



Infomat

A Weekly Review

Friday, August 28, 1998

OVERVIEW

◆ Corporate profits slide for second consecutive quarter

Hampered by lower demand and lower prices in the resource sectors, largely due to the weakened Asian economies, the operating profits of businesses fell to their lowest levels since the fourth quarter of 1996.

◆ GM strike cut into shipments

Adversely affected by the General Motors strike, the shipments of Canadian manufacturers declined in June. Strong increases were observed in both inventories and unfilled orders.

◆ Retail sales: Decrease in June means lower quarterly growth

Even though their sales declined in June, the second quarter was positive for retailers. Most sectors posted increases during the quarter, especially the furniture and auto sectors.

◆ Wholesale sales fall for second month in a row

For the first time since the slowdown in 1995, wholesale sales declined for a second consecutive month. The decline was greatest for motor vehicles and parts and for agricultural chemicals.

◆ No change in CPI between June and July

For a second consecutive month, the Consumer Price Index advanced 1.0% compared with the same month a year earlier. The CPI remained unchanged between June and July — providing another indication of stability.

◆ Canadian investors continue to load up on foreign stocks

In the face of a falling currency at home, Canadian investors continued to load up on foreign stocks in June.

◆ Jobless claims up slightly

In June, there was a slight rise in the number of individuals who applied for employment insurance benefits.

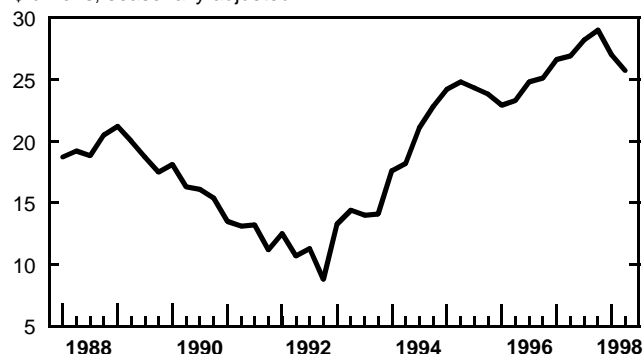
Corporate profits slide for second consecutive quarter

The operating profits of businesses fell 4.6% in the second quarter of 1998 following a 7.1% slide in the first quarter. These back-to-back declines, which halted a series of seven consecutive quarterly profit increases, dropped profits down to their lowest level since the fourth quarter of 1996. Lower demand and lower prices in the resource sectors, largely due to the weakened Asian economies, cut into profits as 19 of the 30 industry groups reported declines. The profit declines were widespread in the non-financial sector, where 22 industries reported a drop in profit of 7.3%, down to \$18.5 billion. The weakness was especially notable in the motor vehicles, parts and accessories industry and in the resource industries.

The most notable profit increase was posted by the consumer goods and services industry. Operating profits surged to \$1.5 billion in the second quarter, up from \$1.0 billion in the first, while operating revenue advanced 1.4% to \$36.2 billion. Included in this industry are department stores, whose sales remained significantly above year-earlier levels. Many retailers have improved profit margins by trimming costs and closing unprofitable operations.

Operating profits of businesses

\$ billions, seasonally adjusted



(continued on page 2)



... Corporate profits slide for second consecutive quarter

Operating profits in the motor vehicles, parts and accessories industry fell to \$1.8 billion, down from an all-time high of \$2.6 billion in the first quarter of 1998. Sales of new motor vehicles were up early in the quarter, but tailed off in June. Buyer incentive packages squeezed profits in the competitive new vehicle market. As well, exports of auto products were down in the second quarter, partly due to transportation problems and to the strike at two GM parts plants in the United States in June.

In the wood and paper industry, operating profits fell 4.5% to \$1.1 billion, barely one-third of the record \$3.0 billion of profits earned in the third quarter of 1995. Lumber remained a weak spot in the forestry sector. Market conditions were difficult, with exports suffering from the combined effect of stagnant Asian demand and export quotas imposed under the Canada-U.S. Softwood Lumber Agreement. Although domestic lumber demand remained healthy, Canadian producers were overstocked with lumber that would have normally been exported. So wood prices in June were down almost 20% from year-earlier levels. The paper and packaging component of the forestry sector reported more upbeat results. Revenue and profits gained ground in the quarter, as newsprint and specialty paper prices firmed on strong North American demand. The strengthening U.S. dollar boosted export selling prices quoted in U.S. dollars.

