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MAJOR RELEASES

- Consumer Price Index, June 1993** 2
 In June, the CPI year-over-year increase was 1.6%, down from the 1.8% increase reported in May.
- Federal Government Finance, 1992-93 Revised Estimates and 1993-94 Estimates** 10
 On a Financial Management System (FMS) basis, federal government revenues in 1993-94 are expected to reach \$139.9 billion, while expenditures are estimated to total \$172.8 billion, resulting in a deficit of \$32.9 billion.

DATA AVAILABILITY ANNOUNCEMENT

Government Expenditures on Culture, 1991-92

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MAJOR RELEASES

Consumer Price Index

June 1993

In June, the CPI year-over-year increase was 1.6%, down from the 1.8% increase reported in May.

All-items

The All-items Consumer Price Index (CPI) for Canada edged up 0.1% between May and June 1993, to 130.2 (1986=100). Four of the major component indices registered increases, the most significant being clothing (+0.5%) and transportation (+0.2%). The housing index remained unchanged while the index for tobacco products and alcoholic beverages and the index for health and personal care declined by 0.3% and 0.1% respectively.

Between June 1992 and June 1993, the all-items index increased by 1.6%, the lowest 12-month rise since November 1992.

Seasonally adjusted, the all-items index edged up by 0.1% in June after dropping by 0.2% in May. The marginal increase in the latest month resulted from a seasonally adjusted increase of 0.2% in the all-items excluding food index, moderated by a drop of 0.7% in the seasonally adjusted food index. The compound annual rate of increase based on the seasonally adjusted levels in the latest three-month period (March to June) was 0.6%. It showed no change in the previous period (February to May).

Food

The food index rose slightly (+0.1%) in June, following a sharp 1.0% increase in May. The latest advance resulted from increases of 0.1% observed in both the food purchased from stores and the food purchased from restaurants components.

Within food purchased from stores, the impact of price increases for a range of commodities was almost completely offset by a drop of 3.9% in the fresh vegetable index. Higher prices were reported for pork (associated with higher production costs and increased demand), veal, chicken, bakery products, dairy products and breakfast cereal. The drop in the fresh vegetable index was due mainly to lower prices for salad-type vegetables (lettuce -21.9%, tomatoes -10.9%, and cucumbers -24.8%), though these were somewhat counterbalanced by a 54.4% rise in potato prices. Less noticeable price declines were noted for beef, bananas and carbonated beverages.

Between June 1992 and June 1993, the food index advanced by 1.5%, based on increases of 1.5% in the food purchased from stores and 1.6% in the food purchased from restaurants components. Within food purchased from stores, fresh vegetable prices have advanced 18.9%, meat prices 3.5%, and fish prices 6.9%, while fresh fruit prices have dropped 10.5% since June last year.

All-items Excluding Food

The all-items excluding food index also rose a marginal 0.1% between May and June. Increases in the transportation (+0.2%) and clothing (+0.5%) indices were offset chiefly by a decline in the tobacco products and alcoholic beverages index (-0.3%).

The 0.2% rise in the transportation index was pushed up to a considerable extent by an increase of 2.0% in gasoline prices. Higher automobile rental charges were also reported reflecting summer rates and returns from discounts offered in previous months. Parking rates rose, mainly in Nova Scotia, Ontario, and Vancouver (where the 7% provincial sales tax was applied to parking). Rail fares also rose due, in part, to higher summer rates. The overall increase was diminished by a 4.4% drop in air fares resulting largely from a decrease in seat-sale fares on selected domestic routes. Prices of tires and new vehicles fell largely in response to the elimination of the five-dollar per tire tax in Ontario.

The increase in the clothing index in June was unusual and was probably largely a rebound from the 1.0% monthly decrease in May. A major part of the latest advance was concentrated in the men's wear index which jumped by 1.0% and reflected higher prices for men's suits, pants and shirts. The girls' wear and boys' wear indices each rose by 1.0% as well. The women's wear index climbed by 0.2% with much of the rise found in higher prices for foundation garments, hosiery and lingerie. These increases were dampened partially by a drop in prices for men's and women's footwear and for clothing material.

Although the housing index registered no overall change in June, there were important movements in some of its components. Higher charges for rent, for maintenance and repairs to owned accommodation, and for homeowners' and tenants' insurance premiums (which were made subject to the 8% provincial tax in Ontario) were the principal upward contributors. Smaller upward effects resulted from higher prices for pet food, household chemical supplies, light bulbs, and tableware and flatware. The

influence of these increases was effectively cancelled by lower prices for new houses, furniture and selected appliances along with a continuing decline in mortgage interest costs.

The recreation, reading and education index posted a marginal 0.1% increase. The recreation index went up by 0.1% with most of the gain associated with the purchase of recreational vehicles, home entertainment equipment and cablevision services.

