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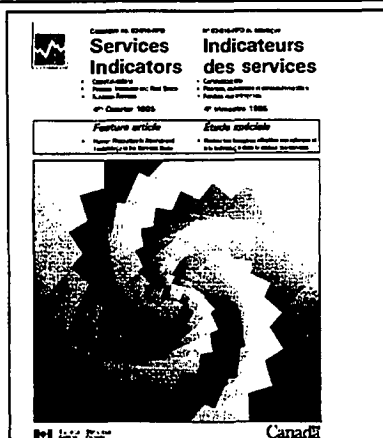
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Services indicators

Fourth quarter 1995

The fourth quarter 1995 issue of *Services indicators* features an article titled "Human resources in science and technology in the services sector". Human resources in science and technology are deemed important to Canada's economic growth because of their key role in developing and using new technologies. To gain a better understanding of this vital human resource and its relation to industry, the article examines the group's demographic structure, occupational profile, educational profile and its working conditions.

This issue also reviews the fourth-quarter changes in the services sector. In the fourth quarter, services employment, output, consumer spending, imports and exports all increased, while prices remained virtually unchanged.

The fourth quarter 1995 issue of *Services indicators* (63-016-XPB, \$34/\$112) will be available shortly. See "How to order publications".

For further information on this release, contact Deborah Sussman (613-951-2582), Services, Science and Technology Division.



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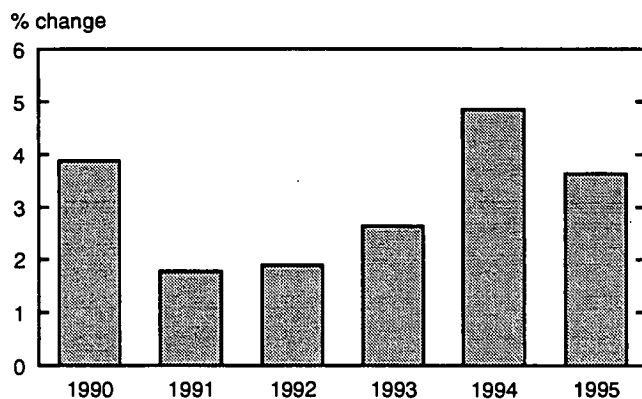
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MAJOR RELEASES

National balance sheet accounts 1995

The average Canadian's worth grew by \$1,900 to \$83,600 in 1995, as national net worth rose almost 4% to \$2.5 trillion. This was the combined result of an increase in national wealth and stability in Canada's net foreign indebtedness (what Canadians owe to non-residents less what they owe to us). Net worth growth was down from 1994, as the slowing of economic activity translated into the same for national wealth.

National net worth



Source: National balance sheet accounts.

Drop in investment produced slower growth in wealth

National wealth rose 3% to reach \$2.8 trillion. The increase in wealth had a broad base in that all assets grew, though at different rates. As in 1994, the fastest growing component was inventories. Non-residential structures (such as office buildings, factories and highways) were the only assets that grew at a markedly slower pace.

No growth in net foreign debt

Canada's net international indebtedness grew a paltry 0.5% in 1995, declining relative to GDP for a second consecutive year. This continued a three-year slowing trend that largely reflected increased Canadian investment in foreign enterprises and securities. Also having an impact in 1995 were the strengthening of

Note to readers

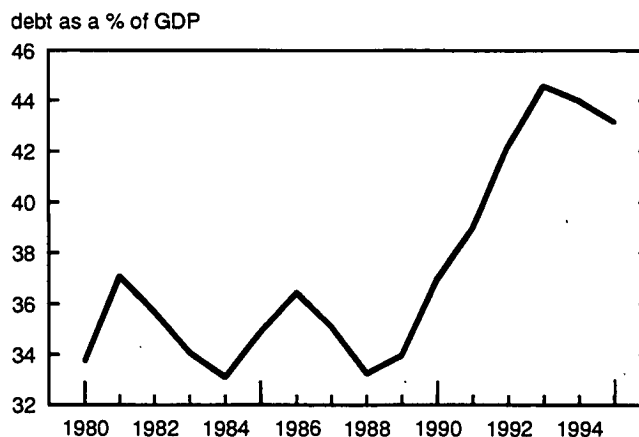
The national balance sheet accounts are statements of the non-financial assets owned in the sectors of the economy and of the financial claims outstanding among transactors in the economy. They consist of the balance sheets for all economic sectors.