Profits in the petroleum and natural gas sector fell a further 2.5% in the second quarter, following the first quarter's 39.6% plunge. Profits of \$2.2 billion in the second quarter were the lowest in four years — well below the high of \$4.3 billion earned in the final quarter of 1996. Crude oil prices in June were 27.7% below year-earlier levels. Several factors contributed to crude's recent slide, including reduced heating oil requirements due to the unusually warm North American weather, high OPEC production levels, and the faltering Asian economies. Exports of crude to the United States remained strong in the quarter, with the escalating U.S. dollar giving a boost to export revenue. Natural gas prices have bucked the trend in the energy sector, strengthening over the past few quarters. Domestic demand has been relatively soft, but demand from the United States has been robust. Further price increases are expected as new export pipeline facilities come on stream later this year. Dwindling gas supplies in the wake of pared down drilling activity over the summer should exert further upward pressure on natural gas prices.

The chemicals industry suffered a 13.9% fall in operating profits in the second quarter. Operating revenue was also down,

Note to readers

These quarterly financial statistics cover the domestic activities of non-government corporations. Operating profits exclude expense deductions for income taxes, interest on borrowing and asset write-offs. Capital gains and investment income are excluded from the operating profits of non-financial industries, but are included in the operating profits of financial industries.

as prices for some chemicals tumbled to their lowest levels in years. Slumping Asian markets and expanding worldwide production capabilities have curtailed prices and profits in the sector.

Operating profits in the non-ferrous metals industry eroded a further 19.5% to \$0.3 billion. The industry's profits have been on a downward trend since peaking at \$1.0 billion in early 1995. As with most other resources, the weakened Asian economies have cut demand and depressed prices for non-ferrous metals. Despite strong demand for base metals from the United States and Europe, expanding worldwide production capacity is exerting downward pressure on commodity prices. Gold producers struggled with historically low gold prices in the quarter, but some were able to defer the price declines with hedging contracts.

Telecommunications carriers saw their operating profits halved from \$1.2 billion in the first quarter to \$0.6 billion in the second. The bulk of the decline was attributable to one-time charges related to reorganizations. However, the industry's operating revenue continued to grow, rising 3.3% to \$7.2 billion.

The financial sector rebounded in the second quarter, as operating profits climbed 2.9% to \$7.2 billion. This marked a partial recovery from the 10.0% slide in the previous quarter. Having weathered the ravages of the ice storm in eastern Canada, property and casualty insurers saw their operating profits rebound to \$0.6 billion in the second quarter, up from \$0.2 billion in the first but still below the \$0.9 billion earned in the final quarter of 1997. Profits at the chartered banks rose 2.9% to \$4.2 billion in the second quarter. A higher provision for future loan losses was more than offset by a decrease in other operating expenses. Bank profits peaked at \$4.4 billion in the final quarter of 1997 following four years of unprecedented growth.

Profitability ratios deteriorated in the second quarter. The annualized return on shareholders' equity fell to 7.2%, down from 8.0% in the first quarter and from a recent high of 9.7% in the third quarter of 1997. After-tax profits fell 8.3% to \$11.1 billion. Shareholders' equity advanced 1.0% to \$612.0 billion. The operating profit margin slipped to a two-year low of 6.8%, down from 7.2% in the first quarter. Profit margins have now weakened for two consecutive quarters, following seven quarters of growth.

Available on CANSIM: matrices 3914-3971 and 3974-3981.

