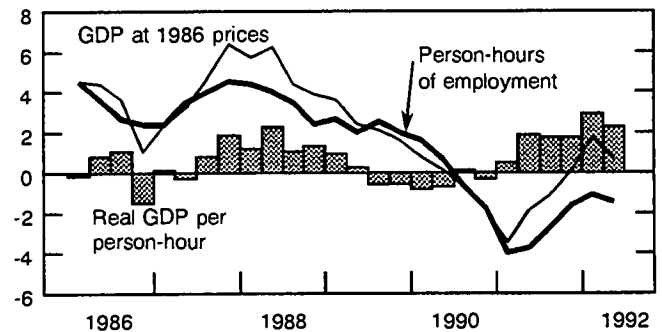
Wages, salaries and supplementary labour income grew 0.7% in the second quarter. The increase occurred despite a 0.6% drop in total paid hours of employment, as average hourly compensation (including supplementary labour income) rose 1.3% in the quarter and 4.2% on a year-over-year basis. Viewed from an industry perspective, the increase in labour income occurred mostly in the services-producing industries, notably in health and welfare, finance, education, provincial administration, commercial services, trade and transportation. There were declines in federal administration, mining and construction. Unit labour costs increased 0.6% during the quarter, as the increase in average wages was partially offset by a 0.8% advance in output per employee-hour worked. It was the second consecutive quarter with strong productivity gains (see Chart 5).

Corporation profits before taxes rose 5.1% in the second quarter following a 10.6% jump in the first quarter, while operating profits of incorporated Canadian enterprises fell. The major difference was the \$1.6 billion loan loss provisions made by financial institutions. These are not allowable expenses on a national accounts basis and are therefore added back. Profits, on a national accounts basis, remained 1.1% below their year-earlier level and 50% lower than the peak attained in the first quarter of 1989. Non-financial industries saw profit increases, on a national accounts basis, although there were wide variations. Profit gains occurred for banking, motor vehicles,

Chart 5

Employment and Output

Year-over-year percentage change



parts and accessories, petroleum and natural gas, and chemicals. Construction and manufacturers of fabricated metals, iron and steel and machinery and equipment experienced further profit declines. Interest and miscellaneous investment income dropped 7.9%, due to a drop in the unremitted profits of government business enterprises and lower interest rates. Net income of non-farm unincorporated business edged up marginally and farm income declined. The latter drop was attributable to lower price and income stabilization subsidies and a decline in wheat exports, as well as to a lower grain harvest outlook following the exceptional crop of 1991.

Employment and Hours

(Percentage change from the previous quarter)

	1991				1992	
	Q1	Q2	Q3	Q4	Q1	Q2
Paid employment*	-1.4	0.3	0.5	-0.6	-1.2	-0.2
Goods-producing industries	-2.9	0.0	0.6	-2.2	-2.9	0.7
Services-producing industries	-0.9	0.4	0.5	-0.1	-0.7	-0.5
Atlantic provinces	-1.5	-1.3	0.0	1.5	-1.1	-1.6
Quebec	-2.2	0.7	0.7	-1.4	-1.3	-0.7
Ontario	-2.2	-0.1	1.0	-1.4	-1.2	0.0
Prairie provinces	0.5	0.7	0.2	-0.9	-1.0	0.3
British Columbia	-0.1	1.3	-0.6	2.0	-1.8	0.2
Full-time	-1.8	-0.3	0.2	0.1	-1.4	-0.6
Part-time	0.3	3.0	2.1	-3.8	-0.6	1.3
Average weekly hours	-0.4	-0.4	-0.2	0.5	0.0	-0.4
Total paid hours	-1.8	-0.2	0.3	-0.1	-1.2	-0.6

* Includes paid employees plus working proprietors with paid help and excludes employees on unpaid absence. Multiple job holders are counted twice. Based on Labour Force Survey data.

Personal income rose 0.7% in the quarter, mainly due to the advance in labour income and a 2.7% increase in government transfer payments. Unincorporated business income also increased slightly, but interest, dividends and miscellaneous investment income declined. Personal disposable (after-tax) income jumped 1.1% during the quarter as net personal income tax payments fell sharply. The lower level of income tax reflected unusually low payments on spring tax filing. The personal saving rate moved up from 10.2% in the first quarter to 10.5% in the second, although net domestic saving for all sectors dropped sharply.

Government Sector

Total government sector current spending increased 2.0% in the quarter. Outlays for interest on the public debt, transfers to persons, goods and services and subsidies to business increased while capital assistance to business and foreign aid transfers to non-residents decreased. Total government sector revenue increased only marginally, with declines in direct taxes offsetting increases in indirect taxes and investment income. The combined federal and provincial government deficit reached \$48.6 billion, on a national accounts basis, as the federal deficit jumped from \$21.0 billion in the first quarter to \$25.9 billion in the second, while the provincial government sector deficit contracted slightly from \$23.2 billion to \$22.7 billion.

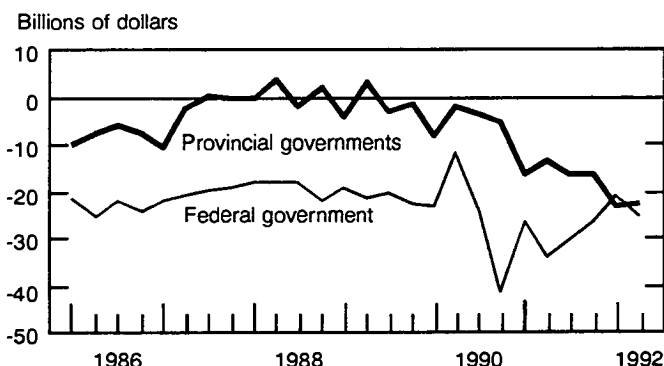
Output by Industry

From the industrial perspective, the pace of recovery in services remained steady as output grew 0.5% following a gain of 0.6% in the first quarter. Goods production fell for a third straight quarter, but the 0.3% drop recorded in the second quarter was smaller than declines averaging 0.6% in the previous two quarters.

In the services sector, increased activity by real estate agents and by investment companies led a 0.7% advance in finance, insurance and real estate. Computer services surged 6.5%, and along with 1.9% gains in health and miscellaneous business services, spurred a 0.9% increase in community, business and personal services. A 1.4% gain in wholesale trade

Chart 6

Federal and Provincial Government Balances



was twice the rate recorded in the first quarter. However, due to shipping disruptions, a 21.8% decline in wheat sales restrained the pickup. In addition, a 0.3% decline in government services partially offset the gains in other services.

Manufacturers boosted output 0.3% following a 0.5% cutback in the first quarter. Increased production of beverages and of electrical products led the improvement. However, the pickup in manufacturing was counteracted by developments in the construction industry, where output fell 2.9% following a 2.2% drop in the first quarter. The decline occurred despite a 1.6% increase in residential construction. Non-residential building construction fell 4.7%, while engineering construction dropped 4.2%.

Available on CANSIM: matrices (seasonally adjusted estimates) 6701, 6702, 6704-6707, 6709-6716, 6718, 6720-6722, 6724-6727, 6729-6736, 6738, 6740, 6828-6839, 6846 and 7420-7432.

For further information about the subject matter in this release, contact Chris Jackson (613-951-1799) or Rémi Fournelle (613-951-3791), National Accounts and Environment Division.

The second quarter 1992 issue of *National Income and Expenditure Accounts* (13-001, \$20/\$80), which contains 33 statistical tables, is scheduled for release in September.

A computer printout containing 57 tables of unadjusted and seasonally adjusted data plus supplementary analytical tables is also available on release day from the National Accounts and Environment Division at a price of \$35 per quarter or \$140 for an annual subscription. Users can purchase the complete quarterly national accounts data set on microcomputer diskettes by modem transfer at 8:30 a.m. on release day for \$125 per quarter or \$500 for

an annual subscription. The diskettes are also available by mail, seven business days after the official release date, for \$25 per quarter or \$100 for an annual subscription.

To purchase any of these products or to obtain more information about them, contact Susie Boyd (613-951-3819), National Accounts and Environment Division.

