



Infommat

A Weekly Review

Friday, December 11, 1998

OVERVIEW

◆ Employment growth continues

Employment grew for a fifth consecutive month in November, with a strong gain. The unemployment rate edged down 0.1 percentage points to 8.0%.

◆ Slow GDP growth in third quarter

Economic growth remained slow in the third quarter. Consumer and business spending grew more moderately, while strikes and taxes cut income growth.

◆ Current account deficit narrows

The deficit in the current account narrowed in the third quarter, thanks to a much higher surplus in Canada's trade of goods and to the fact that Canadians cut their travelling and spending in the United States.

◆ Americans visiting Canada in record numbers

Americans made a record number of overnight trips to Canada during the second quarter of 1998. A key stimulant to this growth was the decline in the Canadian dollar.

◆ No change in department store sales

Department store sales remained at September's level in October. Sales overall have been generally flat since the spring of this year.

◆ Number of EI beneficiaries unchanged

The number of persons receiving regular employment insurance benefits in the country hardly changed between August and September.

◆ The widening gap between American and Canadian unemployment rates

The gap between American and Canadian unemployment rates has widened from an average of two percentage points in the 1980s to about four percentage points in the 1990s.

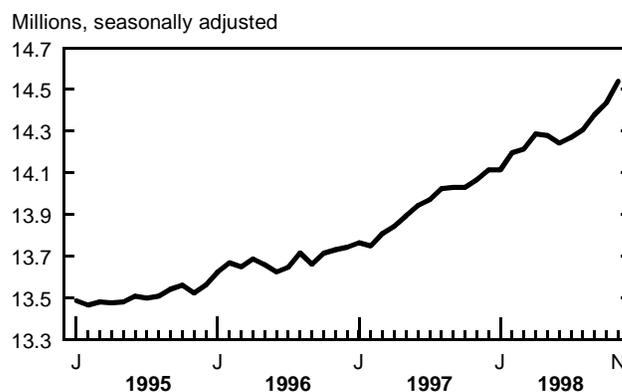
Employment growth continues

Employment rose an estimated 103,000 in November for a fifth consecutive month of growth. It brought the gain so far this year to 425,000 (+3.0%). Despite the strong employment growth in November, the number of unemployed was little changed due to an increase in labour force participation. The unemployment rate edged down 0.1 percentage points to 8.0%. November's employment gain pushed the employment rate up to 60.3% (+0.4 percentage points) — the first time since 1991 the rate has been above 60%.

Most of the employment growth in November was in full-time work (+75,000). This followed a strong gain in October (+84,000), and it brought the growth in full-time employment since the start of the year to 302,000 (+2.6%). Part-time employment rose by 29,000 in November, offsetting the decline in October. Since the start of the year, part-time employment has risen by 123,000 (+4.7%).

Youths and adult women shared the growth in November. Among youths, employment rose by 52,000 with two-thirds of the gain in part-time work. This brings the increase for this group since the start of the year to 139,000 (+6.8%). For adult women, employment rose by 45,000, with most of the increase in full-time jobs (+38,000). So far this year, employment for adult women has risen by 185,000 (+3.4%), with more than three-quarters of that full-time work. Among adult men, a slight increase in full-time

Employment



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... Employment growth continues

employment (+18,000) offset a decrease in part-time (-12,000). So far this year, employment has risen by 102,000 (+1.5%) for this group, with the entire gain in full-time jobs; however, that 1.5% is far slower than the growth rate for youths and adult women.

In the private sector, the number of employees climbed by 87,000. This strong increase, combined with the gain of 40,000 in October, more than erased the losses over the summer. The number of self-employed rose slightly in November, continuing the uptrend of the preceding five months. In the public sector, employment remained unchanged.

November's job gains were in both the goods- (+48,000) and services-producing sectors (+55,000). Employment in construction continued to grow, with an increase of 27,000, which brought the advance since the start of the year to 70,000 — the best showing for this industry since 1994. In manufacturing, employment edged up, so that it is now only slightly higher than at the end of last year (+16,000).

Employment in trade climbed by 43,000, more than offsetting the loss in October. Business and personal services, which led employment growth in 1997, has continued to perform well in 1998. Employment in this industry rose by 42,000 in November, and the gain so far this year totals 189,000 (+6.4%), with business services up 11.0% and personal services up 3.6%. After a sharp increase in October, employment in transportation, storage and communications fell by 22,000.

Employment expanded in most provinces in November. In New Brunswick, employment grew by 4,000, the fourth consecutive monthly increase. The gains of recent months offset losses earlier in the year. In the other Atlantic provinces, employment was little

Note to readers

Beginning with the January 1999 survey, three important changes will affect the Labour Force Survey. First, the industry estimates will no longer be based on the 1980 Standard Industrial Classification, instead the North American Industry Classification System will be used. Second, occupation estimates will be based on the 1991 Standard Occupational Classification, not that of 1980. Third, the definition of public sector will be modified somewhat. The data resulting from these three changes will not be comparable to previously published estimates.

changed in November. In Quebec, employment rose by 31,000, continuing the uptrend that began in July. Employment rose by 21,000 in Ontario, the third consecutive monthly increase. Ontario's unemployment rate edged down to 6.9% — the lowest since September 1990. In Manitoba, employment rose by 6,000 after changing little in the previous three months. In Saskatchewan, employment rose by 7,000, cancelling losses earlier in the year. Employment in Alberta rose by 16,000, completely offsetting losses of the two previous months. In British Columbia, employment grew by 20,000, continuing the upward trend of recent months.

Available on CANSIM: matrices 3450-3471, 3483-3502 and table 00799999.

Labour force information, for the week ending November 14, 1998 (71-001-PPB, \$11/\$103) is now available. For further information, contact Deborah Sunter (613-951-4740), Vincent Ferrao (613-951-4750), Household Surveys Division. See also "Current trends" on page 10.