National wealth is the sum of non-financial assets (reproducible assets, land surrounding structures and agricultural land) in all sectors of the economy.

National net worth is wealth less what is owed to non-residents (Canada's net international investment position); alternatively, it is the sum of the net worth of persons, corporations and governments.

the Canadian dollar through the year and the reduced demand for funds in the Canadian economy.

Net foreign debt



Source: International investment position.

Debt accumulation slowed for governments, corporations and individuals

The decline in interest rates during the year appeared to have little stimulative effect on borrowing, but it did alter the composition of borrowing. Credit market debt (short-term paper, loans and bonds) of domestic sectors grew 4% in 1995, down from 6% in 1994. The appreciation of the Canadian dollar moderated the increase in indebtedness of Canadian sectors, resulting in a revaluation of instruments denominated in foreign currency.

Government finances improved

The federal government deficit shrank in 1995. Still, debt (bonds and short-term paper) grew at a marginally faster pace than GDP. This increase was principally in the form of marketable bonds, as Canada Savings Bonds were reduced. Gross debt (excluding the civil service pension liability) stood at \$495 billion, while net debt amounted to \$429 billion.

Debt of other levels of government (provincial and local governments and hospitals) also grew at a slower rate of 6%, compared with 9% in 1994. This was in line with lower provincial government deficits in the year. The bulk of the increase in indebtedness by the provinces also was in the form of long-term debt.

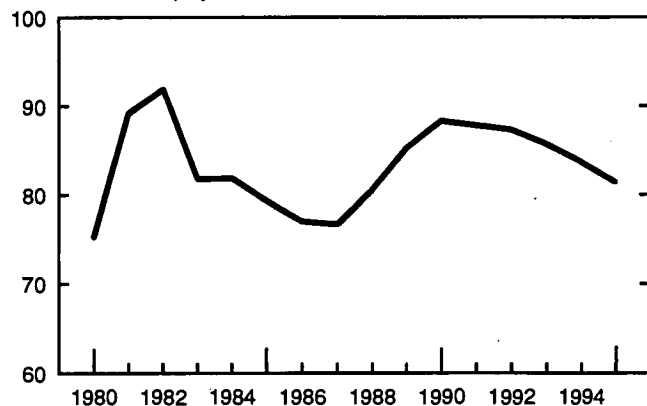
Corporate balance sheets strengthened

The capital stock of corporations grew at a slower rate than in 1994, in tandem with a slowing in corporate indebtedness. Also, corporations became net lenders to the economy in 1995, as their internal sources of funds exceeded their capital spending. The last comparable year was 1985, during a period of financial re-structuring for corporations.

For non-financial private corporations, borrowing activity was dominated by bond issues, but these came second to equities in total funds raised. Share issues, combined with healthy profits, resulted in a further decline in the debt-to-equity ratio for these corporations.

Corporate debt

debt as a % of equity



Source: Credit market debt of non-financial private corporations.

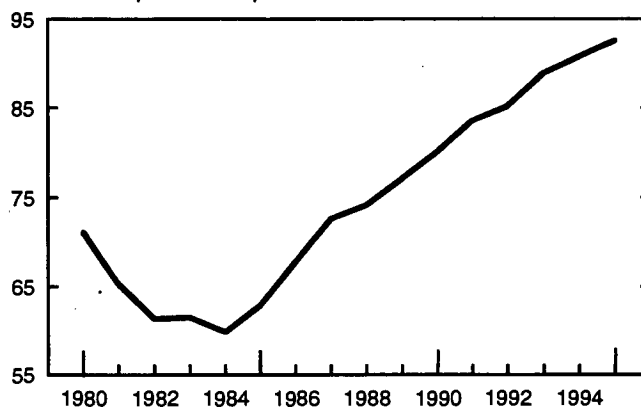
Household retirement saving offset by high debt-to-income ratio

Households' investment in financial assets continued to outpace that in non-financial assets. This reflects the aging population and the corresponding push to save for retirement. Most of the savings went into mutual funds, life insurance and pensions, and investment in other RRSPs, which continued to account for a rising share of personal savings and net worth.

Household debt grew only 4% as net worth advanced 5%. The borrowing slump was explained by the low activity in the housing market and by the slowing in demand for consumer durables. Still, the ratio of consumer debt and mortgages outstanding to after-tax income rose to a record 93%.

Household debt

debt as % of personal disposable income



Source: Consumer credit and mortgage debt.