The decline of 0.3% in the tobacco products and alcoholic beverages index was due mainly to a drop of 0.5% in cigarette prices resulting from competitive pricing in Toronto. Beer prices also fell, mostly in

Quebec, as a result of competition among retailers. A small offsetting effect came from higher prices for liquor reported mostly in British Columbia.

The fall in the health and personal care index (-0.1%) was largely associated with a decline in the prices of several personal care products. A minor offsetting effect resulted from higher prices for prescribed and non-prescribed medicines.

Between June 1992 and June 1993, the all-items excluding food index increased by 1.7%, the same rate as in May. The 12-month increases over the months January to April had fluctuated between 1.9% and 2.3%.

Consumer Price Index and Major Components (1986 = 100)

Indexes	June 1992	May 1993	June 1993	May to June 1993	June 1992 to June 1993
				% change	
			unadjusted		
All-items	128.1	130.1	130.2	0.1	1.6
Food	121.6	123.3	123.4	0.1	1.5
Housing	126.0	127.7	127.7	0.0	1.3
Clothing	129.2	130.3	130.9	0.5	1.3
Transportation	122.3	124.3	124.6	0.2	1.9
Health and personal care	131.1	135.0	134.8	-0.1	2.8
Recreation, reading and education	131.3	134.9	135.1	0.1	2.9
Tobacco products and alcoholic beverages	169.3	171.7	171.2	-0.3	1.1
All-items excluding food	129.5	131.6	131.7	0.1	1.7
All-items excluding food and energy	130.2	132.3	132.4	0.1	1.7
Goods	124.2	125.8	126.0	0.2	1.4
Services	132.7	135.3	135.3	0.0	2.0
Purchasing power of the consumer dollar expressed in cents, compared to 1986	78.1	76.9	76.8		
All-items (1981 = 100)			172.4		

Energy

The energy index rose at an accelerated 1.0% in June, following increases of 0.6% in May and 0.2% in April. The advance was due to the 2.0% rise in gasoline prices. Since June 1992, the energy index has risen by 1.9%, a much slower rate than the increase of 2.5% reported in May. In the months of February, March and April, year-over-year advances in this index remained above 3.0%.

All-Items Excluding Food and Energy

The all-items excluding food and energy index edged up by 0.1% in June, following a decline of 0.2% in May. Between June 1992 and June 1993, the index moved up by 1.7%, slightly higher than the 1.6% rise observed in May. Year-over-year advances in the four months preceding May ranged between 1.9% and 2.2%.

Goods and Services

The goods index rose by 0.2% in June, the same as in May and preceded by declines of 0.2% and 0.1% in March and April respectively. The latest rise was associated with increases of 0.2% in the non-durables index and 0.5% in the semi-durables index, partially dampened by a drop of 0.3% in the prices of durables. The services index remained unchanged in June, the same as in May, following a small 0.1% rise in April.

On a year-over-year basis, the goods index climbed by a slower 1.4% in June, compared to an advance of 1.7% in May. At the same time, the services index rose by 2.0% in June, the same as in May but slower than the increase of 2.3% observed in April.

Tax Changes

In Ontario, the 8% provincial tax was extended to cover premiums paid on homeowners and tenants insurance and the five dollar per tire tax was eliminated, both changes taking effect on May 20th. In Nova Scotia, gasoline taxes rose by 0.2 cents per litre starting June 1st. In British Columbia, parking within the Vancouver transit area became subject to the 7% provincial sales tax. A reduction in the Alberta income tax rebate caused the price of natural gas to rise in that province. A 10-cent deposit on

juice containers, with five cents refundable, came into effect in New Brunswick.

City Highlights

Among the cities for which CPI's are published, changes in the all-items indices between May and June ranged from a drop of 0.2% in Regina, Vancouver and Yellowknife to a rise of 0.8% in Edmonton. In Regina, significant declines were observed in its food and transportation indices. In Vancouver, the food, housing and clothing indices turned downwards. In Yellowknife, the food, transportation and recreation, reading and education indices fell noticeably. The above average change in Edmonton was associated with sharp increases in the food (as the grocery store price war continued to fade) and transportation indices.

Between June 1992 and June 1993, increases in city CPI's ranged from a low of 0.6% in Halifax to a high of 3.5% in Vancouver.

Main Contributors to Monthly Changes in the All-items Index, by City

St. John's

The all-items index rose 0.2%. Much of the upward impact came from the food index, where price increases were recorded for fresh produce, chicken, cured and prepared meats, dairy products, cereal and bakery products and sugar. Increased recreation expenses and higher prices for personal care supplies and gasoline also exerted a notable upward impact. Moderating these advances were lower prices for clothing and furniture. Since June 1992, the all-items index has risen 1.3%.

Charlottetown/Summerside

No overall change was recorded in the all-items index, as a number of offsetting effects took place. Increased transportation charges were recorded, notably for vehicle rentals, vehicle insurance and train fares. Higher prices for clothing, personal care supplies and medicinal and pharmaceutical products also exerted a considerable upward impact. The food index declined as lower prices for fresh vegetables, soft drinks, chicken, sugar, cured meats and dairy products were registered. Since June 1992, the all-items index has risen 2.0%.