Labour Force Survey, November 1998¹

Seasonally adjusted

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	rate (%)
Canada	15,807.6	0.7	14,539.8	0.7	1,267.8	8.0
Newfoundland	248.1	-0.6	202.8	-0.8	45.2	18.2
Prince Edward Island	70.4	1.0	60.5	1.0	9.9	14.1
Nova Scotia	453.7	0.3	403.7	-0.1	49.9	11.0
New Brunswick	375.5	1.3	332.5	1.2	42.9	11.4
Quebec	3,756.7	1.1	3,386.4	0.9	370.2	9.9
Ontario	6,112.4	0.3	5,688.2	0.4	424.2	6.9
Manitoba	584.4	0.5	552.4	1.1	32.0	5.5
Saskatchewan	512.9	0.9	482.4	1.4	30.5	5.9
Alberta	1,628.2	0.8	1,527.9	1.0	100.4	6.2
British Columbia	2,065.2	0.9	1,902.9	1.1	162.4	7.9

¹ Data are for both sexes aged 15 and over.

Slow GDP growth in third quarter

Real gross domestic product (GDP) advanced 0.4% in the third quarter, matching the growth of the previous quarter. However, year over-year has growth moderated from a high of over 4% late last year to 2.3%.

Foreign demand for Canadian products gained momentum in the third quarter, as exports of goods and services increased 1.4%

in real terms. Strong growth in exports of machinery and equipment (+6.7%) offset declines in other categories. Computers were the main source of the advance, accelerating to a 15.5% increase in the third quarter. Exports of consumer goods other than autos also showed strength (+4.3%), continuing the solid gains in the previous two quarters.

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... Slow GDP growth in third quarter

Consumer spending grew more slowly (+0.6%), after having advanced 1.4% in the second quarter. Spending on durable goods slowed markedly, as outlays for new vehicles rose just 2.0% following a near 15% climb in the second quarter. Consumers also eased their purchases of services, as labour income growth slowed again this quarter, to just 0.2%. In nominal terms, consumer spending grew at a moderate pace of 0.9%.

Payrolls were noticeably affected by labour unrest in the quarter, particularly in the manufacturing sector, where layoffs resulting from strikes in the U.S. auto sector pulled down wages and salaries, as did a strike in the pulp and paper industry. Strike activity further cut into wages in the construction industry, where labour unrest in Southern Ontario had an impact early in the quarter. As well, teachers' strikes affected education payrolls in September.

The slower labour income growth — along with declines in farm income and in government transfers — dampened personal incomes in the third quarter (+0.1%). And income tax collections continued to outpace incomes, so personal disposable income only advanced marginally in the first three quarters of 1998.

After two years of sustained inventory accumulation, non-farm businesses reduced inventories by \$1.3 billion in the third quarter. Sharp reductions in retail inventories — concentrated in the auto sector (-\$5.1 billion) — were partly offset by accumulation of manufacturing and wholesale trade inventories. However, in both these sectors the rate of accumulation slowed, most evidently in inventories of durable goods. Economy-wide, inventory-to-sales ratios held steady at about 10 weeks of sales following four quarters of increases.

The housing market remained weak in the third quarter, as residential investment dropped 2.6%. The decrease occurred mostly in new housing construction, where the sales of new dwellings fell 8.4%. Renovation activity (-0.8%) also contributed to the drop. Transfer costs on sales of existing homes went up 4.5% in the quarter.

Business investment slowed as spending on non-residential structures and equipment grew a moderate 0.7% in the wake of a strong second quarter. Year-to-date investment is nonetheless roughly 8% higher than the same period of 1997. Non-residential construction activity climbed 1.0%, whereas growth in machinery and equipment purchases slowed to 0.6%. Spending on computers

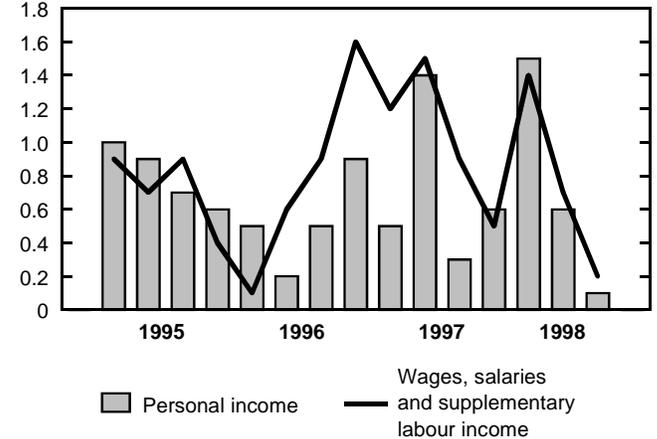
Gross domestic product at 1992 prices¹

	% change	Annualized % change	Year-over-year % change
First quarter 1997	1.3	5.2	2.7
Second quarter 1997	1.3	5.2	3.9
Third quarter 1997	1.1	4.4	4.2
Fourth quarter 1997	0.7	2.8	4.4
First quarter 1998	0.8	3.1	3.9
Second quarter 1998	0.4	1.4	2.9
Third quarter 1998	0.4	1.8	2.3

¹ The change is the growth rate from one period to the next. The annualized change is the growth rate compounded annually. The year-over-year change is the growth rate of a given quarter compared with the same quarter of the previous year.

Labour income and personal income

Quarterly % change



and other office equipment was the source of strength behind moderate 0.6% growth in machinery and equipment investment. Investment in telecommunications equipment and transportation equipment other than automobiles also grew strongly.

Corporate profits increased 1.1% in the third quarter following two consecutive quarterly declines. Despite the increase, third-quarter profits were well below peak levels of a year earlier. With retained earnings running about 15% lower on average than last year, corporations continued to borrow to finance investment, relying on short-term paper and equity markets.

The overall price level (as measured by the GDP chain price index, the broadest measure of inflation in the economy) remained virtually unchanged in the third quarter (-0.1%). Even though prices of merchandise imports climbed substantially (+3.7%) in tandem with a significant depreciation of the Canadian dollar in terms of the U.S. dollar, there was little evidence that the increase was passed on to the consumer, since prices for consumer goods were little changed.