*The second quarter 1998 issue of **Quarterly financial statistics for enterprises** (61-008-XPB, \$35/\$114) will be released in September. For further information, contact Bill Potter for non-financial industries data (613-951-2662) and Robert Moreau for financial industries data (613-951-2512), Industrial Organization and Finance Division.*

Income statement

Seasonally adjusted

	Q2 1997	Q1 1998	Q2 1998	Q1 1998 to Q2 1998
	\$ billions			% change
All industries				
Operating revenue	370.2	376.4	379.4	0.8
Operating expenses	343.3	349.4	353.7	1.2
Operating profit	26.9	27.0	25.7	-4.6
Net profit	13.6	12.1	11.1	-8.3

GM strike cut into shipments

Manufacturers' shipments declined 2.9% in June to \$35.6 billion because of plant closures in the auto sector. Excluding that sector, shipments increased 0.5%. Shipments, which were generally on the rise throughout 1996 and 1997, have been adversely affected by two temporary factors in 1998: the ice storm in January and the recent General Motors strike in the United States. Ontario was the province most affected by the shutdowns of auto assembly plants. Shipments were up in the provinces of British Columbia, Alberta, Manitoba and Prince Edward Island.

The decrease in June was mainly due to a sharp drop in shipments of automobiles (-20.6%) and motor vehicle parts and accessories (-9.1%). Numerous Canadian manufacturing plants in these industries were shut down for part of June as a result of the GM strike. In the other manufacturing industries, shipments increased. The largest offsetting increase was in the electrical and electronic products industry (+5.3%), followed by the machinery industry (+4.9%) and the wood industry (+3.0%), which regained some of the ground that it lost in May.

Inventories swelled 1.3% in June to \$49.3 billion, the largest monthly increase since April 1995. The major contributors to this increase were the aircraft and parts (+3.9%), railway rolling stock (+16.7%) and motor vehicle (+7.0%) industries. Inventories in the motor vehicle parts and accessories industry increased 3.6%, as many suppliers affected by the assembly plant closures in the auto sector built up inventories before shutting down. The largest offsetting inventory declines in June were in the wood (-1.4%) and machinery (-1.2%) industries.

June's fall in shipments and rise in inventories caused the inventory-to-shipments ratio to jump to 1.38, up from 1.33 in May. The trend of the ratio has been rising dramatically in the last few months, after having hovered near record lows since early 1997. Omitting the motor vehicle and motor vehicle parts and accessories industries, the inventory-to-shipments ratio was unchanged at 1.55 in June.

Manufacturers' backlog of unfilled orders grew 1.5% to \$44.7 billion in June. This continues the growth trend observed since late 1996. However, 1997's torrid pace of growth has slowed in 1998. The largest increases in unfilled orders in June were in the transportation equipment (+1.9%) and machinery (2.9%) industries.

Manufacturers' shipments, June 1998

Seasonally adjusted

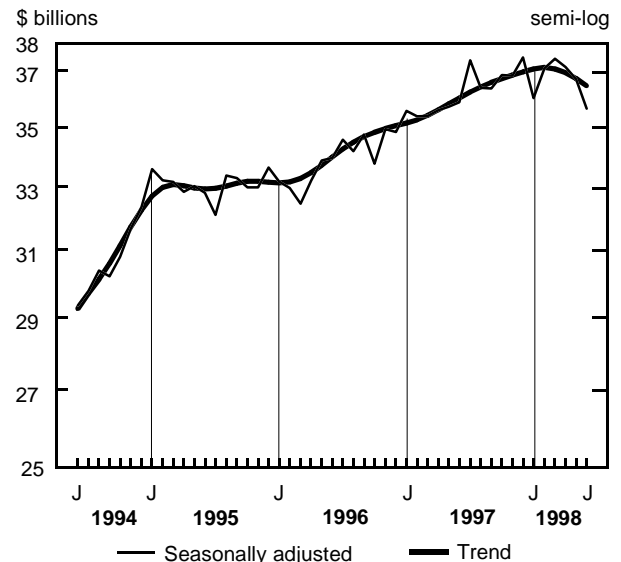
	\$ millions	% change, previous month
Canada	35,644	-2.9
Newfoundland	155	-2.4
Prince Edward Island	70	6.4
Nova Scotia	540	-0.1
New Brunswick	657	-4.2
Quebec	8,695	-0.4
Ontario	18,658	-5.9
Manitoba	890	3.0
Saskatchewan	495	-0.3
Alberta	2,736	0.7
British Columbia	2,743	5.3
Yukon and Northwest Territories	3	-4.4

Note to readers

Unfilled orders are a stock of orders that will contribute to future shipments, assuming orders are not canceled. Roughly half the increase in unfilled orders since the start of 1997 has been in the aircraft and parts industry, where some orders stretch out for years before they are completed.