Gross Domestic Product, Income Based
(Seasonally Adjusted at Annual Rates)

	1991			1992		I 1992/ IV 1991	II 1992/ I 1992
	II	III	IV	I	II		
	(\$ millions)					% Change at Quarterly Rates	
Wages, salaries and supplementary labour income ¹	381,936	384,448	387,280	389,220	392,088	0.5	0.7
Corporation profits before taxes	34,776	34,028	29,568	32,712	34,392	10.6	5.1
Interest and miscellaneous investment income	55,200	53,032	53,428	55,956	51,560	4.7	-7.9
Accrued net income of farm operators from farm production	3,680	3,292	2,896	4,244	3,720	46.5	-12.3
Net income of non-farm unincorporated business, including rent	36,352	37,244	37,248	37,056	37,196	-0.5	0.4
Inventory valuation adjustment	1,892	2,776	868	-3,212	-3,264	-4,080 ²	-52 ²
Net domestic income at factor cost	513,836	514,820	511,288	515,976	515,692	0.9	-0.1
Indirect taxes less subsidies	81,344	81,708	84,600	83,824	84,612	-0.9	0.9 ²
Capital consumption allowances	79,020	79,528	80,312	80,672	81,072	0.4	0.5
Statistical discrepancy	1,616	2,188	3,216	1,372	2,968	-1,844 ²	1,596 ²
Gross Domestic Product at market prices	675,816	678,244	679,416	681,844	684,344	0.4	0.4

¹ Includes military pay and allowances.

² Actual change in millions of dollars.

Gross Domestic Product, Expenditure Based
(Seasonally Adjusted at Annual Rates)

	1991			1992		I 1992/ IV 1991	II 1992/ I 1992
	II	III	IV	I	II		
	At current prices (\$ millions)					% Change at Quarterly Rates	
Personal expenditure on consumer goods and services	410,908	413,728	412,964	412,984	416,204	0.0	0.8
Durable goods	55,020	55,028	52,424	53,112	53,028	1.3	-0.2
Semi-durable goods	37,608	37,488	37,420	37,036	37,100	-1.0	0.2
Non-durable goods	109,824	110,272	109,480	109,156	110,432	-0.3	1.2
Services	208,456	210,940	213,640	213,680	215,644	0.0	0.9
Government current expenditure on goods and services	140,056	141,900	142,652	143,908	145,588	0.9	1.2
Government investment in fixed capital	16,604	16,640	16,732	16,680	16,584	-0.3	-0.6
Government investment in inventories	24	8	-148	164	-12	312 ¹	-176 ¹
Business investment in fixed capital	116,924	116,324	117,296	116,808	114,852	-0.4	-1.7
Residential	41,432	42,860	43,468	43,328	44,204	-0.3	2.0
Non-residential construction	35,384	34,496	34,024	33,360	31,608	-2.0	-5.3
Machinery and equipment	40,108	38,968	39,804	40,120	39,040	0.8	-2.7
Business investment in inventories	-3,212	368	2,688	-2,960	-344	-5,648 ¹	2,616 ¹
Non-farm	-2,680	540	2,780	-2,064	-704	-4,844 ¹	1,360 ¹
Farm and grain in commercial channels	-532	-172	-92	-896	360	-804 ¹	1,256 ¹
Exports of goods and services	164,732	168,136	165,128	173,956	177,376	5.3	2.0
Merchandise	141,424	144,712	141,660	149,116	152,784	5.3	2.5
Non-merchandise	23,308	23,424	23,468	24,840	24,592	5.8	-1.0
Deduct: Imports of goods and services	168,608	176,676	174,680	178,328	182,936	2.1	2.6
Merchandise	133,824	140,624	137,212	141,264	145,572	3.0	3.0
Non-merchandise	34,784	36,052	37,468	37,064	37,364	-1.1	0.8
Statistical discrepancy	-1,612	-2,184	-3,216	-1,368	-2,968	1,848 ¹	-1,600 ¹
Gross Domestic Product at market prices	675,816	678,244	679,416	681,844	684,344	0.4	0.4
Final Domestic Demand	684,492	688,592	689,644	690,380	693,228	0.1	0.4
	At 1986 prices (\$ millions)						
Personal expenditure on consumer goods and services	333,316	333,732	333,324	332,500	333,760	-0.2	0.4
Durable goods	48,856	48,920	46,624	47,184	46,772	1.2	-0.9
Semi-durable goods	29,676	29,292	29,176	28,960	29,088	-0.7	0.4
Non-durable goods	86,360	86,200	86,388	86,340	87,128	-0.1	0.9
Services	168,424	169,320	171,136	170,016	170,772	-0.7	0.4
Government current expenditure on goods and services	115,576	116,056	115,768	116,748	117,160	0.8	0.4
Government investment in fixed capital	15,800	16,172	16,556	16,344	16,264	-1.3	-0.5
Government investment in inventories	24	8	-132	144	-12	276 ¹	-156 ¹
Business investment in fixed capital	105,644	105,964	107,884	107,108	105,308	-0.7	-1.7
Residential	30,472	31,708	32,368	31,972	32,472	-1.2	1.6
Non-residential construction	30,000	29,444	28,952	28,516	26,940	-1.5	-5.5
Machinery and equipment	45,172	44,812	46,564	46,620	45,896	0.1	-1.6
Business investment in inventories	-2,500	432	2,792	-3,080	-572	-5,872 ¹	2,508 ¹
Non-farm	-2,248	288	2,688	-2,052	-848	-4,740 ¹	1,204 ¹
Farm and grain in commercial channels	-252	144	104	-1,028	276	-1,132 ¹	1,304 ¹
Exports of goods and services	165,200	171,040	167,380	173,116	175,060	3.4	1.1
Merchandise	145,760	151,872	148,272	152,912	155,212	3.1	1.5
Non-merchandise	19,440	19,168	19,108	20,204	19,848	5.7	-1.8
Deduct: Imports of goods and services	176,944	186,076	185,248	184,512	186,388	-0.4	1.0
Merchandise	142,392	150,468	148,240	149,392	151,500	0.8	1.4
Non-merchandise	34,552	35,608	37,008	35,120	34,888	-5.1	-0.7
Statistical discrepancy	-1,320	-1,784	-2,628	-1,120	-2,420	1,508 ¹	-1,300 ¹
Gross Domestic Product at market prices	554,796	555,544	555,696	557,248	558,160	0.3	0.2
Final Domestic Demand	570,336	571,924	573,532	572,700	572,492	-0.1	0.0
	Implicit price indexes						
Personal expenditure on consumer goods and services	123.3	124.0	123.9	124.2	124.7	0.2	0.4
Government current expenditure on goods and services	121.2	122.3	123.2	123.3	124.3	0.1	0.8
Government investment in fixed capital	105.1	102.9	101.1	102.1	102.0	1.0	-0.1
Business investment in fixed capital	110.7	109.8	108.7	109.1	109.1	0.4	0.0
Exports of goods and services	99.7	98.3	98.7	100.5	101.3	1.8	0.8
Deduct: Imports of goods and services	95.3	94.9	94.3	96.6	98.1	2.4	1.6
Gross Domestic Product at market prices	121.8	122.1	122.3	122.4	122.6	0.1	0.2
Final Domestic Demand	120.0	120.4	120.2	120.5	121.1	0.2	0.5

¹ Actual change in millions of dollars.

Real Gross Domestic Product at Factor Cost by Industry

(seasonally adjusted data)
June 1992

Monthly Overview

Gross Domestic Product at Factor Cost advanced 0.2% in June, following a flat April and a 0.1% decline in May. A 0.3% gain in output of services accounted for all of the increase in June. Production of goods was unchanged as an increase in manufacturing was offset by cutbacks by other goods-producers.

Services-producing Industries

The 0.3% gain in services in June followed growth averaging 0.2% in the previous five months. Wholesale trade and finance, insurance and real estate accounted for almost 60% of the gain. Retail trade, as well as community, business and personal services, and communications contributed to the strength. Transportation output declined marginally.

Wholesale trade jumped 1.3% in June, its fourth consecutive monthly gain. Grain merchants and wholesalers of machinery and equipment and apparel led the advance as eight of 11 trade groups posted stronger sales in June, compared to six in May. Wholesalers of food and petroleum products partly offset the gains.