Available on CANSIM: matrices 701-726, 728-735, 737-744, 748-750, 796, 797, 6520-6585 and 6597-6624.

The third quarter 1998 issue of *National economic and financial accounts*, quarterly estimates (13-001-XPB, \$44/\$145) will be available shortly.

Detailed printed tables of unadjusted and seasonally adjusted quarterly income and expenditure accounts (13-001-PPB, \$50/\$180), financial flow accounts (13-014-PPB, \$50/\$180) and estimates of labour income (13F0016XPB, \$20/\$200) are available now, as are supplementary analytical tables and charts. The complete data sets of the above can be obtained on diskettes (13-001-XDB, 13-014-XDB and 13F0016XDB). To purchase any of these products, contact the client services officer (613-951-3810; iea-crd@statcan.ca), Income and Expenditure Accounts Division.

For further information about this release, contact the information officer (613-951-3640), Income and Expenditure Accounts Division.

Current account deficit narrows

In the third quarter, Canadian residents again spent more money abroad — \$4.4 billion more — than they earned from abroad in the form of goods, services, investment income and transfers. That current account deficit of \$4.4 billion (seasonally adjusted) was an improvement, however, from the second quarter's \$5.2 billion deficit, thanks to a much higher surplus on Canada's trade of goods and to lower spending on international travel by Canadians.

The bigger surplus in the goods trade (+\$1.6 billion) followed a contraction in the second quarter and was led by the turn-around in the exports of trucks and other vehicles, which were previously affected by strikes that closed plants. Overall, exports in the third quarter surged almost 3% to a high of \$80 billion, while imports rose a slow 0.8% to \$75 billion. Most of the growth in the goods surplus centred on transactions with the United States, and to some extent with the United Kingdom; the surplus narrowed elsewhere, especially with non-OECD countries.

All the decline compared with the second quarter in Canadians' travel spending was for travel in the United States (-10.1% to \$2.3 billion), as Canadians essentially maintained their spending on travel in other countries (+1.5% to a record \$1.5 billion). Conversely, overseas visitors reduced their spending in Canada to second-quarter 1995 levels (-8.7% to \$1.2 billion), while U.S. travellers maintained their record spending of the first quarter at \$2.1 billion. In fact, Americans have spent two out of every three travel dollars spent by foreigners in Canada so far this year.

Overall, the international travel deficit shrank by 23.9% compared with the second quarter to \$0.5 billion — its lowest level since early 1988. Canada's travel deficit with the United States contracted 64.0% to its smallest amount in more than a decade (\$166 million), whereas the deficit with overseas nations spiked up 63.4% to a record (\$346 million). The travel deficit with the United States last peaked in the fourth quarter of 1991 at \$1.9 billion. (Travel payments and receipts include education-related spending and medical spending.)

The financial account (which is not seasonally adjusted) within the balance of international payments indicated that Canadians invested marginally less abroad than foreigners invested in Canada in the third quarter. This occurred as Canadian firms' direct investment abroad reached an all-time high of \$16.1 billion, driven by acquisitions in the United States, particularly a high-profile acquisition in the high-tech industry. The new record was nearly double the previous one reached in the first quarter of this year.

Canadians' investment in foreign securities remained steady in the third quarter, with purchases of \$3.7 billion, chiefly U.S. equities. Investors have been shifting into U.S. shares throughout 1998. Still, September witnessed an upturn in bond purchases, perhaps a reflection of investors' reaction to deteriorating share prices over the quarter.

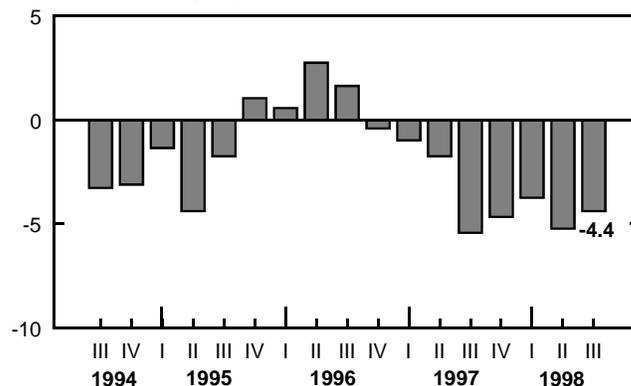
Foreign deposits at Canadian banks were drawn down sharply in the quarter. Meanwhile, Canada's official international reserves fluctuated widely and declined further, as the Canadian dollar came under renewed downward pressure. The dollar closed at just over US 65 cents, and was down almost three cents from the second quarter. Even so, the net sales of reserves were only \$1.2 billion for the quarter.

Note to readers

The current account is the broadest measure of Canada's foreign trade performance and financial dealings with the rest of the world. A deficit in the current account means that Canadians are spending more money abroad than they are earning from abroad in the form of goods, services, investment income and transfers.

Current account balance

\$ billions, seasonally adjusted



Foreign investors were net buyers of Canadian stocks and money market instruments in the quarter, but net sellers of Canadian bonds. Their investment in Canadian stocks was in new treasury shares associated with direct investment acquisitions, not in already outstanding shares, which they sold off in a big way, ending a four-quarter buying binge. Renewed foreign investment in the Canadian money market came after divestments in the previous two quarters, and was entirely directed to federal treasury bills issued to finance Canada's reserve assets. Foreign investors sold government bonds, but showed sustained interest in corporate bonds.

Foreign direct investment in Canadian companies accelerated, as acquisitions fuelled a near record \$7.2 billion inflow. The buyers, who came mainly from the United States, focussed on firms in the wood, paper, finance and insurance industries. Reinvested profits of direct investment companies were down from the previous two quarters.

Also contributing to the current account deficit, the ongoing deficit in the flow of investment income jumped by 14% to \$7.5 billion. One factor that led to this widening was an increase in the interest paid to foreign holders of Canadian securities, largely debt denominated in foreign currencies. The increase reflected the depreciation of the Canadian dollar.

Available on CANSIM: matrices 2325-2327, 2355 and 2360-2377.