New orders are orders received, whether shipped in the current month or not. Interpreting new orders as leading to future demand is inappropriate because new orders include orders that have already been shipped. The month-to-month change in new orders may be volatile, particularly if the previous month's change in unfilled orders was large in relation to the current month's change. Not all orders will be translated into Canadian factory shipments because some large orders may have a component that is subcontracted out to other countries.

Shipments



Available on CANSIM: matrices 9550-9555, 9558, 9559, 9562-9565, 9568-9579 and 9581-9595.

The June 1998 issue of *Monthly Survey of Manufacturing* (31-001-XPB, \$20/\$196) will be available shortly. Detailed data on shipments by province are also available on request. For further information, contact Jean-Marie Houle (613-951-7200) or Craig Kuntz (613-951-7092; kuncrai@statcan.ca), Manufacturing, Construction and Energy Division. See also "Current trends" on page 9.

Retail sales: Decrease in June means lower quarterly growth

Retailers ended an otherwise positive second quarter with a 1.7% sales decline in June. This followed a 0.3% increase in May and a 1.4% advance in April. Despite June's decline, retail sales advanced 1.6% from the first to the second quarter of 1998. While the furniture and auto sectors posted the largest quarterly gains, most of the other sectors also posted increases. Sales have continued to grow in 1998, but at a slower rate than in 1997 and with greater volatility.

A couple of factors may have contributed to June's decline. First, layoffs in Canada (as a result of autoworkers striking in the United States and work stoppages in the construction industry in Ontario) may have dampened consumer demand for goods. In addition, an early summer may have advanced the timing of purchases that are normally made in June.

In June, consumers spent less in all sectors except furniture stores (+0.3%). Furniture stores, which also posted robust second-quarter results (+1.7%), have been enjoying strong and steadily rising sales since the start of 1996. The auto sector enjoyed the

strongest advances in the second quarter (+2.9%), despite lower sales in June (-1.6%). June's drop was led by auto parts, accessories and service stores and by gasoline service stations.

Clothing stores experienced a large drop in sales in June (-3.6%). Within this sector, shoe stores reported the largest drop, followed by women's clothing, men's clothing and other clothing stores. After three quarterly advances, clothing store sales fell 0.6% in the second quarter. Department store sales also shrank in June, decreasing 5.7%. Part of this decrease can be explained by store closings as restructuring continues in the industry. Department store sales for the second quarter of 1998 were 2.2% lower than in the previous quarter. This pause follows strong advances through most of 1997 and the first quarter of 1998.

At the provincial level, despite June's decline in sales, retailers in Ontario enjoyed the best second quarter (+3.2%). Moreover, sales in the second quarter of 1998 were 10.1% higher than in the same quarter of 1997. In Quebec, retail sales fell in June. Because of a weak January, Quebec's retailers enjoyed a 1.0% increase in sales in the second quarter compared with the first quarter. Sales in the second quarter were 1.9% higher than in the second quarter of 1997.

In the Prairie provinces, retail sales fell 1.1% in June as a retreat in sales in Alberta and Saskatchewan offset an advance in Manitoba. This decline ended a relatively weak second quarter for the Prairie provinces (+0.2%). Retail sales in the Prairies were 4.4% higher in the second quarter than in the same quarter of 1997 — the smallest year-over-year increase for a quarter since the fourth quarter of 1995. In British Columbia, despite a decline in June, retail sales remained virtually unchanged (+0.1%) from the first quarter of 1998. Sales growth in that province has been slow since the fall of 1995.