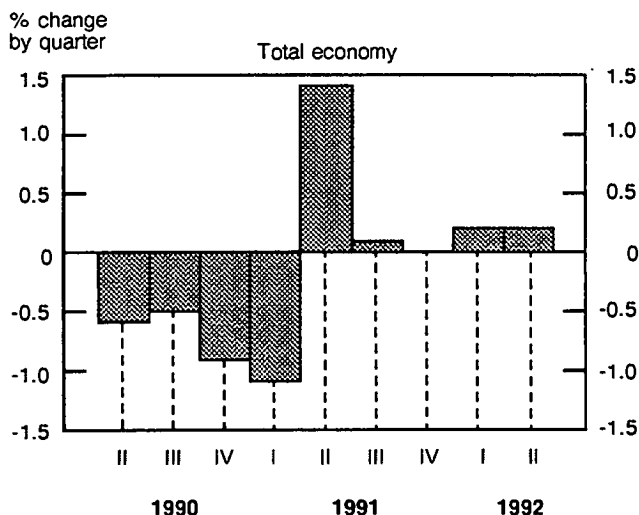
Finance, insurance and real estate advanced 0.3% after rising 0.4% in May. Trust, other finance and real estate accounted for most of the gain as activity by investment companies and insurance brokers increased. Higher output by banks and credit unions contributed to the overall increase. These gains were partly offset by lower output by security brokers and insurance companies, and by reduced royalties.

Retail trade continued to fluctuate around a flat trend. A 0.8% advance in June followed similar decreases and increases over the previous three months, and sales in June were about the same level as in February. Motor vehicle dealers and service station operators led the gain as 10 of 18 store types recorded higher sales, compared to four in May. Department stores recorded the largest loss.

Community, business and personal services rose 0.2% in June, its sixth consecutive advance. Health services and business services accounted for most of the gain. Business services advanced 0.4% as higher computer and miscellaneous business services were partly offset by lower professional services. Food and accommodation dropped 0.5% as a 1.0%

Gross Domestic Product

Seasonally adjusted at 1986 prices



decline in restaurant services was only partially offset by a 0.3% increase in accommodation services.

Communication services rose 0.1%. The Post Office accounted for most of the gain, advancing 1.3% following a loss in May. Output by telecommunication carriers was unchanged and broadcasting output fell 0.1%.

Following a 0.7% decline, transportation and storage output fell a further 0.1%. Led by a drop in carloadings of iron ore, railway transport fell 4.0%, its fifth consecutive decline. Increases in air and truck transport were partly offset by declines led by urban transit services. Higher throughput of natural gas led pipeline services up 1.0%.

Goods-producing Industries

A turnaround by manufacturers, who boosted output 0.6% following a 0.3% cutback in May, was offset by declines in mining, construction, and agriculture.

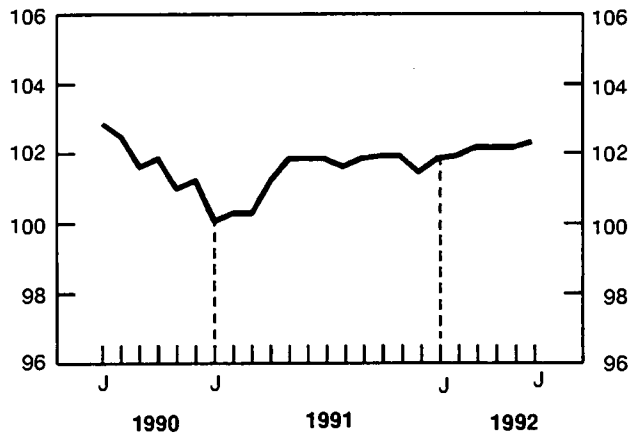
The advance in manufacturing occurred despite a strike by pulp workers in British Columbia, which curtailed pulp and paper production by 7.7%. Excluding this industry, manufacturing output rose 1.2% in June. Gains were widespread as 16 of 21 major manufacturing groups increased production. Metal fabricators and manufacturers of electrical products recorded the most notable increases, rising 4.1% and 2.8%, respectively. Increased activity at the Royal Canadian Mint led the gain in metal fabricating, while higher production of telecommunications equipment boosted the output of electrical products.

Gross Domestic Product

Seasonally adjusted at 1986 prices

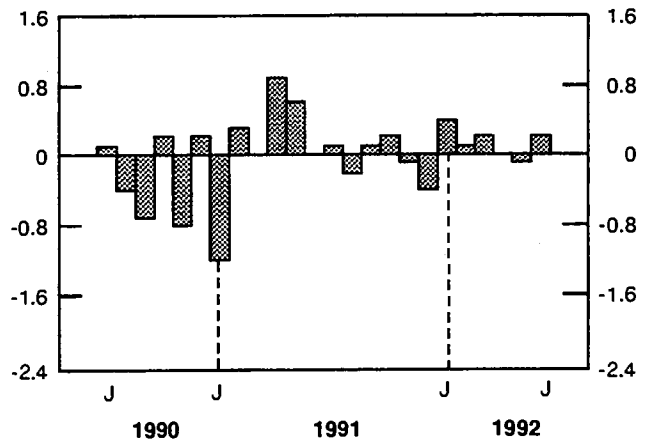
Total Economy

Index (January 1991 = 100)



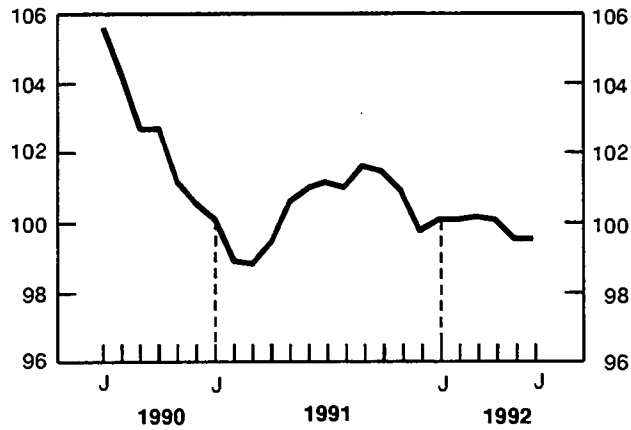
Total Economy

% change

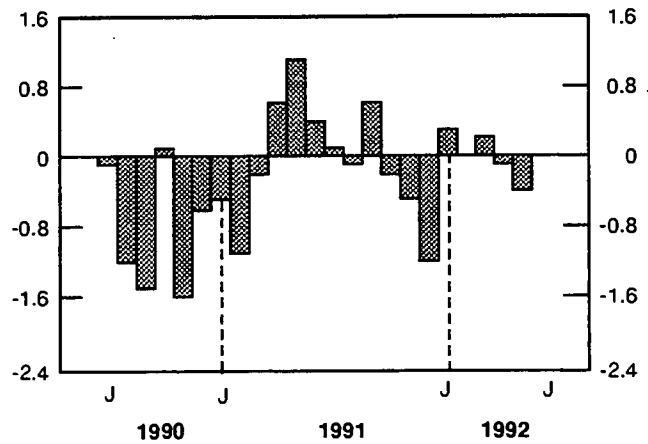


Goods

Index (January 1991 = 100)

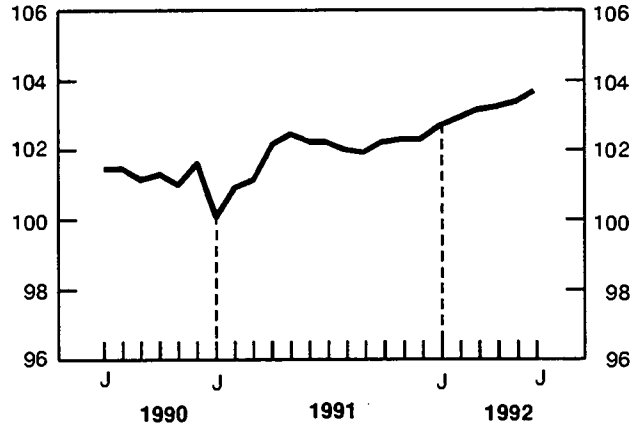


% change

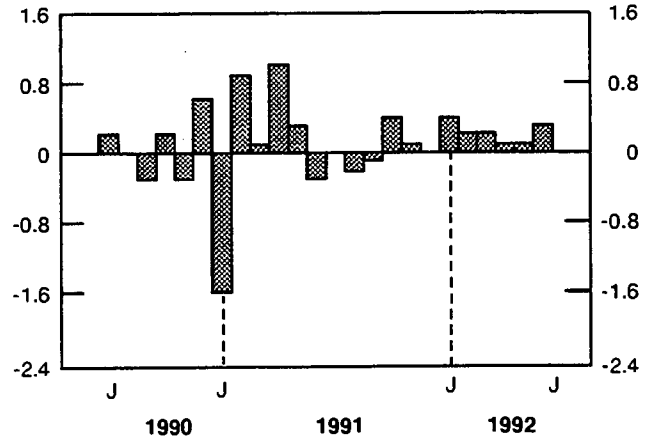


Services

Index (January 1991 = 100)



% change



Mining output fell 0.9% in June following a 0.5% drop in May. A 13.7% decline in drilling activity was the main contributor to the drop in June. The decline in drilling followed an 11.6% increase in May, however, and, over the two months, output averaged about the same level as in the last several months. Output has been relatively flat since last October when a long downtrend was arrested. The decline in drilling was reinforced by lower production of crude oil and natural gas and by cutbacks in iron and coal mining. Coal mining fell 4.7% following a 22.0% drop in May as miners in B.C. extended strike action into June.