For more information about the international travel deficit, contact Ed Lander (613-951-1513; fax: 613-951-2909; landedw@statcan.ca), Culture, Tourism and the Centre for Education Statistics. For further information on the current account, contact Patrick O'Hagan (613-951-1798), Balance of Payments and Financial Flows Division.

Americans visiting Canada in record numbers

Americans made a record 3.9 million overnight trips to Canada during the second quarter of 1998, up 10.6% over the same quarter in 1997. The last increase greater than 10% was in 1986, the year the World Exposition was held in Vancouver. A key stimulant to this latest growth was the decline in the Canadian dollar, which fell last spring to US\$0.69. Meanwhile, Canadians made 3.5 million overnight trips to the United States in the second quarter of 1998 — the lowest quarterly level since 1989.

A 5.6% drop in visits from overseas travellers in the second quarter of 1998 was the fifth consecutive quarterly decline. Beginning in 1997, several foreign currencies lost value in relation to the Canadian dollar. The financial crisis that hit Asia later only worsened matters. Mexicans are bucking the downward travel trend by showing a strong increase in trips to Canada.

Overseas visitors spent \$13 million more in Canada in the second quarter of 1998 than in the second quarter of 1997, despite the drop in the number of visits. The Western provinces saw spending by all overseas travellers increase by almost 20%. This is partly attributable to British and German travellers, who respectively spent 79% and 52% more in the West this year than they did last year during the same quarter.

American visitors injected \$1.7 billion into the Canadian economy in the second quarter of 1998, a 26.2% (\$361 million) jump over the same period in 1997. Moreover, Americans spent 14.1% more per trip (or just over \$450). All provinces west of Quebec saw strong increases, while Quebec and the Atlantic provinces saw more moderate advances.

Spending by Americans during overnight visits to Canada

	Q2 1997	Q2 1998	Q2 1997 to Q2 1998
Canada	1,377	1,738	26.2
Province visited			
Atlantic provinces	68	71	3.7
Quebec	199	206	3.4
Ontario	572	797	39.4
Manitoba and Saskatchewan	51	66	29.4
British Columbia, Alberta and the Territories	486	597	22.9
Average spending per trip (\$)	395.80	451.60	14.1
Average trip duration (nights)	3.84	3.70	-3.7

Americans' overnight car trips to Canada showed their largest increase (+11.8%) since 1986, when many Americans crossed the border by car to attend Expo. Air travel continued to climb as well (+13.6%), maintaining the trend that began with the Open Skies Agreement in February 1995. Air travel has now risen 50% from the second quarter of 1994, from 643,000 trips to 958,000 in the second quarter of 1998. Moreover, one of every four overnight trips to Canada by Americans is now by air. This increase has a significant economic impact, because air travellers — half are on business trips — spend far more than twice what land travellers spend (138% more per trip in the second quarter). About 40% of all overnight American travellers come from four states (New York, Michigan, California and Washington). Each of these originating states showed second-quarter increases, with New York registering the largest growth (+17.9%).

The number of Canadians' overnight trips to the United States for leisure declined 12.4%, whereas business trips, which are less affected by exchange rate fluctuations, increased 14.3%. Most of the destinations preferred by Canadians (such as New York State, Florida, California, Michigan, and Washington State) saw fewer Canadian visitors. Nonetheless, Canadians still spent more money in Florida in the spring of 1998 than they did in other U.S. destinations, and they reported an average trip duration of 38 nights in the Sunshine State. Canadians injected \$703 million into Florida's economy, almost four times more than they did in California, which enjoyed the second highest level of Canadian spending.

Canadians made a record 927,000 overseas trips in the second quarter, preferring the traditional European destinations like the United Kingdom and France, thanks to favourable exchange rates there. France regained its second-place standing among the most popular overseas destinations, and is again ahead of Mexico.

The exchange rate situation has contributed to a rise in domestic travel. In the second quarter of 1998, Canadians made 33.6 million trips within Canada and spent \$4.5 billion while on these trips. Compared with the same period last year, the number of trips was up 17% and expenditures climbed 24%. Both intra- and inter-provincial trips lifted the upward trend. Travel was up in most provinces with the largest increases recorded in New Brunswick, British Columbia, Alberta, Ontario and Quebec.

Data for the second quarter of 1998 are now available from the International Travel Survey. To order data, or for further information, contact Danielle Shaienks (613-951-5095; fax: 613-951-2909; shaidan@statcan.ca), Culture, Tourism and the Centre for Education Statistics. For further information on domestic travel, contact Lizette Gervais-Simard (613-951-1672; fax: 613-951-2909; gervliz@statcan.ca), Travel, Tourism and Recreation Section.

No change in department store sales

In October, department store sales remained at September's level of \$1.4 billion. (Unless otherwise stated, all data are seasonally adjusted.) Although department store sales have been volatile from one month to the next, sales overall have generally been flat since the spring of 1998. In recent months, the

levelling off may be partly due to the closure of 51 department stores since March 1998, the month when sales last peaked. Before the recent closures and conversions of department stores, sales advanced strongly from the summer of 1996 to the spring of 1997.

Department store sales were 4.8% higher this October than they were in October 1997. Year-to-date sales for the first 10 months of 1998 were 7.2% higher than a year earlier.

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... No change in department store sales

Compared with October 1997, department store sales this October grew in all provinces except British Columbia. The year-over-year sales gains were led by department stores in Saskatchewan, followed by those in Ontario and Alberta.

Available on CANSIM: matrices: 111-113.

To purchase data, or for general information, contact client services (613-951-3549; 1 877 421-3067; logener@statcan.ca). For analytical information, contact Jeff Fritzsche (613-951-2812; fritjef@statcan.ca), Distributive Trades Division.