Growth of financial institutions was focussed in investment and pension funds

The proportion of the economy's financial assets held by financial institutions (the intermediation ratio) rose again in 1995, in line with the financial investments of individuals. The growth of the mutual funds industry, pension funds and the segregated funds of life insurance companies (largely longer-term, retirement-oriented investment assets) was considerably above the average for financial institutions in 1995. Since 1990, foreign securities have grown steadily in importance among the portfolio investments of financial intermediaries.

Sluggish investment in Canada by non-residents

Canadian investment abroad grew at roughly twice the rate of non-residents' investment in Canada, which grew by 5% compared with 12% in 1994. However, foreign direct investment in associated companies was up, and there was still a significant amount of bonds acquired by non-residents investors (especially federal bonds). This pushed the foreign share of federal government long-term debt to 29%.

For further information on this release, contact the information officer (613-951-3640), National Accounts and Environment Division. An analytical document, which includes tables from 1992 to 1995 and numerous charts, is available (\$50). Balance sheet data are available on diskette on the official release day (\$60).

To purchase any of these products, or to obtain more information about them, contact the client services officer (613-951-3640), National Accounts and Environment Division.

Available on CANSIM: matrices 751-795.

National net worth

	1980	1990	1991	1992	1993	1994	1995	1993 to 1994	1994 to 1995
	\$ billion							% change	
National wealth	1,215.6	2,400.7	2,457.6	2,527.5	2,615.5	2,741.4	2,830.4	4.8	3.2
- Net foreign debt	110.0	246.8	265.3	293.8	322.9	337.5	339.3	4.5	0.5
= National net worth	1,105.6	2,153.9	2,192.3	2,233.7	2,292.7	2,404.0	2,491.1	4.9	3.6
	\$							% change	
National net worth per capita	44,700	77,100	77,400	77,700	78,800	81,700	83,600	3.7	2.3

Source: National balance sheet accounts.

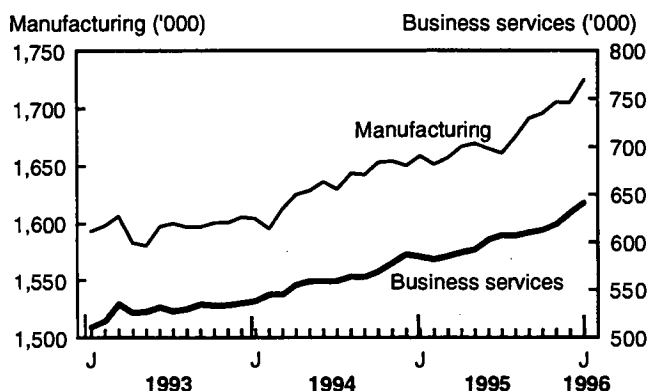
Employment, earnings and hours

January 1996 (preliminary)

The number of payroll employees grew substantially in December 1995 and in January 1996. The gains in December and January totalled 114,000, raising the number of employees to 10,854,000. This growth followed relative stability in October and November 1995.

Compared with January 1995, the number of employees has increased by 2.4% or 249,000. Over this 12-month period, manufacturers and business services were the main contributors to the overall growth. They also contributed to the gain in January. In addition, the miscellaneous services industries (such as amusement, recreational and personal services) registered significant increases in January, growing by 21,000.

Manufacturers and business services have been the main contributors to employment growth



Between January 1995 and January 1996, the gains were concentrated in Ontario (+96,000), British Columbia (+61,000) and, to a lesser extent, Quebec (+37,000). Businesses in these provinces expanded their work forces in January as well, particularly in Ontario, where half the month's gain was reported.

Employees' weekly earnings resumed an upward growth trend in November, after remaining stagnant through the first 10 months of 1995. From November 1995 through January 1996, employees' weekly earnings grew by \$6.53 to \$580.84.

Resurgence in manufacturing sector continued

Manufacturers added 20,000 employees to their payrolls in January, continuing the growth trend that

began in August 1995. Since August, the gains have averaged more than 10,000 employees per month, to total 64,000 employees. By comparison, the growth between the employment trough in May 1993 and July 1995 averaged 3,000 employees per month. The recent employment gains occurred as manufacturers' inventories stopped growing, while unfilled orders increased in the December-January period.

After dropping from 38.8 to 38.1 hours during Spring 1995, the number of weekly hours for employees paid by the hour has since climbed back up to the same level as in January 1995.

Business services expanded yet again

The growth trend in business services, which started four years ago, has continued even more briskly in recent months. In December 1995 and January 1996, this sector added an additional 23,000 employees; since January 1995, a total of 57,000 employees were added. The gains were concentrated in computer and related services and in the offices of architects, engineers and other scientific and technical service companies.