Construction output slipped 0.6% in June as both residential and non-residential building construction lost ground. Residential output fell 1.3%, with declines in singles and doubles outweighing gains in rows and apartments. A large drop in industrial projects led the non-residential decline. Activity on engineering projects advanced marginally.

A reduced estimate for 1992 crops was reflected in a 0.9% drop in agriculture production in June.

Available on CANSIM: matrices 4670-4674.

The June 1992 issue of *Gross Domestic Product by Industry* (15-001, \$12.70/\$127) is scheduled for release in September.

For more information, contact Michel Girard (613-951-9145), Industry Measures and Analysis Division.

Real Gross Domestic Product at Factor Cost by Industry, at 1986 Prices by Month

(Seasonally Adjusted at Annual Rates)

(\$ millions)

	1991	1992			
	June	March	April	May	June
Total Economy	499,409.2	500,990.5	501,181.6	500,875.6	501,974.7
Business Sector:	407,632.9	408,680.7	409,124.0	408,597.2	409,587.1
Goods:	167,413.6	166,067.6	165,846.6	165,098.9	165,057.0
Agriculture	11,300.0	11,159.8	11,155.0	11,146.7	11,044.7
Fishing and Trapping	981.9	903.5	924.1	951.8	933.7
Logging Industry	2,411.4	2,452.1	2,545.3	2,622.7	2,596.1
Mining Industries	20,283.3	20,184.8	20,260.6	20,165.5	19,978.1
Manufacturing Industries	85,386.7	84,628.4	84,565.6	84,296.0	84,819.4
Construction Industries	31,168.3	30,702.4	30,211.7	29,905.9	29,727.4
Other Utility Industries	15,882.0	16,036.6	16,184.3	16,010.3	15,957.6
Services:	240,219.3	242,613.1	243,277.4	243,498.3	244,530.1
Transportation and Storage	21,607.1	21,671.8	21,870.5	21,723.3	21,698.3
Communication Industries	18,846.0	19,381.2	19,496.4	19,438.8	19,467.6
Wholesale Trade	27,776.5	28,620.3	28,703.2	28,925.7	29,306.8
Retail Trade	29,976.6	29,782.6	30,027.6	29,781.4	30,028.8
Finance, Insurance and Real Estate	80,748.1	83,034.6	82,793.3	83,089.8	83,364.8
Community, Business and Personal Services	61,265.0	60,122.6	60,386.4	60,539.3	60,663.8
Non-business Sector:	91,776.3	92,309.8	92,057.6	92,278.4	92,387.6
Goods:	964.9	912.1	928.9	926.5	940.9
Services:	90,811.4	91,397.7	91,128.7	91,351.9	91,446.7
Government Service Industry	33,915.2	34,078.3	34,018.3	34,018.3	34,055.5
Community and Personal Services	53,345.3	53,868.3	53,663.0	53,885.0	53,967.8
Other Services	3,550.9	3,451.1	3,447.4	3,448.6	3,423.4
Other Aggregations:					
Goods-producing Industries	168,378.5	166,979.7	166,775.5	166,025.4	165,997.9
Services-producing Industries	331,030.7	334,010.8	334,406.1	334,850.2	335,976.8
Industrial Production	122,516.9	121,761.9	121,939.4	121,398.3	121,696.0
Non-durable Manufacturing	39,934.2	39,207.0	39,290.6	39,262.1	39,202.4
Durable Manufacturing	45,452.5	45,421.4	45,275.0	45,033.9	45,617.0

Balance of International Payments

Second Quarter 1992

Highlights

Canada's seasonally adjusted current account deficit amounted to \$7.5 billion in the second quarter of 1992, up slightly from the first quarter and in line at annual rates with the record deficit of 1991. In the second quarter, the merchandise trade surplus remained relatively high as both exports and imports again increased significantly. The advance in exports was down, however, from the strong pace of the previous quarter and more in line with that of imports. The deficit on the investment income account was at its highest level in nearly two years as a result of both higher net interest and dividend payments.

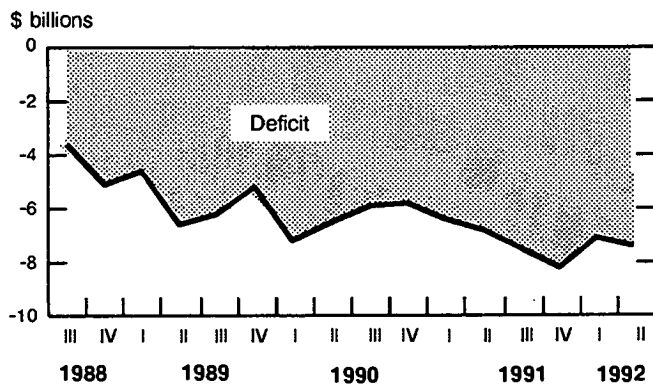
In the capital account, which is not seasonally adjusted, non-residents invested a record net \$9.4 billion in Canadian bonds, two-thirds in net new issues and the balance in outstanding bonds. The funding for net new issues originated from the United States, where the provinces and their enterprises borrowed record amounts. Investors from Japan and the United Kingdom were major purchasers of Government of Canada bonds in the secondary market. Canadian residents, on the other hand, continued to add significantly to their portfolios of foreign bonds and stocks.

Underlying these movements, the Canadian dollar continued to decline (though more moderately) against the United States currency but fell much more sharply against other major currencies.

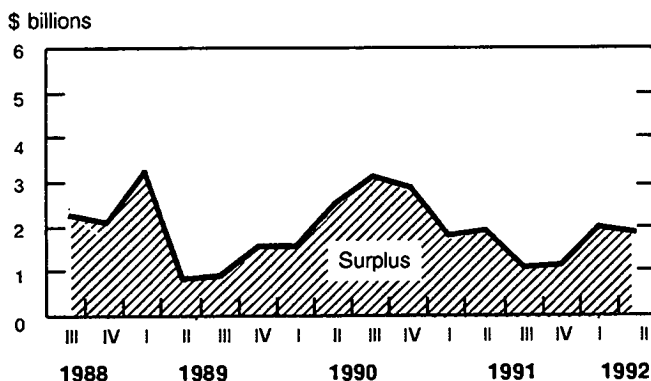
Current Account, Seasonally Adjusted

- Merchandise exports advanced by 2.5% to \$38.2 billion. This compared to an unusually strong growth of 5.3% in the previous quarter. Higher sales abroad were led by automotive and energy products. Declines occurred in exports of wheat, precious metals and aircraft and other transportation equipment.
- Imports of merchandise again advanced, by 3.1% to reach \$36.4 billion. Higher imports were registered for a broad range of machinery and equipment and for auto products, but imports of precious metals declined.
- The deficit on the travel account continued at \$1.9 billion, compared to the record \$2.3 billion in the fourth quarter of 1991. Again, Canadian travellers spent nearly twice as much abroad (\$4.0 billion) as foreign travellers disbursed in Canada (\$2.1 billion), and the bulk of the deficit was with the United States.
- The deficit on investment income, overwhelmingly net interest payments, increased by \$0.2 billion to \$6.2 billion. Interest receipts on Canadian claims abroad declined as a result of lower interest rates in the United States. Though Canadian rates also decreased, interest payments abroad remained virtually unchanged because of much higher Canadian bond borrowings abroad. Dividends registered a small deficit of less than \$0.1 billion following a surplus of a similar size in the previous quarter.