Halifax

Price increases for clothing, household operation, homeowners' maintenance and repairs and new houses explained a large part of the 0.2% rise in the all-items index. Further upward pressure came from higher prices for gasoline, train fares, personal care supplies and wine purchased from stores. The food index fell, reflecting lower prices for fresh vegetables, soft drinks, beef, bakery products and fresh fruit. Since June 1992, the all-items index has risen 0.6%.

Saint John

Despite declines in four of the seven major component indexes (housing, tobacco and alcohol, recreation, reading and education, and health and personal care), the all-items index rose 0.2%. Higher prices for clothing, food, gasoline and train fares accounted for most of the overall rise. Within the food index, price increases were recorded for fresh vegetables, cereal and bakery products, beef, dairy products, prepared meats and chicken. Apple, orange and tomato juice prices were also up slightly, as phase 2 of the New Brunswick Beverage Containers Act came into force (a 10-cent deposit, with five cents refundable). Moderating these advances were lower prices for household furnishings and equipment and for liquor purchased from stores. Decreased recreation expenses and lower prices for personal care supplies were also noted. Since June 1992, the all-items index has risen 1.5%.

Quebec City

Higher prices for gasoline and clothing and a rise in the food index (mainly for beef, restaurant meals, cereal and bakery products, fresh fruit and pork) explained a large part of the 0.1% rise in the all-items index. Dampening these advances were lower prices for household furnishings and equipment, decreased charges for homeowners' maintenance and repairs and declines in mortgage interest costs. Decreased prices for personal care supplies and for non-prescribed medicines added further downward pressure. Since June 1992, the all-items index has risen 1.2%.

Montreal

The all-items index remained unchanged overall, as advances in three of the seven major component

indexes were completely offset by declines in the remaining four. The greatest upward impact came from the transportation index, where higher prices were recorded for gasoline and train fares. Further upward pressure came from advances in clothing prices and increased charges relating to recreation, reading and education. Among those factors exerting a downward influence were lower food prices, most notably for fresh vegetables, beef, fresh fruit, chicken, soft drinks and fish. The housing index also fell, reflecting declines in furniture prices, mortgage interest costs, and new house prices. Additional downward pressure came from lower prices for personal care supplies, non-prescribed medicines and beer and liquor purchased from stores. Since June 1992, the all-items index has risen 1.5%.

Ottawa

The all-items index rose 0.2%. The greatest upward influence came from the transportation index, where higher prices were registered for gasoline, parking and train travel. Higher prices for clothing were recorded along with increased housing charges, most notably for homeowners' insurance, rented accommodation and household operation. Higher recreational charges were also noted. The food index rose marginally, as higher prices for fresh fruit, beef, chicken and soft drinks were largely offset by lower prices for fresh vegetables, bakery products and prepared meats. Since June 1992, the all-items index has risen 2.4%.

Toronto

Advances in the food, housing and clothing indexes explained most of the 0.2% rise in the all-items index. The food index was up, reflecting higher prices for fresh vegetables, soft drinks, beef and bakery products. Within the housing component, price increases were recorded for homeowners' insurance, household operating expenses, rented accommodation, household textiles and household equipment. Further upward pressure came from increased charges for non-prescribed medicines and personal care supplies. Moderating these advances were lower prices for recreational and home-entertainment equipment and for cigarettes. The transportation index fell marginally, as lower prices for new cars and decreased air fares slightly offset increased charges for gasoline and parking. Since June 1992, the all-items index has risen 1.2%.

Thunder Bay

The all-items index rose 0.2%. A rise in the housing index was a major contributor, and reflected increased charges for homeowners' insurance, new houses, household furnishings and equipment and rented accommodation. Higher transportation charges were also recorded, most notably for gasoline, train fares and rental of automotive vehicles. Advances in clothing prices and recreation charges added further upward pressure. Partly offsetting these advances were lower food prices, most notably for fresh vegetables, dairy products and soft drinks. Lower prices for cigarettes, personal care supplies and non-prescribed medicines had a further dampening effect. Since June 1992, the all-items index has risen 1.3%.

Winnipeg

The all-items index fell 0.1%. The greatest downward impact came from the food index, where lower prices were recorded for fresh vegetables, soft drinks, dairy products, cured and prepared meats, pasta products and chicken. Decreased transportation charges also had a considerable downward impact, and reflected lower air fares and decreased charges for vehicle rentals, parking and gasoline. The housing index fell slightly, mainly due to declines in mortgage interest costs and new house prices. Partly offsetting these declines were higher prices for clothing, personal care supplies, and non-prescribed medicines. Since June 1992, the all-items index has risen 2.8%.