Retailers in Atlantic Canada experienced lower sales in June (-0.4%). Retailers in both Newfoundland and Prince Edward Island saw sales improve slightly, whereas consumers in Nova Scotia and New Brunswick spent less in stores. Retailers in Atlantic Canada reported higher sales in the first two quarters of 1998 (+1.6% in the first quarter and +1.2% in the second).

Available on CANSIM: matrices 2299, 2398 to 2417 and 2420.

*The June 1998 issue of **Retail trade** (63-005-XPB, \$21/\$206) will be available shortly. For analytical information, contact Greg Peterson (613-951-3592; petegre@statcan.ca), Distributive Trades Division.*

Retail and wholesale trade, June 1998
Seasonally adjusted

	Retail sales		Wholesale sales	
	\$ millions	% change, previous month	\$ millions	% change, previous month
Canada	20,430	-1.7	27,727	-1.7
Newfoundland	320	0.2	197	2.1
Prince Edward Island	88	0.2	47	-7.6
Nova Scotia	624	-0.3	526	-2.1
New Brunswick	496	-0.9	338	-1.7
Quebec	4,652	-2.2	5,608	0.7
Ontario	7,726	-2.5	13,189	-2.3
Manitoba	732	1.6	864	-10.9
Saskatchewan	625	-0.6	977	-5.5
Alberta	2,326	-2.0	2,787	-0.7
British Columbia	2,775	-0.3	3,163	0.0
Yukon	26	1.8	13	14.6
Northwest Territories	40	-4.3	19	-3.8

Wholesale sales fall for second month in a row

In June, for the first time since the slowdown in 1995, wholesale sales declined for a second consecutive month. Wholesalers' sales amounted to \$27.7 billion, down \$468 million (-1.7%) from May. In the first six months of 1998, wholesale sales declined on average by 0.6% per month. They had generally increased since the end of 1995 before stagnating at the end of 1997.

Seven out of the 11 trade groups posted lower sales in June, led by motor vehicles and parts (-6.8%), the "other products" category (-6.2%) and apparel and dry goods (-4.8%). Among the few sectors that did well in June were computers and other electronic equipment (+4.3%) and food products (+1.6%).

Wholesale sales of motor vehicles and parts were particularly affected by the strike at General Motors in the United States. The strike closed most of GM's assembly plants and forced independent auto parts suppliers to also shut down or to reduce production. Since the end of 1997, wholesale sales of motor vehicles and parts have weakened considerably. The significant decline in sales in the "other products" trade group was caused primarily by lower sales of agricultural chemicals and other farm supplies. This was particularly evident in Manitoba, where the early spring may have shifted the demand for these products to earlier this year.

The sales slowdown recorded at the national level since the end of 1997 has been concentrated in Ontario, which accounts for nearly 50% of all wholesale sales in Canada. However, this does not necessarily mean that wholesalers have been less active in

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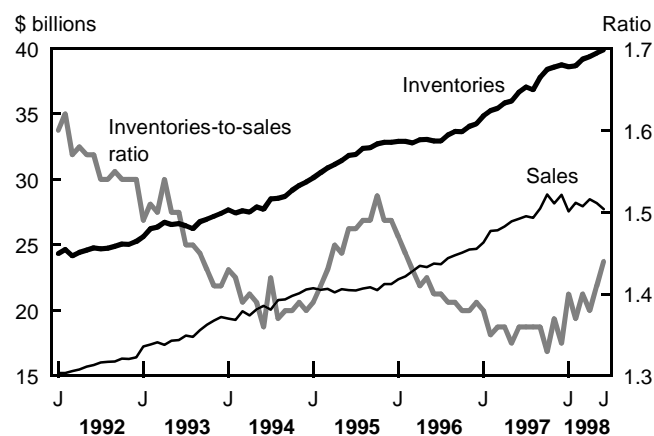
... Wholesale sales fall for second month in a row

Ontario than in any other province. A company that records its economic activities only at its head office in Ontario but is also conducting business in other provinces will be identified only in Ontario for wholesale trade statistics purposes. The weakness in sales in Ontario came mostly from the motor vehicle, parts and accessories trade group, the biggest contributor to total wholesale sales in the province.