Current Account Balance (seasonally adjusted)



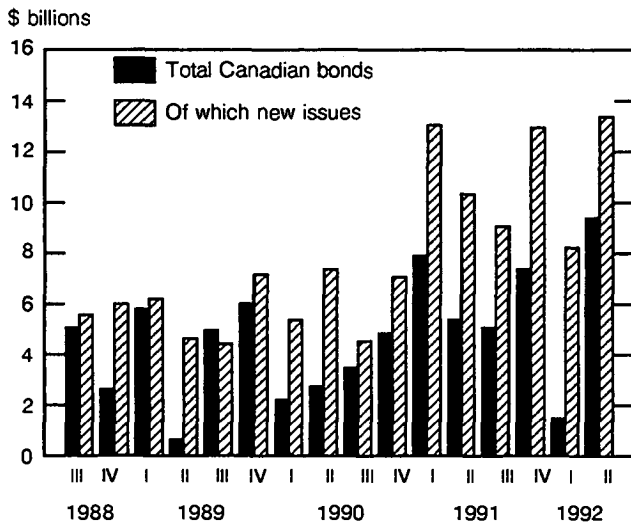
Merchandise Trade Balance (seasonally adjusted)



Current and Capital Accounts, Not Seasonally Adjusted

- The current account deficit amounted to \$6.6 billion in the second quarter compared to \$6.3 billion in the second quarter of 1991. The increase was mainly due to a higher deficit on investment income.
- Among **financial liabilities**, net investment in Canadian bonds of \$9.4 billion shattered the previous record of \$7.9 billion established in the first quarter of 1991. A major part (\$6.4 billion) of the second quarter investment went into net new issues denominated largely in U.S. dollars; this was supplemented, however, by a significant net investment in outstanding Government of Canada bonds (\$2.1 billion) denominated in Canadian dollars. In contrast, the earlier record foreign financing was channelled predominantly into net new issues denominated in Canadian dollars. In the second quarter, non-residents traded a massive \$119 billion of outstanding Canadian bonds, second only to the record trading of \$127 billion in the fourth quarter of 1991.

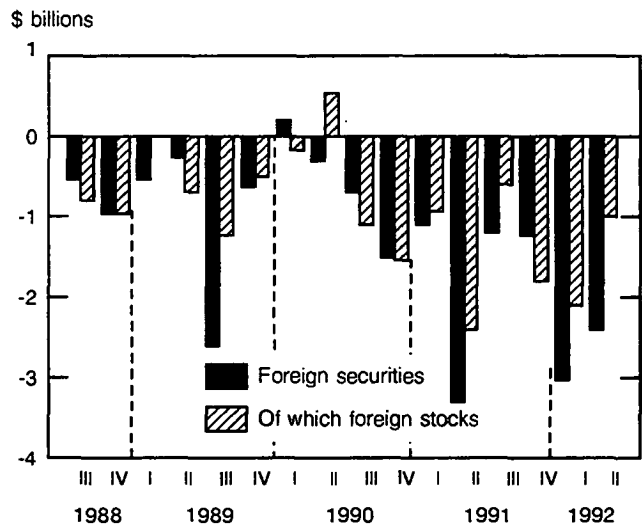
Foreign Investment in Canadian Bonds



- For the fifth consecutive quarter, non-residents invested significantly in Canadian short-term money market instruments, investing \$1.7 billion in the second quarter. In contrast to the previous three quarters, the net funding was directed to a wide range of paper other than Government of Canada treasury bills. Non-residents continued,

however, to trade heavily in the federal bills during the quarter, turning over a record \$64 billion, or 70% of their trading in short-term paper. Such activity occurred at a time when Canadian interest rates declined more than the United States rates, leaving a narrower differential in favour of investment in Canada.

Canadian Investment in Foreign Securities



- Among **financial assets**, Canadian residents purchased a net \$2.4 billion of foreign portfolio bonds and stocks, bringing to \$5.4 billion their net investment in these securities so far this year. This compares to a net investment of \$6.8 billion for the whole of 1991, which was itself a record.
- Canada's international reserves continued to decline for the third consecutive quarter, though at a slower pace (\$0.7 billion) than in the previous two quarters (where the average quarterly drop was \$2.3 billion). This occurred at a time when the Canadian dollar was under heavy downward pressure against the U.S. dollar.
- The statistical discrepancy (the balancing item between the recorded estimates of the current and capital accounts) was equivalent to a net debit of \$0.7 billion.
- The Canadian dollar reached a low of 82.78 U.S. cents during the quarter but closed the quarter at 83.41 U.S. cents, down less than 1% from the end-of-March rate. The depreciation against other major currencies was much steeper, especially in June.

Available on CANSIM: matrices (annually) 2323-2325, 2327, 2328, 2331, 2333-2339, 2354, 2355, 2357, 1369, 1370; (quarterly) 2326, 2329, 2332, 2343-2349, 2353-2355, 147, 1364; (monthly) 2330.

The second quarter 1992 issue of *Canada's Balance of International Payments* (67-001, \$27.50/\$110) will be available in September. See "How to Order Publications".

For further information, contact Lucie Laliberté (613-951-9055), Balance of Payments Division.

Canada's Balance of International Payments, Not Seasonally Adjusted

	1991			1992		1990	1991
	II	III	IV	I	II		
(millions of dollars)							
Current Account							
Receipts							
Merchandise exports	37,253	34,506	36,174	36,687	40,264	146,520	141,728
Non-merchandise:							
Services	6,057	7,390	5,143	5,064	6,385	23,045	23,305
Investment income ¹	2,388	2,248	2,584	2,204	2,133	9,764	9,714
Transfers	832	1,034	848	954	968	4,143	3,575
Total non-merchandise receipts	9,276	10,672	8,575	8,222	9,487	36,953	36,594
Total receipts	46,529	45,178	44,749	44,910	49,751	183,473	178,322
Payments							
Merchandise imports	34,889	33,605	34,658	35,763	37,695	136,600	135,948
Non-merchandise:							
Services	8,962	9,131	8,734	9,507	9,541	34,326	35,588
Investment income ¹	7,876	7,568	8,576	8,241	8,275	34,020	32,099
Transfers	1,064	818	1,042	1,085	831	4,235	3,937
Total non-merchandise payments	17,903	17,518	18,352	18,833	18,647	72,581	71,623
Total payments	52,792	51,123	53,010	54,596	56,342	209,182	207,571
Balances							
Merchandise	+ 2,364	+ 901	+ 1,516	+ 924	+ 2,570	+ 9,920	+ 5,780
Non-merchandise	- 8,626	- 6,845	- 9,778	- 10,610	- 9,161	- 35,629	- 35,030
Total current account	- 6,263	- 5,944	- 8,261	- 9,686	- 6,591	- 25,709	- 29,249
Capital Account²							
Canadian claims on non-residents, net flows							
Canadian direct investment abroad ¹	- 2,212	- 717	- 758	- 958	- 852	- 5,100	- 4,400
Portfolio securities:							
Foreign bonds	- 890	- 601	+ 554	- 934	- 1,384	- 31	- 1,128
Foreign stocks	- 2,410	- 586	- 1,791	- 2,097	- 1,016	- 2,269	- 5,710
Government of Canada assets:							
Official international reserves	+ 640	- 1,388	+ 2,919	+ 1,734	+ 689	- 649	+ 2,830
Loans and subscriptions	- 327	- 214	- 684	- 731	- 398	- 1,450	- 1,781
Non-bank deposits abroad	+ 875	+ 591	+ 522	+ 19	+ 692	- 481	- 439
Other claims	+ 1,014	+ 833	+ 299	+ 353	- 723	+ 715	+ 2,610
Total Canadian claims, net flow	- 3,310	- 2,082	+ 1,061	- 2,615	- 2,992	- 9,266	- 8,018
Canadian liabilities to non-residents, net flows							
Foreign direct investment in Canada ¹	+ 1,570	+ 1,647	+ 1,405	+ 765	+ 438	+ 6,820	+ 5,890
Portfolio securities:							
Canadian bonds	+ 5,419	+ 5,103	+ 7,377	+ 1,455	+ 9,416	+ 13,296	+ 25,829
Canadian stocks	- 351	+ 454	- 92	+ 247	+ 17	- 1,735	- 990
Canadian banks' net foreign currency transactions with non-residents ³	- 2,344	- 2,512	+ 1,360	+ 2,089	- 2,129	+ 3,155	+ 4,957
Money market instruments:							
Government of Canada paper	- 492	+ 2,623	+ 1,560	+ 3,231	- 290	+ 2,666	+ 2,288
Other paper	+ 1,550	+ 669	+ 664	+ 1,570	+ 1,969	+ 2,223	+ 2,140
Allocation of Special Drawing Rights	-	-	-	-	-	-	-
Other liabilities	+ 415	+ 1,246	+ 1,340	+ 2,347	+ 906	+ 8,288	+ 2,948
Total Canadian liabilities, net flow	+ 5,768	+ 9,230	+ 13,614	+ 11,703	+ 10,327	+ 34,712	+ 43,062
Total capital account, net flow	+ 2,458	+ 7,148	+ 14,675	+ 9,087	+ 7,335	+ 25,446	+ 35,044
Statistical Discrepancy	+ 3,805	- 1,204	- 6,414	+ 599	- 744	+ 262	- 5,795

¹ Excludes retained earnings.