Regina

The all-items index fell 0.2%. The major downward impact came from the transportation index, where declines in gasoline prices and air fares more than offset a rise in train fares. A drop in the food index was also recorded and mainly reflected lower prices for fresh vegetables and soft drinks. These declines were partly offset by higher prices for clothing and personal care supplies. Since June 1992, the all-items index has risen 3.3%.

Saskatoon

No overall change was recorded in the all-items index, as a number of offsetting effects took place. Among those factors exerting a downward influence were lower food prices, particularly for fresh vegetables, prepared meats, soft drinks, pasta products and cereal products. Decreased transportation charges were also recorded, as

declines in air fares and vehicle rental charges were only partly offset by a rise in train fares. Among those factors contributing an upward impact were price increases for household furnishings and equipment, clothing, personal care supplies and cablevision services. Since June 1992, the all-items index has risen 2.7%.

Edmonton

The all-items index rose 0.8%. Most of the upward impact came from the food index, as prices continued to increase after previous price-war levels. Higher transportation charges were also recorded, particularly for gasoline and train fares. Further upward pressure came from price advances for household operation, household furnishings and natural gas (the latter reflected a decrease in the Alberta Income Tax Rebate). Prices for men's and boys' wear also increased. Since June 1992, the all-items index has risen 0.7%.

Calgary

The 0.3% rise in the all-items index was mainly due to advances in the food and housing indexes. Within the food component, higher prices were recorded for cereal and bakery products, dairy products, beef, pork, fresh fruit and chicken. The rise in the housing index reflected higher prices for household furnishings, increased household operating expenses and a rise in natural gas charges (the latter due to a decrease in the Alberta Income Tax Rebate). Further upward pressure came from price increases for men's and boys' wear. Moderating these advances were lower air fares and decreased charges for personal care supplies and for non-prescribed medicines. Since June 1992, the all-items index has risen 1.3%.

Vancouver

The all-items index fell 0.2%. The greatest source of downward pressure came from the food index, where lower prices were recorded for fresh vegetables, beef, fresh fruit, soft drinks and pork. The housing index also declined, largely due to lower prices for new houses and decreased mortgage interest costs. Further downward pressure came from a drop in the clothing index. Partly offsetting these declines were higher transportation charges (gasoline, rail fares and parking), increased charges relating to recreation, reading and education, and higher prices for liquor purchased from stores. Since June 1992, the all-items index has risen 3.5%.

Victoria

The all-items index remained unchanged overall, as declines in the food, clothing and health and personal care indices completely offset advances in the housing and the tobacco and alcohol components. Within the food index, lower prices were recorded for fresh vegetables, beef, pork, dairy products, fresh fruit and soft drinks. The health and personal care index declined due to lower prices for non-prescribed medicines and personal care supplies. The rise in the housing index reflected increased charges for rented accommodation and higher prices for new houses. Price increases for liquor purchased from stores caused the rise in the tobacco products and alcoholic beverages component. The transportation index remained unchanged, as advances in rail fares and vehicle rental charges were offset by declines in air fares and gasoline prices. Since June 1992, the all-items index has risen 2.8%.

Whitehorse

No overall change was recorded in the all-items index, due to a number of offsetting effects. Increased housing charges exerted a notable upward impact, and were largely due to increased charges for electricity and higher prices for household furnishings and equipment. The food index was also up, reflecting higher prices for beef, soft drinks, pork, prepared meats, dairy products, cereal products and

fresh fruit. Completely offsetting these advances were decreased charges relating to recreation, reading and education, lower clothing prices, and a drop in the transportation index (air fares and gasoline). Lower prices for personal care supplies were also recorded. Since June 1992, the all-items index has risen 1.7%.

Yellowknife

The all-items index fell 0.2%, reflecting declines in four of the seven major component indexes (food, recreation, reading and education, transportation and clothing). The drop in the food index was mainly due to lower prices for fresh vegetables, milk and bakery products. Lower prices for recreational and home entertainment equipment explained the fall in the recreation index. Within transportation, declines in air fares were recorded. The housing index remained unchanged, as higher prices for household furnishings were offset by lower household operating expenses and decreased mortgage interest costs. Since June 1992, the all-items index has risen 1.7%.

Available on CANSIM: matrices 2201-2230.

The June 1993 issue of *Consumer Price Index* (62-001, \$9.30/\$93) is now available. See "How to Order Publications".