After remaining essentially unchanged for more than a year, the weekly earnings of business services employees have risen significantly in recent months. In January 1996, employees earned \$637.51, a 2.1% increase (+\$13.16) from October 1995, reflecting the job gains in the relatively higher paid industries.

Downward trend resumed in public administration

After pausing between July and November 1995, the declining trend in the number of employees in public administration resumed its slide. Declines of 4,000 employees were recorded in both December and January. Since January 1995, public administration employment has receded by an average 2,000 employees per month, a rate of decline twice that of the previous two years. Between January 1995 and January 1996, 28,000 employees were eliminated from public administration.

Ontario and Quebec were the most affected by the budgetary cutbacks, accounting for more than two-thirds of the decline in total public administration employment.

After rising to a peak of \$755.69 in May 1994, weekly earnings for public administration employees have since declined. In January 1996, earnings were down \$6.64 from May 1994.

First drop in finance and insurance industries in eight months

The number of employees dropped 0.6% in January for the finance and insurance industries. Despite this drop, the number of employees was 2.6% higher (+12,000) than in May 1995. Following several years of almost constant decline, this sector has rebounded from the low reached in May 1995 with an increasing employment trend.

Available on CANSIM: matrices 4285-4466, 9438-9452, 9639-9664 and 9899-9911.

Detailed industry data and other labour market indicators are available from the standard tables in *Employment, earnings and hours* (72-002-XPB, \$31/\$310) and *Annual estimates of employment, earnings and hours, 1983-1994* (paper version: 72F0002XPB, \$75; diskette: 72F0002XDB, \$100; paper and diskette: 10-3000XZB, \$150), as well as by custom tabulation.

For further information on this release, contact Stephen Johnson (613-951-4090, fax: 613-951-4087, the Internet: labour@statcan.ca), Labour Division.

Number of employees

Industry group (1980 SIC)	Nov. 1995	Dec. 1995 ^r	Jan. 1996 ^p	Nov. 1995 to Dec. 1995	Dec. 1995 to Jan. 1996
	seasonally adjusted				
	'000			% change	
Industrial aggregate	10,739	10,791	10,854	0.5	0.6
Logging and forestry	68	67	69	-1.5	3.0
Mining, quarrying and oil wells	126	124	127	-1.6	2.4
Manufacturing	1,706	1,705	1,725	-0.1	1.2
Construction	441	447	456	1.4	2.0
Transportation, communication and other utilities	857	859	869	0.2	1.2
Wholesale trade	657	662	657	0.8	-0.8
Retail trade	1,387	1,402	1,398	1.1	-0.3
Finance, insurance and real estate	644	651	662	1.1	1.7
Business services	619	631	642	1.9	1.7
Education-related services	934	937	934	0.3	-0.3
Health and social services	1,187	1,184	1,200	-0.3	1.4
Accommodation, food and beverage services	778	777	774	-0.1	-0.4
Public administration	683	679	675	-0.6	-0.6
Provinces and territories					
Newfoundland	147	147	148	0.0	0.7
Prince Edward Island	46	45	46	-2.2	2.2
Nova Scotia	297	299	307	0.7	2.7
New Brunswick	246	245	246	-0.4	0.4
Quebec	2,592	2,591	2,600	-0.0	0.3
Ontario	4,209	4,230	4,262	0.5	0.8
Manitoba	408	410	410	0.5	0.0
Saskatchewan	314	314	314	0.0	0.0
Alberta	1,044	1,050	1,062	0.6	1.1
British Columbia	1,404	1,410	1,420	0.4	0.7
Yukon	12	12	12	0.0	0.0
Northwest Territories	24	24	24	0.0	0.0

^r Revised estimates.

^p Preliminary estimates.