² A minus sign denotes an outflow of capital resulting from an increase in claims on non-residents or a decrease in liabilities to non-residents.

³ When the banks' foreign currency position (booked in Canada) with non-residents is a net asset, series is classified as part of Canadian claims on non-residents.

- Nil or zero.

Current Account, Seasonally Adjusted

	1991			1992		1990	1991
	II	III	IV	I	II		
(millions of dollars)							
Receipts							
Merchandise exports	35,356	36,178	35,416	37,279	38,196	146,520	141,728
Non-merchandise							
Services:							
Travel	1,967	1,944	1,904	2,137	2,092	7,748	7,802
Freight and shipping	1,374	1,359	1,369	1,430	1,422	5,291	5,443
Business services	2,033	2,133	2,143	2,184	2,181	8,252	8,303
Government transactions	226	196	216	229	221	886	854
Other services	227	223	235	230	232	868	903
Total services	5,828	5,855	5,868	6,209	6,148	23,045	23,305
Investment income ¹ :							
Interest	1,162	1,237	1,194	1,103	965	5,593	5,008
Dividends	1,162	1,236	1,056	1,203	1,177	4,171	4,706
Total investment income	2,324	2,473	2,250	2,305	2,142	9,764	9,714
Transfers:							
Inheritances and immigrants' funds	343	340	309	465	457	1,490	1,341
Personal and institutional remittances	243	244	241	253	255	935	968
Canadian withholding tax	273	347	310	332	278	1,719	1,267
Total transfers	859	930	859	1,049	991	4,143	3,575
Total non-merchandise receipts	9,010	9,257	8,977	9,564	9,281	36,953	36,594
Total receipts	44,366	45,435	44,393	46,843	47,477	183,473	178,322
Payments							
Merchandise imports	33,456	35,156	34,304	35,316	36,393	136,600	135,948
Non-merchandise							
Services:							
Travel	3,687	3,904	4,167	4,032	4,015	14,507	15,365
Freight and shipping	1,313	1,348	1,434	1,404	1,413	5,443	5,403
Business services	3,124	3,181	3,163	3,244	3,312	12,295	12,507
Government transactions	405	409	428	412	423	1,437	1,633
Other services	167	170	176	174	178	644	680
Total services	8,696	9,012	9,368	9,267	9,340	34,326	35,588
Investment income ¹ :							
Interest	6,739	6,777	6,844	7,195	7,137	27,115	27,338
Dividends	1,312	1,225	1,088	1,156	1,254	6,905	4,760
Total investment income	8,050	8,002	7,932	8,350	8,390	34,020	32,099
Transfers:							
Inheritances and emigrants' funds	66	67	68	70	71	251	269
Personal and institutional remittances	269	270	272	284	284	1,013	1,079
Official contributions	639	387	676	608	404	2,658	2,272
Foreign withholding tax	78	80	82	74	77	313	317
Total transfers	1,052	805	1,098	1,036	837	4,235	3,937
Total non-merchandise payments	17,799	17,819	18,399	18,653	18,568	72,581	71,623
Total payments	51,254	52,975	52,702	53,969	54,961	209,182	207,571
Balances							
Merchandise	+ 1,901	+ 1,022	+ 1,112	+ 1,964	+ 1,803	+ 9,920	+ 5,780
Non-merchandise:							
Services	- 2,868	- 3,158	- 3,500	- 3,057	- 3,192	- 11,281	- 12,283
Investment income ¹	- 5,726	- 5,528	- 5,683	- 6,045	- 6,249	- 24,255	- 22,385
Transfers	- 194	+ 125	- 239	+ 13	+ 154	- 92	- 362
Total non-merchandise	- 8,788	- 8,562	- 9,422	- 9,089	- 9,287	- 35,629	- 35,030
Total current account	- 6,888	- 7,540	- 8,310	- 7,126	- 7,484	- 25,709	- 29,249

¹ Excludes retained earnings.

Financial Flow Accounts

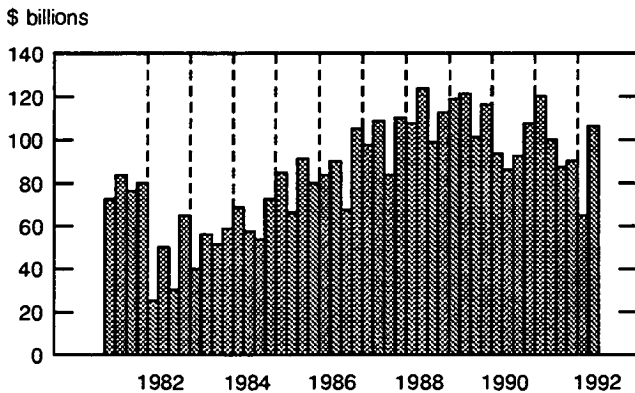
Second Quarter 1992

Total funds raised by **domestic non-financial sectors** on credit and equity markets amounted to \$113.0 billion in the second quarter of 1992, seasonally adjusted at annual rates (see Chart 1). This represented an increase in excess of 50% over the previous quarter. Greater borrowing by governments accounted for almost two-thirds of the total funds raised, while the demand for funds in the private sector continued to be quite soft.

Chart 1

Total Funds Raised on Credit Markets by Domestic Non-Financial Sectors

Seasonally adjusted at annual rates



Among the more important financial developments during the quarter were the following: nominal interest rates declined further, especially money market rates; federal government borrowing remained strong; heavy provincial government borrowing accounted for over one-third of funds raised in the economy; non-financial private corporations' demand for funds remained relatively low, with added emphasis on equity financing; and consumer debt was repaid on a net basis.

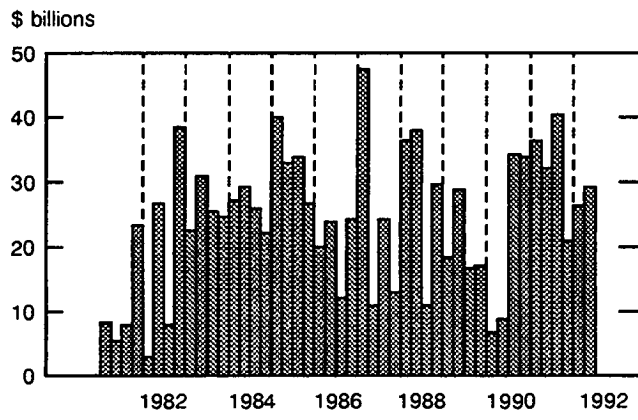
An easing of monetary conditions occurred as the Canadian dollar stabilized at about 83.5 cents U.S. in the quarter. This followed a steep drop in the exchange rate that began in the last quarter of 1991 and extended into the first quarter of this year, when

interest rates moved up in response. In April, interest rates resumed their downward trend. Declines in yields were more pronounced for instruments with a short term to maturity. By the end of June, the Bank Rate stood at 5.85%, over 150 basis points lower than at the end of March; this was its lowest level since the second quarter of 1973. The differential between this rate and its counterpart in the United States was about two percentage points, substantially lower than the differential of nearly five and one-half percentage points at the end of June 1990.

Chart 2

Funds Raised by the Federal Government

Seasonally adjusted at annual rates



Borrowing by the **federal government** was up 10.8% in the quarter, in line with an increase in the deficit (see Chart 2). In the face of even lower money market rates, the government raised a significant amount of funds through issues of treasury bills. Borrowing also took place through issues of marketable bonds.