For more detailed information on this release, contact Sandra Shadlock (613-951-9606), Prices Division. □

Consumer Price Indexes for Urban Centres

The indexes in this table measure within each city the percentage change in consumer prices from the base period to subsequent time periods. They cannot be used to compare levels of prices between cities.¹

	All-items	Food	Housing	Clothing	Transportation	Health and Personal care	Recreation Reading and Education	Tobacco Products and Alcoholic Beverages
St. John's								
June 1993 index	124.2	118.8	118.9	130.9	119.4	129.0	132.4	151.4
% change from May 1993	0.2	1.0	-0.1	-0.6	0.2	0.6	0.5	0.0
% change from June 1992	1.3	1.4	1.0	-0.9	1.3	1.7	1.7	4.9
Charlottetown/Summerside								
June 1993 index	129.1	129.1	121.2	127.4	117.9	141.1	134.7	189.0
% change from May 1993	0.0	-0.5	0.0	0.7	0.3	1.1	0.1	0.0
% change from June 1992	2.0	3.4	1.8	3.2	-0.3	4.3	2.4	0.9
Halifax								
June 1993 index	127.2	129.4	120.2	129.5	119.3	131.3	130.5	171.5
% change from May 1993	0.2	-0.3	0.3	1.6	0.3	0.2	0.0	0.1
% change from June 1992	0.6	0.5	0.6	2.5	-0.5	1.5	2.3	-0.5
Saint John								
June 1993 index	127.0	127.6	120.8	132.4	120.2	133.3	128.8	171.6
% change from May 1993	0.2	0.8	-0.2	1.8	0.3	-0.2	-0.3	-0.6
% change from June 1992	1.5	2.3	0.5	3.8	2.0	2.8	2.1	0.2
Quebec City								
June 1993 index	129.0	119.0	127.3	136.9	118.1	136.5	137.7	168.3
% change from May 1993	0.1	0.1	-0.3	0.7	0.5	-0.4	0.0	0.0
% change from June 1992	1.2	-0.7	1.0	2.2	1.4	3.7	2.8	0.2
Montreal								
June 1993 index	131.0	121.2	130.1	136.8	120.3	135.5	141.6	173.6
% change from May 1993	0.0	-0.5	-0.2	0.7	0.8	-0.8	0.6	-0.5
% change from June 1992	1.5	0.0	1.2	2.0	2.0	2.8	3.7	1.0
Ottawa								
June 1993 index	130.4	126.0	127.9	130.8	125.1	139.5	134.7	165.6
% change from May 1993	0.2	0.1	0.0	0.6	0.5	-0.4	0.2	0.0
% change from June 1992	2.4	7.0	1.4	1.5	1.0	3.6	3.1	0.0
Toronto								
June 1993 index	131.5	125.4	130.7	128.6	126.3	138.7	136.2	163.9
% change from May 1993	0.2	0.6	0.2	0.6	-0.1	0.4	-0.1	-1.0
% change from June 1992	1.2	1.8	0.8	0.0	1.1	2.3	2.7	0.6
Thunder Bay								
June 1993 index	128.8	118.3	127.2	131.8	125.5	129.5	134.3	170.0
% change from May 1993	0.2	-0.8	0.6	0.5	0.4	-0.5	0.3	-0.3
% change from June 1992	1.3	-1.9	1.9	1.9	2.3	2.5	3.1	0.5
Winnipeg								
June 1993 index	130.1	130.1	124.3	131.6	126.1	134.4	137.2	164.1
% change from May 1993	-0.1	-0.5	-0.1	0.7	-0.2	0.7	-0.1	0.0
% change from June 1992	2.8	5.3	0.9	2.1	4.0	3.9	5.0	0.6
Regina								
June 1993 index	131.3	130.9	120.8	138.6	131.3	145.3	133.1	176.9
% change from May 1993	-0.2	-0.2	0.0	0.4	-0.6	0.3	0.1	-0.1
% change from June 1992	3.3	3.6	1.9	8.5	4.0	3.3	2.9	2.6

Consumer Price Indexes for Urban Centres

The indexes in this table measure within each city the percentage change in consumer prices from the base period to subsequent time periods. They cannot be used to compare levels of prices between cities.¹