In Quebec, wholesale sales continued the upward trend that started near the end of 1995. The constant progression in sales of food products since the end of 1995 is one of the main reasons behind the good performance of wholesale trade in Quebec. In British Columbia, wholesale sales have remained more or less stagnant since the spring of 1997. Several factors might explain this weakness, including Asia's economic troubles, which were already occurring in 1997, and the surge in the supply of lumber products in both Canada and the United States, which led to substantial price reductions.

Because of the sales decline, wholesalers' inventories continued to accumulate, rising 0.6% to \$39.9 billion. As a result, the inventories-to-sales ratio reached its highest level since February 1996, advancing from 1.41 in May to 1.44 in June. The largest increases in the ratio occurred in trade groups that recorded the biggest declines in sales for June. The inventories-to-sales ratio ranged from 0.61 for food products to 3.12 for farm machinery and equipment. An upward movement in the ratio usually stems

Wholesale trade



from a sudden drop in sales or from an anticipated rise in future demand, which leads to higher storage costs for wholesalers.

Available on CANSIM: matrices 59, 61, 648 and 649.

The June 1998 issue of *Wholesale trade* (63-008-XIB, \$14/\$140) is now available on the Internet at www.statcan.ca. For further information, contact Paul Gratton (613-951-3541; gratpau@statcan.ca) or Nathalie Bisson (613-951-7378), Distributive Trades Division.

No change in CPI between June and July

Compared with July 1997, Canadians experienced an average price increase of 1.0% for the goods and services contained in the Consumer Price Index (CPI) basket. The same annual rate of inflation was recorded in June 1998. The annual increase in July can largely be explained by higher costs for university tuition, tobacco products, travel tours, telephone services and natural gas. Declining prices for gasoline, computer equipment and mortgages had a moderating influence on these upward movements. Since November 1997, the annual increases in the CPI have ranged between 0.7% and 1.1%.

Consumer Price Index, July 1998

% change from previous year, not seasonally adjusted

	All-items	Food	Shelter	Transportation	Energy
Canada	1.0	1.4	0.3	-0.4	-3.1
Newfoundland	0.1	1.6	-2.5	-1.7	-6.4
Prince Edward Island	-1.0	1.2	-4.5	-3.0	-12.2
Nova Scotia	0.7	1.7	-0.8	-1.2	-4.9
New Brunswick	0.5	1.4	-0.6	-1.9	-4.4
Quebec	1.3	1.7	0.9	-0.3	-2.1
Ontario	0.9	1.1	0.6	-0.4	-3.0
Manitoba	1.2	0.7	1.0	0.2	-1.1
Saskatchewan	1.5	1.8	1.9	0.2	-2.8
Alberta	1.5	2.1	2.6	-0.8	-2.1
British Columbia	0.5	1.3	-2.7	0.3	-4.3
Whitehorse	0.7	1.3	-0.4	1.6	-1.5
Yellowknife	-0.6	1.4	-1.3	0.4	-3.5

On a monthly basis, the CPI showed stability and remained unchanged between June and July. A seasonal increase in traveller accommodation rates, higher airfares and rising charges for homeowners' maintenance and repairs were offset by declining prices for fresh produce, new cars, gasoline and electricity.

Since demand for traveller accommodation in Canada this summer has been stronger due to the weakness of the Canadian dollar, traveller accommodation rates climbed 9.2% in July compared with June. This year's increase was particularly notable. Airfares advanced 7.4%. Typically, demand for air travel is high in July.

Fresh vegetable prices fell 4.2% and consumers paid 2.6% less for fresh fruit between June and July. An early spring and favourable growing conditions in most parts of Canada have produced an abundance of vegetables from local suppliers, putting downward pressure on most vegetable prices. New auto prices declined 1.0% between June and July. Rebates from auto makers and discounts by dealers were primarily responsible for the decline. Gasoline prices also fell in July (on average -1.5%); the Raw Materials Price Index reported an 8.1% fall in crude oil prices in June. A change in the price of crude oil usually takes at least a month before it is reflected in the price of gasoline. Lastly, a 10.4% plunge in the cost of electricity in British Columbia was primarily responsible for a 1.0% drop in the electricity price index for Canada. Electricity users in British Columbia benefited from a one-time credit in July.