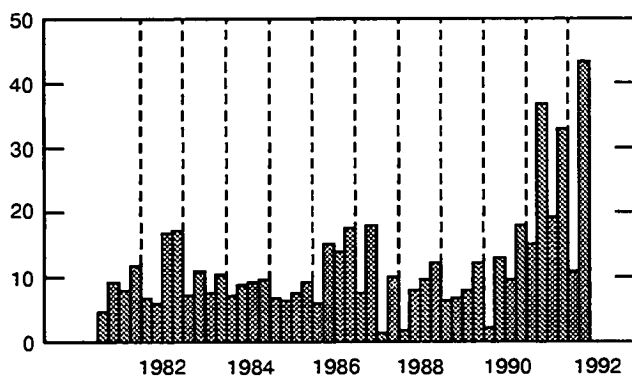
Demand for funds by **other levels of government** was up sharply in the second quarter, resulting in a level of borrowing approximately four times greater than that of the first three months of the year. This was a reflection of the low level of funds raised in the first quarter and also of markedly higher borrowing requirements in some provinces in the first half of 1992 (see Chart 3). Provincial governments' principal sources of finance were issues of short-term debt and long-term debt.

Chart 3

Total Funds Raised by Other Levels of Government

Seasonally adjusted at annual rates

\$ billions



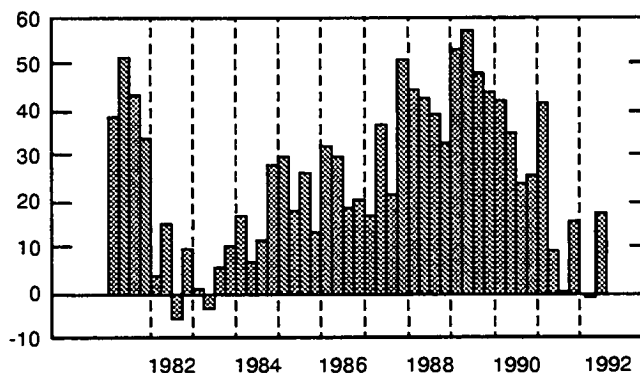
Funds raised by **non-financial private corporations** were up over the first quarter (see Chart 4), when there was a net redemption of credit market debt. Nevertheless, the demand for funds remained quite weak in comparison with previous years. The results in the first half of 1992 suggested an even slower year than 1991, in which funds raised were just 52% and 33% of the totals raised in 1990 and 1989, respectively. Declining outlays for business plant and equipment have implied a reduced demand for funds, and the recent improvement in corporate profits has also meant that an increasing share of investment financing is internally generated. As over the previous few quarters, there was a considerable amount of refinancing of existing debt. The interest rate differential between the prime rate on business loans and the short-term (90 days) paper rate widened by nearly 35 basis points in favour of the latter instrument. This acted to encourage a significant reduction in bank loans, which was largely refinanced by short-term paper issues, principally bankers' acceptances. The balance of the funds raised was in long-term debt and equity. Share issues were just above the higher levels attained in the fourth quarter of 1991. An increase in equity finance in the quarter occurred as share prices sagged, although relative to earnings, stock prices were quite high. With 61% of the total funds raised by corporations in shares, the restructuring of corporate balance sheets continued in the second quarter of 1992.

Chart 4

Funds Raised by Non-Financial Private Corporations

Seasonally adjusted at annual rates

\$ billions



Non-financial government business enterprise borrowing was down for the quarter, after a strong first quarter. Issues of bonds were near the elevated level reached in the first quarter, largely attributable to the borrowing activities of provincial government enterprises. Conversely, credit market debt of federal enterprises was reduced.

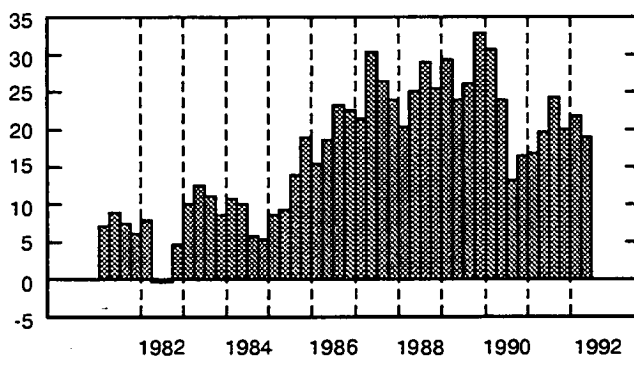
The demand for funds in the **personal sector** was quite subdued in the second quarter of 1992. Mortgage finance, which began to recover in the spring of 1991, held fairly steady in the second quarter of 1992 (see Chart 5). This reflected the

Chart 5

Mortgage Borrowing in the Personal Sector

Seasonally adjusted at annual rates

\$ billions



reduced cost of carrying a mortgage, with interest rates on one-year mortgages down about five percentage points since December of 1990. Debt in the form of consumer credit fell in the quarter, as repayments exceeded new funds raised (see Chart 6). This was in line with the weakness in personal expenditure on durable goods, particularly in the case of automobiles. The ratio of household debt (consumer credit plus mortgages) to personal disposable income stood at 84.1% by the end of the second quarter.

Non-residents supplied approximately one-third of total funds raised by domestic non-financial sectors in credit markets. Acquisitions by non-residents of Canadian bonds and short-term paper totalled almost twice what they had amounted to in the first quarter. Non-residents surpassed the personal sector as a net supplier of funds to the economy in 1989, and their net lending has continued to grow since then.

For further information about the subject matter in this release, contact Chris Jackson (613-951-1799) or Rémi Fournelle (613-951-3791), National Accounts and Environment Division.

The second quarter 1992 issue of *Financial Flow Accounts* (13-014, \$12.50/\$50), which contains an overview of the quarter plus 40 analytical and statistical tables, is scheduled for release in September.

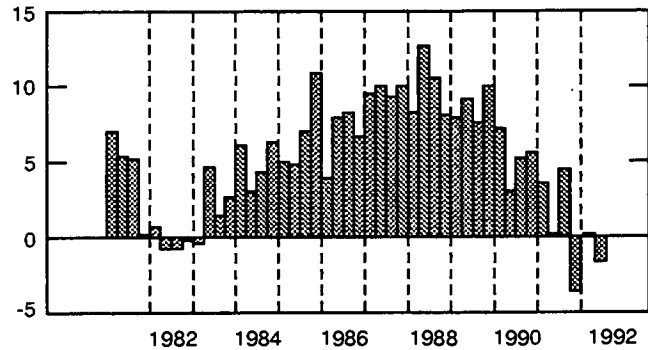
A computer printout containing the detailed financial flows matrices is also available seven business days after release day from the National Accounts and Environment Division at a price of \$35 per quarter or \$140 for an annual subscription. Users

Chart 6

Consumer Credit Borrowing in the Personal Sector

Seasonally adjusted at annual rates

\$ billions



can purchase the financial flows data on micro-computer diskettes by modem transfer at 8:30 a.m. on release day for \$300 per quarter or \$1,200 for an annual subscription. The diskettes are also available by mail, seven business days after the official release date, for \$60 per quarter or \$240 for an annual subscription.

To purchase any of these products or to obtain more information about them, contact Valerie Thibault (613-951-1804), National Accounts and Environment Division.

Debt-to-income Ratios

	1991				1992	
	Q1	Q2	Q3	Q4	Q1	Q2
(\$ billions)						
Persons and unincorporated business						
Debt						
Consumer credit	98.6	98.7	100.6	99.7	99.8	99.3
Mortgages	273.0	278.9	283.8	288.5	293.9	298.7
Total	371.6	377.6	384.4	388.2	393.7	398.0
Personal disposable income	463.3	470.0	470.1	465.2	468.0	473.2
Debt-to-income ratio (%)	80.2	80.3	81.8	83.4	84.1	84.1
Debt-to-GDP ratio (%)	56.0	55.9	56.7	57.1	57.7	58.2
Federal government						
Debt	327.8	335.5	345.4	350.3	356.9	364.2
Debt-to-GDP ratio (%)	49.4	49.6	50.9	51.6	52.3	53.2
Other levels of government						
Debt	199.3	208.8	213.9	222.4	225.2	236.3
Debt-to-GDP ratio (%)	30.0	30.9	31.5	32.7	33.0	34.5
Non-financial private corporations						
Debt	344.0	344.8	343.5	344.9	342.4	344.2
Debt-to-GDP ratio (%)	51.8	51.0	50.7	50.8	50.2	50.3
GDP	664.1	675.8	678.2	679.4	681.8	684.3

Financial Market Summary Table
(Seasonally Adjusted at Annual Rates)