	All-items	Food	Housing	Clothing	Transportation	Health and Personal care	Recreation Reading and Education	Tobacco Products and Alcoholic Beverages
Saskatoon								
June 1993 index	130.1	130.1	120.2	137.6	126.8	157.6	131.8	163.2
% change from May 1993	0.0	-0.6	0.1	0.4	-0.2	0.3	0.0	-0.1
% change from June 1992	2.7	3.3	0.7	8.3	3.3	2.7	2.9	2.2
Edmonton								
June 1993 index	127.6	114.8	124.1	128.0	126.1	131.6	133.6	181.6
% change from May 1993	0.8	2.3	0.2	0.1	1.7	-0.7	0.2	0.1
% change from June 1992	0.7	-5.2	2.1	1.7	2.0	0.5	2.1	1.1
Calgary								
June 1993 index	127.8	117.4	123.8	129.2	122.7	130.8	134.1	181.4
% change from May 1993	0.3	1.2	0.3	0.2	-0.1	-0.6	0.1	0.0
% change from June 1992	1.3	-2.8	2.0	2.1	2.4	2.3	3.3	1.4
Vancouver								
June 1993 index	131.5	130.3	125.2	125.0	135.9	128.5	133.6	170.2
% change from May 1993	-0.2	-1.0	-0.2	-0.9	0.3	0.0	0.4	0.5
% change from June 1992	3.5	2.8	3.5	0.9	5.1	3.8	4.1	3.7
Victoria								
June 1993 index	129.9	129.6	122.6	126.4	132.3	128.1	132.7	169.0
% change from May 1993	0.0	-0.8	0.3	-1.1	0.0	-0.2	0.0	0.7
% change from June 1992	2.8	3.1	2.6	0.6	3.8	2.2	2.4	2.7
Whitehorse								
June 1993 index	124.9	120.1	124.7	130.0	115.4	126.5	125.3	150.2
% change from May 1993	0.0	0.5	0.6	-1.1	-0.4	-0.3	-1.1	0.0
% change from June 1992	1.7	3.4	1.8	0.8	1.6	-0.5	-0.1	1.4
Yellowknife								
June 1993 index	126.3	118.2	120.9	133.0	120.0	124.3	129.4	166.3
% change from May 1993	-0.2	-0.9	0.0	-0.1	-0.3	1.2	-0.6	0.1
% change from June 1992	1.7	1.6	1.0	2.9	1.6	2.1	2.1	3.0

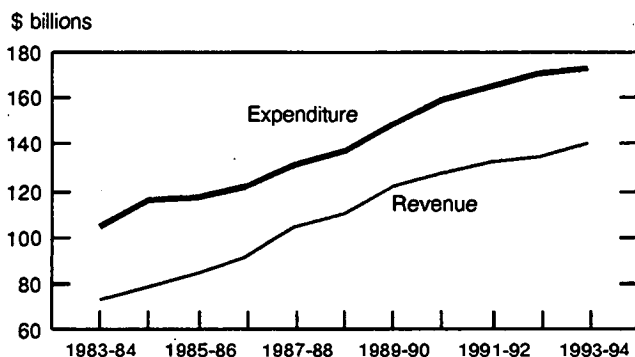
¹ For inter city indexes of retail price differentials, refer to Table 23 of the July-September 1992 issue of Consumer Prices and Price Indexes (62-010, \$17.25/\$69.00).

Federal Government Finance – Financial Management System Basis

1992-93 Revised Estimates and 1993-94 Estimates

On a Financial Management System (FMS) basis, federal government revenues in 1993-94 are expected to reach \$139.9 billion, while expenditures are estimated to total \$172.8 billion, resulting in a deficit of \$32.9 billion. On a public accounts basis, the deficit is estimated to be \$32.6 billion. The difference is mainly due to the treatment of pension plans (see Table 1). Revenues are projected to increase 4.6% from 1992-93 compared to an average annual rate of change for the previous five years of 5.3%, while expenditures are expected to increase 1.4%, significantly below the 5.4% average of the previous five years.

Federal Government Finance Financial Management System Basis



Revenues

Most major revenue sources are expected to increase in 1993-94. Personal income tax collections, before deduction of the new child tax benefit and other tax credits delivered through the personal income tax system, are expected to total \$65.3 billion, a rise of \$2.4 billion or 3.8% over 1992-93 revised estimates. Corporation income taxes are estimated to increase by 14.3% to \$9.7 billion (see Table 2). The average growth in personal and corporation income taxes for the five years prior to 1993-94 were 5.8% and -4.8% respectively.

Note to Users

The Financial Management System (FMS) provides a standardized presentation of government accounting for the federal, provincial and local governments in Canada. The individual governments' accounting systems are not directly comparable because the policies and structures of governments differ. The FMS, therefore, adjusts data from government budgets, estimates, public accounts and other records to provide detailed, intergovernmentally comparable data as well as compatible national aggregates that are consistent over time.

A detailed reconciliation of FMS data to Public Accounts, Budgets and Expenditure Estimates data is available for each reference year.

In 1993-94, GST receipts, before deduction of the low-income tax credit paid to eligible individuals (now paid semi-annually) are anticipated to be \$19.2 billion, up 7.8% from the \$17.8 billion collected in 1992-93.

Other consumption taxes (such as those on motive fuel, alcohol and tobacco) are estimated to total \$7.7 billion in 1993-94, up 2.7% from \$7.5 billion in 1992-93. The average increase in this category for the five years prior to 1993-94 was 6.3%.

Custom duties are expected to increase by \$65 million to approximately \$4.3 billion, 1.5% more than in 1992-93.

Unemployment insurance contributions are expected to reach \$19 billion in 1993-94, an increase of 8.2% over the \$17.6 billion of the previous year. This increase is below the average annual increase of 10.7% for the five-year period ending March 1993.

Other revenues of \$14.8 billion, including investment income and all other revenues, are estimated to decrease by 3.4% in 1993-94.