Department store sales including concessions

Not seasonally adjusted

	October 1998	October 1997 to October 1998	January-October 1998	January-October 1997 to January-October 1998
	\$ millions	% change	\$ millions	% change
Canada	1,494.8	4.7	12,425.3	7.0
Newfoundland and Prince Edward Island ¹	29.2	3.5	226.3	6.8
Nova Scotia	48.3	3.5	377.0	6.1
New Brunswick	37.2	1.4	282.7	5.5
Quebec	273.6	4.2	2,307.5	6.7
Ontario	633.1	7.1	5,235.8	8.2
Manitoba	62.5	4.6	519.3	7.6
Saskatchewan	50.0	9.0	414.0	9.5
Alberta	173.0	4.9	1,458.0	10.8
British Columbia, Yukon, Northwest Territories	187.9	-1.7	1,604.8	0.5

¹ For reasons of confidentiality, the data for Newfoundland and Prince Edward Island are combined, as are the data for British Columbia, the Yukon and the Northwest Territories.

Number of EI beneficiaries unchanged

An estimated 564,720 Canadians received regular employment insurance benefits in September, virtually the same number as in August (565,060). The number of beneficiaries increased in Alberta, the Yukon and the Northwest Territories. These increases were offset by decreases in Prince Edward Island, New Brunswick and Newfoundland. The number of beneficiaries in the other provinces remained relatively unchanged. Compared with September 1997, there were 3.8% fewer beneficiaries of regular benefit payments this September. Compared with August, the amount paid out as regular benefits fell 9.9% to \$648.4 million in September.

Statistics on jobless claims (applications for EI benefits) are not available for September because administrative changes to claimant reporting procedures are occurring at the provincial level.

The discrepancy between the estimated number of regular beneficiaries and regular payments series can be explained in part by differences in their reference periods. The number of beneficiaries is a measure of all persons who received employment insurance benefits for the week containing the 15th day of the month. Regular benefit payments is the total of all monies received by individuals for the entire month.

EI beneficiaries receiving regular benefits, September 1998

Seasonally adjusted

	Beneficiaries	% change, previous month	% change, previous year
Canada	564,720	-0.1	-3.8
Newfoundland	35,140	-3.8	10.1
Prince Edward Island	8,920	-4.1	-0.3
Nova Scotia	30,860	-0.8	1.1
New Brunswick	36,500	-4.0	-1.5
Quebec	193,030	-0.6	-6.7
Ontario	123,580	-0.8	-15.0
Manitoba	13,750	1.6	-2.5
Saskatchewan	11,630	1.1	5.5
Alberta	33,950	9.3	13.1
British Columbia	69,820	-0.4	2.5
Yukon	1,370	6.2	7.0
Northwest Territories	1,260	5.9	13.5

Available on CANSIM: matrices 26 (series 1.6), 5702-5717 and 5735-5736.

For further information, contact Gilles Groleau (613-951-4090; fax: 613-951-4087; labour@statcan.ca), Labour Division.

The widening gap between American and Canadian unemployment rates

Early in the 1980s, a widening gap began to open between unemployment rates in the United States and Canada. Throughout the 1980s, the Canadian rate was on average two points higher than the American rate. In the 1990s, the gap has widened further, rising to about four percentage points. According to the most recent data, the unemployment rate in the United States in November 1998 was 4.4%, compared with an eight-year low of 8.0% in Canada.

The gap between the rates is not just a result of how they are measured. Even if the Canadian unemployment rate were modified to better reflect American survey concepts and definitions, that would only have reduced the gap by an average of 0.7 percentage points during the 1990s. The reduction during the 1980s would have been even less (0.3 percentage points).

This suggests that while differences in measuring unemployment play a role, other factors, such as the performance of the two economies and their labour markets, account for most of the gap and its growth over the past two decades. Although many hypotheses have been offered to explain the gap, a definitive explanation has yet to emerge. Some analysts attribute the unemployment rate gap that emerged in the 1980s to a structural explanation, that it was induced by the more generous unemployment insurance program in Canada. Others explain the gap as being due to the greater degree of unionization in Canada, to the differences in labour costs, and to Canada's much higher immigration rate in the late 1980s and 1990s. The increase in the gap in the 1990s is thought by many to reflect relatively weak aggregate demand in Canada and an output level that lags much farther behind potential than it does in the United States.

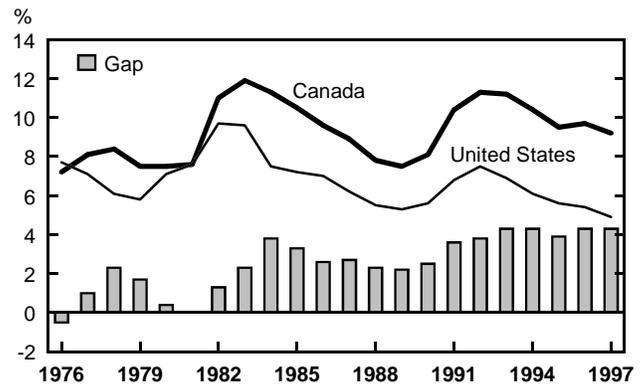
The recession of the early 1980s hit youths hard in both countries: Unemployment rates for this group jumped to 19.7% in Canada and 17.8% in the United States. In the recovery, employment growth for Canadian youths was strong, and so their unemployment rate declined to 11.2% by 1989, just above the U.S. youth rate of 10.9%. In the early 1990s recession, youth unemployment rates did not rise as much in either country as they did in the previous recession. However, for Canadian youths, the ill effects of the most recent recession lingered, as the youth unemployment rate remained stubbornly high at 16.7% in 1997, whereas the rate declined to 11.3% for America's youths. For individuals in the core age group of 25 to 54, a sizeable gap in unemployment rates emerged in the early 1980s and widened in the 1990s. The gap for older workers aged 55 to 64 followed a similar pattern.

Note to readers

This article is the second of two that Infomat derived from the Autumn 1998 issue of Labour force update, which features a comparison of labour-market trends in Canada and the United States over the last two decades. The first article, which appeared in last week's Infomat, looked at employment growth in the two countries.

For the Canadian data, the analysts drew heavily on the Labour Force Survey. The U.S. Bureau of Labor Statistics, using data from the Current Population Survey, compiled statistics on employment and unemployment for the United States.