	1991			1992	
	II	III	IV	I	II
	(\$ millions)				
Persons and Unincorporated Business	20,508	25,592	22,872	22,492	16,252
Consumer Credit	224	4,444	-3,584	212	-1,684
Bank Loans	3,280	-432	-1,616	292	-620
Other Loans	-2,888	-2,608	8,264	484	-696
Mortgages	19,824	24,248	19,912	21,676	19,080
Bonds	68	-60	-104	-172	172
Non-Financial Private Corporations					
Funds Raised:	9,144	500	15,676	-432	17,748
Bank Loans	5,308	-14,452	-6,424	28,152	-15,200
Other Loans	-1,296	4,412	796	-10,384	-1,984
Other Short-term Paper	-18,268	-7,728	-5,384	-33,192	11,848
Mortgages	7,164	7,276	8,400	9,920	4,296
Bonds	9,756	4,336	7,856	-4,660	8,044
Shares	6,480	6,656	10,432	9,732	10,744
Non-financial Government Enterprises					
Funds Raised:	8,180	7,428	4,048	10,228	6,288
Bank Loans	-3,904	-3,044	-1,080	-980	-488
Other Loans	-28	-576	-700	32	-1,680
Other Short-term Paper	5,428	4,040	864	1,028	396
Mortgages	-8	-8	-8	-12	-12
Bonds	6,692	3,688	4,972	10,160	8,072
Shares	-	3,328	-	-	-
Federal Government					
Funds Raised:	31,916	40,508	20,708	26,396	29,252
Other Loans	-	-4	-	-4	-
Canada Short-term Paper	9,824	24,328	-2,848	22,548	13,976
Canada Savings Bonds	3,480	-88	1,580	-144	2,028
Other Marketable Bonds	18,612	16,272	21,976	3,996	13,248
Other Levels of Government					
Funds Raised:	36,856	19,212	33,008	10,916	43,432
Bank Loans	176	-128	40	212	204
Other Loans	524	228	184	384	-20
Short-term Paper	9,724	-8,148	9,916	-5,204	19,404
Provincial Bonds	22,820	25,908	20,572	13,104	23,036
Municipal Bonds	3,456	1,352	2,304	2,372	852
Other bonds	156	-	-8	48	-44
Total Funds Raised by Domestic Non-financial Sectors	106,604	93,240	96,312	69,600	112,972
Consumer Credit	224	4,444	-3,584	212	-1,684
Bank Loans	4,860	-18,056	-9,080	27,676	-16,104
Other Loans	-3,688	1,452	8,544	-9,488	-4,380
Canada Short-term Paper	9,824	24,328	-2,848	22,548	13,976
Other Short-term Paper	-3,116	-11,836	5,396	-37,368	31,648
Mortgages	26,980	31,516	28,304	31,584	23,364
Bonds	65,040	51,408	59,148	24,704	55,408
Shares	6,480	9,984	10,432	9,732	10,744

- Nil or zero.

DATA AVAILABILITY ANNOUNCEMENTS

Input-Output Tables and Gross Domestic Product by Industry

1988 and 1989

Final annual input-output tables for 1988 and preliminary tables for 1989 in both current and constant prices are now available. The 1988 and 1989 constant price tables are in 1986 prices.

Also available are estimates of Gross Domestic Product and gross output by industry derived from the input-output tables. The constant prices series in 1986 prices for the period 1988 and 1989 are available.

Available on CANSIM: matrices 2110-2189 (constant prices tables, 1986 base); 4663 (estimates of GDP by industry in current prices) and 4670 (constant (1986) prices); 4675 (gross output by industry in current prices) and 4676 (constant (1986) prices) and 7711-7790 (current price tables).

The input-output tables will be published in *The Input-Output Structure of the Canadian Economy*, 1989 (15-201, \$60).

For further information, contact Yusuf Siddiqi (613-951-8909), Input-Output Division. ■

Government Revenue and Expenditure (SNA Basis)

Second Quarter 1992

Federal, provincial and local government detailed revenue and expenditure estimates on a national accounts basis for the quarter ended June 30, 1992 are now available. Revised detailed estimates for the quarter ended March 31, 1992 are also available.

Available on CANSIM: matrices 2711 (federal), 2712 (provincial) and 2713 (local).

For further information, contact James Temple (613-951-1832) or Paul Blouin (613-951-8563), Public Administration Section, Public Institutions Division.

Data are also available through custom and special tabulations. For more information or general inquiries on Public Institutions Division products or services, contact Patricia Phillips, Data Dissemination and External Relations Coordinator (613-951-0767). ■

Logging Industry

1990 Annual Survey of Forestry

In 1990, the value of shipments of goods of own manufacture for the logging industry (SIC 0410) totalled \$8,113.8 million, down 6.7% from \$8,696.8 million in 1989.

The data for this industry will be released in *Logging Industry* (25-201, \$30).

For more detailed information on this release, contact J. Lepage (613-951-3516), Industry Division. ■

Forestry Services Industry

1990 Annual Survey of Forestry

In 1990, the value of shipments of goods of own manufacture for the business sector of the forestry services industry (SIC 0511) totalled \$208.7 million, up 5.6% from \$197.7 million in 1989.

For more detailed information on this release, contact J. Lepage (613-951-3516), Industry Division. ■

PUBLICATIONS RELEASED

Fruit and Vegetable Production, August 1992.

Catalogue number 22-003

(Canada: \$18/\$72; United States: US\$21.50/US\$86;
Other Countries: US\$25.25/US\$101).

The Sugar Situation, July 1992.

Catalogue number 32-013

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

**Production and Stocks of Tea, Coffee and Cocoa,
Quarter Ended June 1992.**

Catalogue number 32-025

(Canada: \$6.75/\$27; United States: US\$8/US\$32;
Other Countries: US\$9.50/US\$38).

Construction Type Plywood, June 1992.

Catalogue number 35-001

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

**Production, Shipments and Stocks on Hand of
Sawmills East of the Rockies (Excluding
Newfoundland and Prince Edward Island), June
1992.**

Catalogue number 35-002

(Canada: \$10/\$100; United States: US\$12/US\$120;
Other Countries: US\$14/US\$140).

**Production, Shipments and Stocks on Hand of
Sawmills in British Columbia, June 1992.**

Catalogue number 35-003

(Canada: \$7.10/\$71; United States: US\$8.50/US\$85;
Other Countries: US\$9.90/US\$99).

**Air Passenger Origin and Destination, Canada -
United States Report, 1991.**

Catalogue number 51-205

(Canada: \$42; United States: US\$50;
Other Countries: US\$59).

The paper used in this publication meets the minimum
requirements of American National Standard for
Information Sciences - Permanence of Paper for Printed
Library Materials, ANSI Z39.48 - 1984.



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The Daily, August 31, 1992

MAJOR RELEASE DATES: SEPTEMBER 1992

(Release dates are subject to change)

Anticipated date(s) of release	Title	Reference period
September		
1	Short-term Expectations Survey	
1	Sales of Refined Petroleum Products	July 1992
2	Help-wanted Index	August 1992
4	Labour Force Survey	August 1992
4	Field Crop Reporting Series: No 6 - August Estimate of Production of Principal Field Crops, Canada	
9	New Motor Vehicle Sales	July 1992
9	Estimates of Labour Income	June 1992
9	Farm Product Price Index	July 1992
10	New Housing Price Index	July 1992
10	Department Store Sales by Province and Metropolitan Area	July 1992
14	Travel Between Canada and Other Countries	July 1992
15	Census of Population: Mother Tongue Data	1991
16	Monthly Survey of Manufacturing	July 1992
16	Department Store Sales - Advance Release	August 1992
17	Preliminary Statement of Canadian International Merchandise Trade	July 1992
18	Consumer Price Index	August 1992
21	Retail Trade	July 1992
21	Sales of Natural Gas	July 1992
22	Wholesale Trade	July 1992
22	Department Store Sales and Stocks	July 1992
24	Canada's International Transactions in Securities	July 1992
25	Industrial Product Price Index	August 1992
25	Raw Materials Price Index	August 1992
29	Sales of Refined Petroleum Products	August 1992
30	Real Gross Domestic Product at Factor Cost by Industry	July 1992
30	Building Permits	July 1992
30	Unemployment Insurance Statistics	July 1992
30	Major Release Dates	October 1992

The October 1992 release schedule will be published on September 30, 1992. **Users note:** This schedule can be retrieved from **CANSIM** by the command **DATES**. Contact Greg Thomson (613-951-1116), Communications Division.