Expenditures

A number of events have effected federal spending in 1993-94. The Expenditure Control Plan, announced in the 1990 budget, was extended in the 1991, 1992 and 1993 budgets. The new child tax benefit announced in the 1992 budget came into effect on January 1, 1993. These factors combined with prior-year adjustments to payments to provinces, announced in the 1993 budget (and further outlined in the June, 1993, Fiscal Monitor), will change the federal spending pattern in 1993-94.

Social service expenditures, which represent 35.4% of estimated 1993-94 expenditures and include programs such as Unemployment Insurance, the new Child Tax Benefit and Old Age Security, are anticipated to increase by 3.9%. The average increase in this category for the five years prior to 1993-94 was 9.2%.

Debt servicing costs (\$39.4 billion or 22.8% of total expenditures) are expected to show very little growth (0.1%) in 1993-94, in contrast with the five-year average growth of 6.3%.

Health expenditures are estimated to decrease by 11.4% to \$8.5 billion in 1993-94. The decline can be explained by extraordinarily high expenditure in 1992-93 caused by prior-year adjustments to Established Programs Financing payments.

Education expenditures are expected to decrease by 6.2% to \$4.8 billion in 1993-94. This change is also attributable to an extraordinarily high level of expenditure in 1992-93 due to prior-year adjustments to the Established Program Financing payments.

General service expenditures of \$7.9 billion are anticipated to show a 6.5% growth in 1993-94, slightly higher than the average annual change over the previous five years of 5.3%.

General purpose transfer payments to other governments in 1993-94 are estimated to be \$10.3 billion, an increase of 2.1% over 1992-93.

Expenditures on protection of persons and property, and transportation and communications are expected to increase in 1993-94 by 2% and 0.9% respectively.

Other categories of expenditures are estimated to total \$21.4 billion for the current fiscal year, an increase of 1.9% from the previous year.

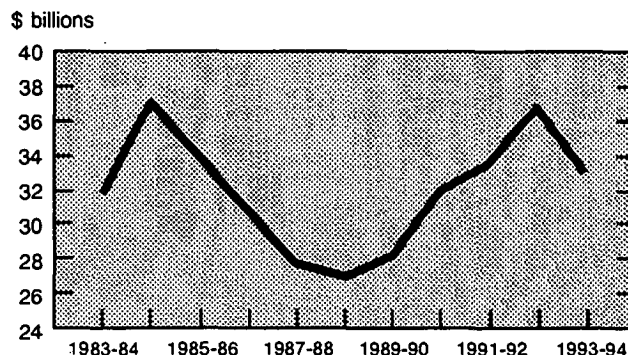
Surplus (Deficit)

Total estimated expenditures will exceed estimated revenues by \$32.9 billion in 1993-94 (compared to \$36.7 billion in 1992-93), a decrease of \$3.8 billion from the revised estimates for 1992-93.

Data Sources

These 1993-94 estimates and 1992-93 revised estimates are based on the 1993-94 Federal Budget and the Economic and Fiscal Statement of December 1992. Additional information was supplied by the Federal Department of Finance.

Federal Government Deficit Financial Management System Basis



Included in all of the reference years are the financial transactions of departments, ministries, agencies, boards and commissions considered to be part of the federal government for statistical purposes. Excluded are the revenues and expenditures of federal government business enterprises. These are incorporated in other statistical series published by Public Institutions Division.

Available on CANSIM: matrix 2780.

For further information on this release, contact Paul Blouin (613-951-8563) or Mike Riem (613-951-1847), Public Institutions Division.

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

Table 1
Federal Government Finance

Reconciliation of Financial Management System (FMS) Data to Data on a Public Accounts Basis

	1992-93 Revised Estimates			1993-94 Estimates		
	Revenue	Expenditure	Revenue Minus Expenditure	Revenue	Expenditure	Revenue Minus Expenditure
\$ millions						
1 Totals on a Public Accounts Basis						
- As presented in the Federal Government Budget of April 26, 1993	122,900	158,400	(35,500)	126,900	159,500	(32,600)
2 Adjustments to Produce FMS Data						
(i) Budget / Estimates transactions excluded from FMS universe						
- Impact of pension changes	-	1,491	(1,491)	-	531	(531)
(ii) Net addition of "Special Funds" to reflect the FMS universe						
- Atomic Energy of Canada	463	462	1	487	487	-
- Canadian Dairy Commission	376	259	117	332	259	73
- Cape Breton Development Corp.	230	229	1	228	228	-
- Death Benefit Accounts	73	(59)	132	75	(63)	138
- Pilotage Authorities	75	74	1	77	77	-
- Other Special Funds	113	104	9	109	109	-
Total Universe Adjustments	1,330	1,069	261	1,308	1,097	211
(iii) Additions to reflect "Gross" treatment of FMS						
- To account for revenues netted against expenditures on a Public Accounts basis:						
- Airport tax	520	520	-	543	543	-
- Police services	649	649	-	660	660	-
- Sales of goods and services	1,275	1,275	-	1,183	1,183	-
- Other	328	328	-	308	308	-
- To account for expenditures netted against revenues on a Public Accounts basis:						
- Child tax credit	2,425	2,425	-	1,700	1,700	-
- Family benefit	1,350	1,350	-	5,050	5,050	-
- Other tax credits	2,506	2,506	-	1,825	1,825	-
- Youth allowance	426	426	-	412	412	-
Total adjustments for "Gross" treatment	9,479	9,479	-	11,681	11,681	-
Total adjustments to produce FMS data	10,809	12,039	(1,230)	12,989	13,309	(320)
3 Totals on a FMS Basis	133,709	170,439	(36,730)	139,889	172,809	(32,920)