Average weekly earnings for all employees

Industry group (1980 SIC)	Jan. 1995	Dec. 1995 ^r	Jan. 1996 ^p	Dec. 1995 to Jan. 1996	Jan. 1995 to Jan. 1996
	seasonally adjusted				
	\$			% change	
Industrial aggregate	\$570.86	577.48	580.84	0.6	1.7
Logging and forestry	735.65	737.43	723.75	-1.9	-1.6
Mining, quarrying and oil wells	981.26	1,007.12	1,002.01	-0.5	2.1
Manufacturing	692.92	705.97	705.77	0.0	1.9
Construction	665.32	687.08	655.21	-4.6	-1.5
Transportation, communication and other utilities	724.31	727.30	727.48	0.0	0.4
Wholesale trade	621.34	632.45	636.83	0.7	2.5
Retail trade	341.20	339.21	349.67	3.1	2.5
Finance, insurance and real estate	639.34	667.51	667.85	0.1	4.5
Business services	618.28	638.90	637.51	-0.2	3.1
Education-related services	668.51	672.22	674.58	0.4	0.9
Health and social services	507.44	503.70	516.78	2.6	1.8
Accommodation, food and beverage services	229.90	229.01	240.84	5.2	4.8
Public administration	751.57	749.23	749.05	0.0	-0.3
Provinces and territories					
Newfoundland	542.23	528.43	531.40	0.6	-2.0
Prince Edward Island	447.51	467.92	466.93	-0.2	4.3
Nova Scotia	495.50	490.18	489.40	-0.2	-1.2
New Brunswick	518.95	516.97	520.73	0.7	0.3
Quebec	542.97	546.66	548.69	0.4	1.1
Ontario	609.89	618.79	620.60	0.3	1.8
Manitoba	493.37	510.99	512.47	0.3	3.9
Saskatchewan	492.25	493.88	495.00	0.2	0.6
Alberta	553.10	551.61	565.92	2.6	2.3
British Columbia	582.15	596.72	602.88	1.0	3.6
Yukon	691.01	681.93	689.72	1.1	-0.2
Northwest Territories	701.43	708.18	732.16	3.4	4.4

^r Revised estimates.

^p Preliminary estimates.

OTHER RELEASES

Services indicators

Fourth quarter 1995

Services employment, output, consumer spending, imports and exports all increased in the fourth quarter of 1995, while prices remained virtually unchanged.

Employment growth in services followed primarily from job creation in the following areas: telecommunications carriers; finance, insurance and real estate firms; and business services, particularly computer and related services. Growth in self-employment and part-time employment was exceptionally strong, while growth in full-time employment weakened.

Increased spending on financial, legal and other services, as well as on recreation, more than offset spending declines on transportation services in the fourth quarter.

The trade deficit in services improved in the quarter, following significant increases in business, travel, and freight and shipping receipts.

The communications group was more profitable in the fourth quarter, because operating revenues rose faster than operating expenses. The finance and insurance group also saw greater profits, because operating expenses fell further than operating revenues. By contrast, business services were less profitable, because rising operating revenues were offset by mounting operating expenses.

The feature article contained in this issue of *Services indicators* is entitled "Human resources in science and technology in the services sector". Human resources in science and technology are deemed to be important to economic growth because of their key role in developing and using new technologies. To gain a better understanding of this human resource and its relation to industry, the article examines the group's demographic structure, occupational profile, educational profile and working conditions.

The analysis (based on 1991 Census data) reveals a picture of a well-educated, well-paid, middle-aged (aged 25 to 44) professionals and managers who work full time, full year. The majority are men and have an educational specialization related to their scientific occupation. However, the correspondence between scientific education and occupation is not perfect. Some have a certain educational background but work elsewhere, whereas some work in scientific occupations without the typical educational profile. The distribution across occupations appears to be changing. The younger generation is moving toward mathematics

and systems occupations and away from engineering and the natural and applied sciences. The profile of women differs in that they are more concentrated than men in the mathematics and systems occupations. Also, women in the oldest age group (aged 45 and over) have more varied specializations than men.

Services indicators (63-016-XPB, \$34/\$112) is a quarterly publication that profiles the communications; finance, insurance and real estate; and business services sectors. It presents statistics on key economic indicators, finances, employment, salaries and output. The fourth quarter 1995 issue of *Services indicators* is now available. See "How to order publications".

For further information on this release, contact Deborah Sussman (613-951-2582), Services, Science and Technology Division. ■

Production and disposition of tobacco products

February 1996

Canadian manufacturers made 4.25 billion cigarettes in February, a 2.1% decrease from February 1995. Shipments totalled 3.95 billion cigarettes, a decrease from February 1995 as well. Domestic sales totalled 3.65 billion cigarettes, up a marginal 0.8% from February 1995. Year-over-year, overall sales declined 8.3% because of a 60.9% loss in the export component, which fell to 0.26 billion cigarettes.

Compared with January 1996, both production (+12.9%) and shipments (+10.3%) rose in February. At the end of February, inventories were up 6.8% from January because production increased more than shipments. Although this boosted the inventory level to 4.87 billion cigarettes, it was still well below (-10.8%) that of February 1995.