Unemployment rates

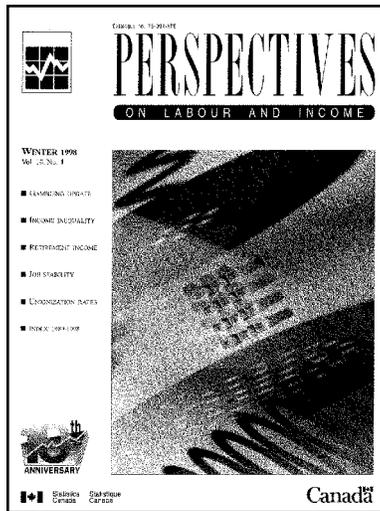


Sources: Labour Force Survey, Current Population Survey.

In Canada, the average duration of unemployment rose more steeply than in the United States with the onset of the 1990s recession. Despite improvements since 1994, the average duration of unemployment in Canada remained almost 7 weeks longer than the American average in 1997, at 22.3 weeks compared with 15.8.

The Autumn 1998 edition of *Labour force update* (71-005-XPB, \$29/\$96) is now on sale. It is also possible to find further information on this subject posted on Statistics Canada's web site under "In depth" at www.statcan.ca. For further information, contact Deborah Sunter (613-951-4740; suntdeb@statcan.ca), Household Surveys Division, or Dan Charrette (604-666-4842; chardan@statcan.ca), British Columbia and the Yukon Regional Office.

New from Statistics Canada



Perspectives on labour and income Winter 1998

The feature article in this issue of *Perspectives on labour and income* presents an update of the growing industry of gambling. A second article, "Family income inequality, 1970-1995", measures changes in family income inequality over the 25-year period. It also demonstrates the role of transfer payments and income taxes in reducing inequality. A third article, "Income transition upon retirement", lends a new approach to the study of how incomes compare before and after retirement. Two other articles, "Job stability" and "The rise of unionization among women", conclude the issue, along with a 1989-to-1998 index and a profile of students making the transition from school to work.

The Winter 1998 issue of Perspectives on labour and income (75-001-XPE, \$18/\$58) is now available. For further information, contact Henry Pold (613-951-4608), Labour and Household Surveys Analysis Division.

Job quality by size of firm 1986 to 1997

A new research paper titled "Recent Canadian evidence on job quality by firm size" explores changes in job quality over time. Monetary rewards such as wages and fringe benefits are one component of job quality that differs between small and large firms. Work schedules are another. This report re-examines the extent to which large firms pay higher wages and offer more fringe benefits (like pensions) than do small firms. It also looks at how work schedules vary across firms of different sizes and whether the schedule differences affect wages. The findings emphasize the need to look at several dimensions of work in order to assess the variation in job quality between large and small firms.

Recent Canadian evidence on job quality by firm size (Research paper no. 128, free on the Internet) is now available. To obtain a paper copy (\$5), contact H el ene Lamadeleine (613-951-5231), Business and Labour Market Analysis Division. For further information, contact Marie Drolet (613-951-5691) or Garnett Picot (613-951-8214), Business and Labour Market Analysis Division.

National Population Health Survey: Public-use CD-ROM 1996/97

This new CD-ROM product presents data from the second cycle of the household component of the National Population Health Survey. The second cycle was conducted between June 1996 and August 1997. These data cover a wide range of health issues affecting children and adults, including health status, the use of health services, access to health services, and behavioural risk factors (such as smoking, alcohol use and physical activity). The data also captured demographic and socio-economic information, such as age, sex and education.

In addition, the disc contains results from the 1996/97 Health Promotion Survey. Questions in that survey covered actions taken to improve health, preferred weight, breast-feeding, nutrition, HIV/AIDS, smoking during pregnancy, opinions on smoking, opinions on alcohol, social support, sexual health and road safety.

The National Population Health Survey Overview (paper: 82-567-XPB, \$35; Internet: 82-567-XIB, \$26) and the National Population Health Survey: Public-use CD-ROM (82M0009XCB, \$2,000) are both available now. To purchase the CD-ROM, or for general information about the survey, contact Client Custom Services (613-951-1746; fax: 613-951-0792), Health Statistics Division. For further information about the survey, contact Bryan Lafrance (613-951-3285; fax: 613-951-4198; nphs@statcan.ca), Health Statistics Division.

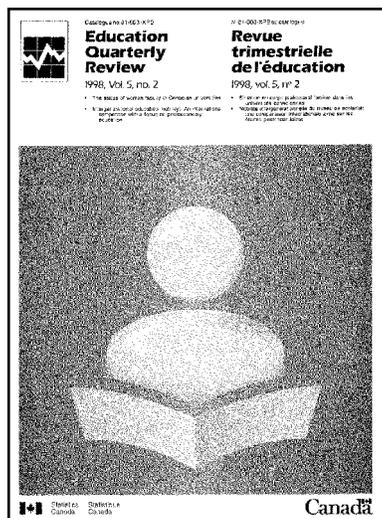
New from Statistics Canada

Asthma Supplementary Survey 1996/97 National Population Health Survey

Statistics Canada has just released new data on asthma gathered from a survey it conducted for Health Canada. About 2,000 current asthmatics aged two and over were surveyed. The survey defined a current asthmatic as an individual who has asthma diagnosed by a doctor, and who has had asthma symptoms or attacks, or who has taken medicine for asthma in the last 12 months. The data cover severity of attacks, associated risk factors, and management and treatment practices for the estimated 6% of the population aged two and over who are current asthmatics. Information was also collected on the use of medical services and on asthma education.

Health Canada's Laboratory Centre for Disease Control will conduct a detailed analysis of the results. That information will be shared with partner organizations, in order to help them conduct and evaluate strategies to prevent and reduce the suffering and disability caused by asthma.