- Nil or zero

Table 2
Federal Government Revenue and Expenditure

	Revenue			% of total revenue			Average annual % change from	
	1987-88	1992-93	1993-94	1987-88	1992-93	1993-94	1987-88 to 1992-93	1992-93 to 1993-94
	\$ millions							
Revenue Source								
Personal income taxes	47,359	62,901	65,287	45.9	47.0	46.7	5.8	3.8
Corporation income taxes	10,878	8,485	9,700	10.6	6.3	6.9	(4.8)	14.3
Sales / Goods and services taxes	12,984	17,806	19,195	12.6	13.3	13.7	6.5	7.8
Motive fuel taxes	2,671	3,285	3,495	2.6	2.5	2.5	4.2	6.4
Custom duties	4,390	4,205	4,270	4.3	3.1	3.1	(0.9)	1.5
Alcoholic beverages and tobacco taxes	2,832	4,190	4,180	2.7	3.1	3.0	8.1	(0.2)
Unemployment insurance contributions	10,554	17,550	18,990	10.2	13.1	13.6	10.7	8.2
Return on investments	4,190	7,232	6,542	4.1	5.4	4.7	11.5	(9.5)
All other revenues	7,231	8,056	8,231	7.0	6.0	5.9	2.2	2.2
Total Revenue	103,089	133,710	139,890	100.0	100.0	100.0	5.3	4.6
	\$ millions							
	Expenditure			% of total expenditure			Average annual % change from	
	1987-88	1992-93	1993-94	1987-88	1992-93	1993-94	1987-88 to 1992-93	1992-93 to 1993-94
Expenditure Function								
General Services	5,751	7,443	7,928	4.4	4.4	4.6	5.3	6.5
Protection of Persons and Property	12,962	15,231	15,538	9.9	8.9	9.0	3.3	2.0
Transportation and Communications	3,689	3,731	3,766	2.8	2.2	2.2	0.2	0.9
Health	7,462	9,601	8,508	5.7	5.6	4.9	5.2	-11.4
Social Services	37,887	58,916	61,243	29.0	34.6	35.4	9.2	3.9
Education	4,222	5,070	4,755	3.2	3.0	2.8	3.7	-6.2
Resource Conservation and Industrial Development	8,708	6,818	6,640	6.7	4.0	3.8	-4.8	-2.6
Debt Charges	29,016	39,377	39,397	22.2	23.1	22.8	6.3	0.1
All Other Expenditures	21,023	24,252	25,034	16.1	14.2	14.5	2.9	3.2
Total Expenditure	130,720	170,439	172,809	100.0	100.0	100.0	5.4	1.4
Surplus/(Deficit)	(27,631)	(36,730)	(32,920)	5.9	-10.4

... Not appropriate or not applicable

DATA AVAILABILITY ANNOUNCEMENT

Government Expenditures on Culture 1991-92

In 1991-92, the federal government spent \$2.9 billion on culture, almost unchanged from the previous year. Provincial and territorial government spending went up about 8% to \$1.9 billion, while municipal governments spent \$1.3 billion, 2% above the 1990-91 level.

Federal spending was concentrated on the cultural industries (68%), while 37% of provincial and territorial government spending was directed toward libraries and a further 23% to heritage institutions. Municipal government expenditures on culture went principally to fund libraries (76%).

For further information on this release, contact N. Verma (613-951-6863), Education, Culture and Tourism Division. ■

PUBLICATIONS RELEASED

Production of Poultry and Eggs, 1992.

Catalogue number 23-202

(Canada: \$34; United States: US\$41; Other Countries: US\$48).

Electrical and Electronic Products Industries, 1990.

Catalogue number 43-250

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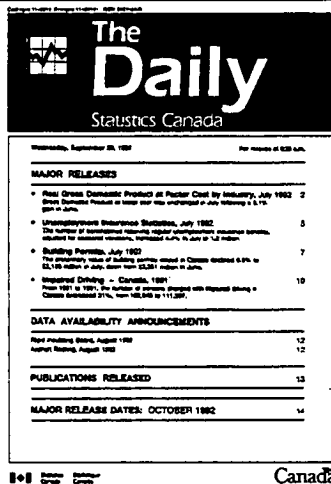
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