Data on domestic shipments are an aggregate of shipments reported by Canadian manufacturers, and are not data on retail sales or final consumption.

Available on CANSIM: matrix 46.

The February 1996 issue of *Production and disposition of tobacco products* (32-022-XPB, \$6/\$60) will be available shortly. See "How to order publications".

For further information on this release, contact Peter Zylstra (613-951-3511), Industry Division. ■

Railway carloadings

Seven-day period ending March 7, 1996

Carloadings of freight (excluding intermodal traffic) during the seven-day period ending March 7, 1996 increased 3.0% from the same period of last year, to 4.6 million tonnes; the number of cars loaded increased 1.7%.

Intermodal (piggyback) traffic totalled 270 000 tonnes, a 2.3% decrease from the same seven-day period of 1995. The 1996 year-to-date figures showed a decrease of 7.4% from last year.

Total traffic (carloadings of freight and intermodal traffic) increased 2.7% from a year earlier during the period. This brought the 1996 year-to-date total to 43.8 million tonnes, a 3.2% decrease from the previous year.

All year-to-date figures have been revised.

For further information on this release, contact Angus MacLean (613-951-2528, fax: 613-951-0579), Surface Transport Unit, Transportation Division. ■

Sawmills and planing mills

January 1996

Sawmills produced 4 885 800 cubic metres of lumber and ties in January, a 3.4% decrease from 5 059 600 cubic metres (revised) in January 1995.

Available on CANSIM: matrices 53 and 122.

The January 1996 issue of *Sawmills and planing mills* (35-003-XPB, \$11/\$110) will be available shortly. See "How to order publications".

For further information on this release, contact Bruno Pépin (613-951-3516), Industry Division. ■

PUBLICATIONS RELEASED

Mineral wool including fibrous glass insulation,
February 1996

Catalogue number 44-004-XPB

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

Services indicators, fourth quarter 1995

Catalogue number 63-016-XPB

(Canada: \$34/\$112; United States: US\$41/US\$135; other countries: US\$48/US\$157).

Exports by country, January-December 1995,
microfiche version

Catalogue number 65-003-XMB

(Canada: \$60/\$200; United States: US\$72/US\$240; other countries: US\$84/US\$280).

Exports by country, January-December 1995, paper
version

Catalogue number 65-003-XPB

(Canada: \$120/\$400; United States: US\$145/US\$480; other countries: US\$168/US\$560).

Exports by commodity, December 1995, microfiche
version

Catalogue number 65-004-XMB

(Canada: \$35/\$350; United States: US\$42/US\$420; other countries: US\$49/US\$490).

Exports by commodity, December 1995, paper
version

Catalogue number 65-004-XPB

(Canada: \$75/\$750; United States: US\$90/US\$900; other countries: US\$105/US\$1,050).

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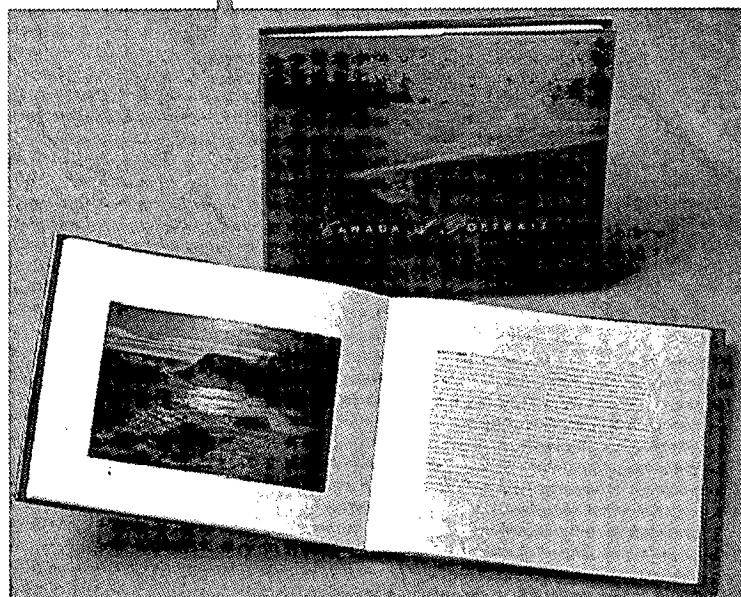
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Authorized agents and bookstores also carry Statistics Canada's catalogued publications.



Canada: A Portrait

A Memorable Journey Through Canada



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