For further information about the *Asthma Supplementary Survey*, contact Bryan Lafrance (613-951-3285; fax: 613-951-4198; nphs@statcan.ca), Health Statistics Division, or Margot Geduld (613-957-1803; fax: 613-952-7747; Margot_Geduld@hc-sc.gc.ca), Health Canada. For custom tabulations of the data, contact Client Custom Services (613-951-1746; fax: 613-951-0792), Health Statistics Division.



Education quarterly review 1998, Vol. 5, no. 2

The latest issue of *Education quarterly review* features two articles: "Status of women faculty in Canadian universities" and "Inter-generational education mobility: An international comparison with a focus on post-secondary education".

Each issue of *Education quarterly review* also includes a series of social, economic and education indicators for Canada, the provinces and territories, and the G-7 countries.

The Vol. 5, no. 2 issue of *Education quarterly review* (paper: 81-003-XPB, \$21/\$68; Internet: 81-003-XIB, \$16/\$51) is now available. For further information, contact Jim Seidle (613-951-1500; fax: 613-951-9040; seidjim@statcan.ca), Centre for Education Statistics.

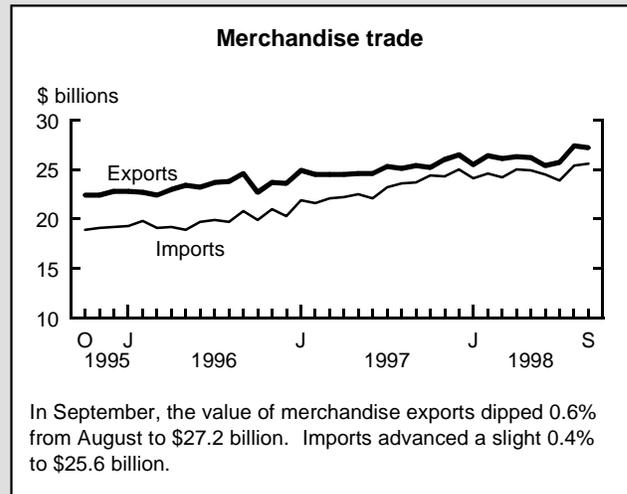
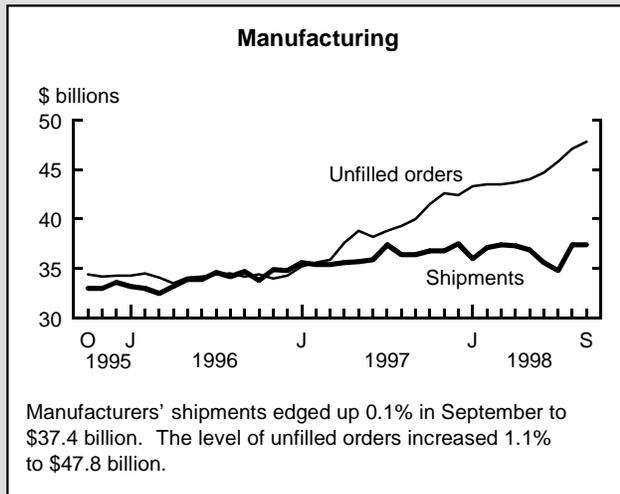
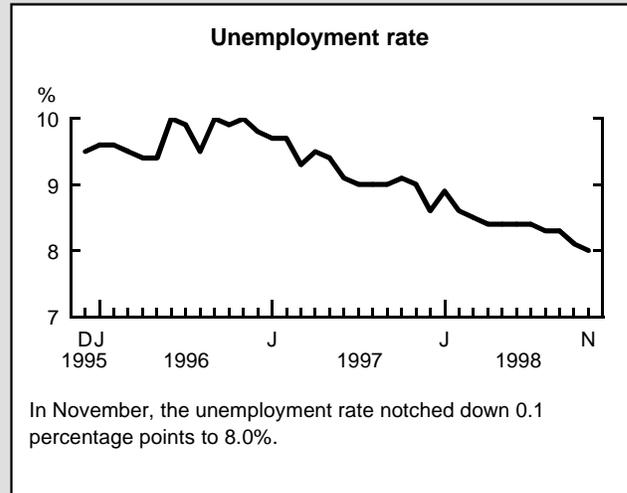
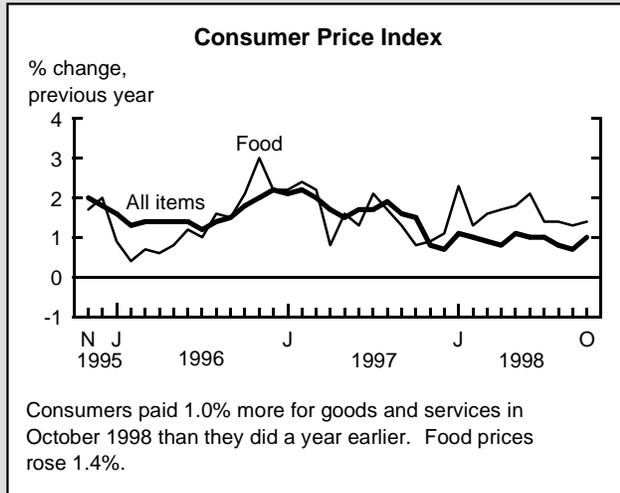
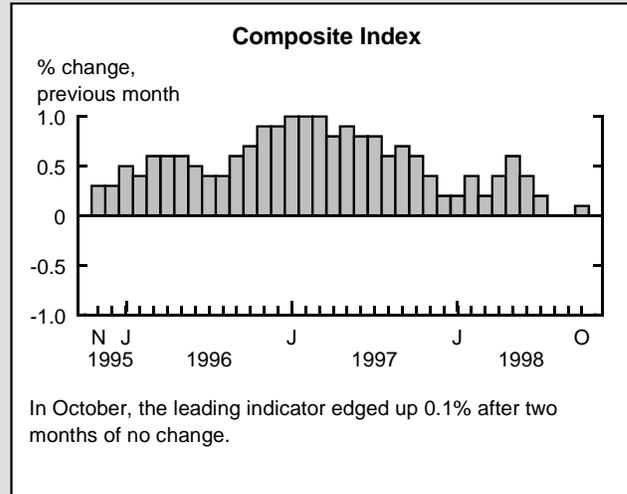
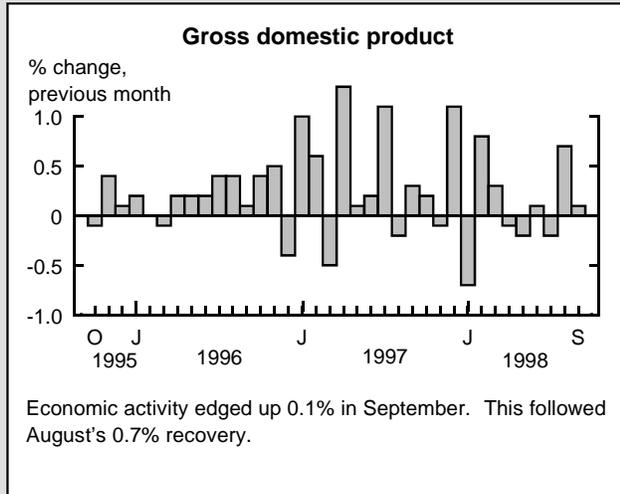
Education at a glance: OECD indicators 1998

Education at a glance: OECD indicators is a report just published by the Organisation for Economic Co-operation and Development (OECD). This year's edition places a particular emphasis on measuring outcomes. It updates a range of 36 internationally comparable education indicators that represent the consensus of professional thinking on how to measure the current state of education. The themes addressed and the background information accompanying the tables and charts make the publication a valuable resource for anyone interested in comparing and analyzing the education systems in use around the world.

The education indicators for Canada were calculated from data provided by Statistics Canada as part of its involvement with the Canadian Education Statistics Council, which includes the provincial and territorial deputy ministers of education.

The data underlying the *OECD education indicators* are accessible on the Internet at www.oecd.org/els/stats/els_stat.htm. The report *Education at a glance: OECD indicators, 1998 edition* (US\$49) is available from the OECD and its publications distributors. For further information, contact Jim Seidle (613-951-1500; seidjim@statcan.ca), Centre for Education Statistics.

Current trends



Note: All series are seasonally adjusted except the Consumer Price Index.

Latest statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billion, 1992)	September	719.2	0.1%	2.1%
Composite Index (1981=100)	October	207.3	0.1%	3.3%
Operating profits of enterprises (\$ billion)	Q3 1998	25.6	3.7%	- 9.1%
Capacity utilization (%)	Q3 1998*	83.5	- 0.6†	- 1.2†
DOMESTIC DEMAND				
Retail trade (\$ billion)	September	21.0	1.1%	4.9%
New motor vehicle sales (thousand of units)	September	127.2	5.3%	7.5%
LABOUR				
Employment (millions)	November*	14.54	0.7%	3.4%
Unemployment rate (%)	November*	8.0	- 0.1†	- 1.0†
Participation rate (%)	November*	65.6	0.4†	0.7†
Labour income (\$ billion)	September	38.9	0.1%	3.0%
Average weekly earnings (\$)	September	604.28	- 0.2%	1.2%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	September	27.2	- 0.6%	7.2%
Merchandise imports (\$ billion)	September	25.6	0.5%	7.9%
Merchandise trade balance (all figures in \$ billion)	September	1.6	- 0.3	- 0.1
MANUFACTURING				
Shipments (\$ billion)	September	37.4	0.1%	2.9%
New orders (\$ billion)	September	37.9	- 2.4%	2.4%
Unfilled orders (\$ billion)	September	47.8	1.1%	19.7%
Inventory/shipments ratio	September	1.34	0.01	0.04
PRICES				
Consumer Price Index (1992=100)	October	109.0	0.4%	1.0%
Industrial Product Price Index (1992=100)	October	120.2	0.7%	0.7%
Raw Materials Price Index (1992=100)	October	107.9	- 0.3%	- 14.0%
New Housing Price Index (1992=100)	September	100.1	- 0.1%	0.9%

Note: All series are seasonally adjusted with the exception of the price indexes.

* new this week

† percentage point

Infomat

A weekly review

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Publications released from December 3 to 9, 1998

Division/Title of publication	Period	Catalogue number	Price: Issue/Subscription	
			Canada (C\$)	Outside Canada (US\$)
AGRICULTURE				
Cereals and oilseeds review	September 1998	22-007-XPB	15/149	15/149
Field crop reporting series, No. 8: Estimates of production of principal field crops	November 1998	22-002-XPB	15/88	15/88
CANADIAN CENTRE FOR JUSTICE STATISTICS				
Canadian crime statistics	1997			
Internet		85-205-XIE	32	32
Paper		85-205-XPE	42	42
CULTURE, TOURISM AND THE CENTRE FOR EDUCATION STATISTICS				
Education quarterly review, Vol. 5, no. 2	1998			
Internet		81-003-XIB	16/51	16/51
Paper		81-003-XPB	21/68	21/68
HOUSEHOLD SURVEYS				
Labour force information, week ending Nov. 14, 1998	November 1998	71-001-PPB	11/103	11/103
INTERNATIONAL TRADE				
Exports by commodity	September 1998			
Microfiche		65-004-XMB	37/361	37/361
Paper		65-004-XPB	78/773	78/773
LABOUR AND HOUSEHOLD SURVEYS ANALYSIS				
Perspectives on labour and income	Winter 1998	75-001-XPE	18/58	18/58
MANUFACTURING, CONSTRUCTION AND ENERGY				
Asphalt roofing	October 1998	45-001-XPB	7/62	7/62
Coal and coke statistics	September 1998	45-002-XPB	12/114	12/114
Electric power statistics	September 1998	57-001-XPB	12/114	12/114
SYSTEM OF NATIONAL ACCOUNTS				
National economic and financial accounts, quarterly estimates	1961 to 1992	13-001-SPB	50	50
TRANSPORTATION				
Aviation service bulletin, Vol. 30, no. 11	November 1998	51-004-XIB	8/82	8/82

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