At the provincial level, Prince Edward Island was the only province to experience an annual decline in average prices (-1.0%) between July 1997 and July 1998. Saskatchewan and

(continued on page 6)

... No change in CPI between June and July

Alberta posted the highest annual price increases at 1.5%.

In Quebec, the annual increase was 1.3% compared with 0.9% for Ontario. Over the last year, the rates for homeowners' insurance and electricity grew more in Quebec than for Canada as a whole; the same can be said for cigarette prices. However, the increases in travel tour rates and tuition fees were lower in Quebec than in most other regions of the country. In Ontario, prices for pork, soft drinks and paper products decreased more than elsewhere in the

country. Rates for university tuition, traveller accommodation, travel tours and new houses grew faster there than they did in Canada as a whole.

Available on CANSIM: matrices 9940 to 9970.

The July 1998 issue of *The Consumer Price Index* (62-001-XPB, \$11/\$103) is now available. For further information, contact the information officer (613-951-9606; fax: 613-951-2848; infounit@statcan.ca), Prices Division. See also "Current trends" on page 9.

Canadian investors continue to load up on foreign stocks

Canadian residents continued to load up on foreign stocks in June, purchasing \$1.5 billion worth. So far in 1998 (June), Canadian investors have directed \$8.6 billion (net) of their money out of the Canadian dollar and into foreign equities. This surpasses the 1997 total and is on a pace to match the record of \$16.6 billion set in 1996. This year's investment has been split between U.S. and overseas stocks; in 1997, the buying activity was directed mostly to equity markets in overseas countries. For a third consecutive month, Canadian residents sold a small amount (\$0.5 billion) of foreign bonds in June, mainly U.S. treasuries.

Meanwhile, foreign investment in Canadian securities was down sharply from May. Foreign investment in Canadian stocks was flat as non-residents bought Canadian bonds and reduced their holdings of short-term money market paper.

In June, foreign investors bought \$3.2 billion of Canadian bonds, mainly new issues. Corporate bonds accounted for two-thirds of the new issues sold in foreign markets, and the major portion of all new issues continued to be denominated in U.S. dollars. For a second month in a row, retirements of foreign-held Canadian bonds were well below average (\$1.3 billion in June and \$1.6 billion in May). Foreigners, mainly European and American investors, also bought \$1.5 billion of outstanding Canadian bonds, mainly federal issues.

Foreigners reduced their holdings of Canadian short-term paper in June by \$2.7 billion, similar to their reduction in May. The disinvestment in June was in both government and corporate paper and was led by American and European investors.

Available on CANSIM: matrices 2328-2330, 2378-2380 and 4195.

For further information, order the June 1998 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176), or contact Don Granger (613-951-1864), Balance of Payments and Financial Flows Division.

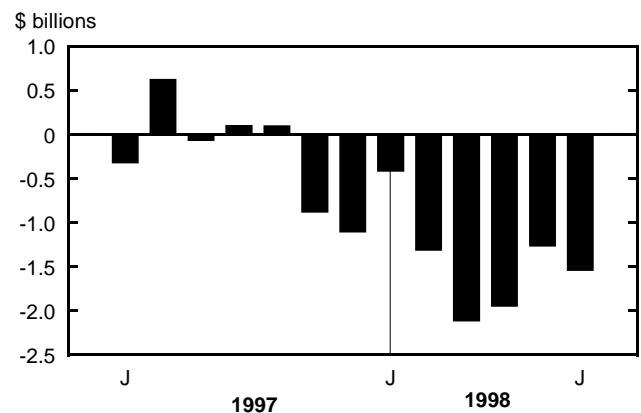
Note to readers

In June, the differentials between Canadian and U.S. interest rates continued to favour investment in the United States, but the differential in short-term rates edged down to 45 basis points and the differential on long-term bond rates slipped to 15 basis points.

Canadian stock prices (as measured by the TSE 300 composite index) fell 2.9% in June, the second decline in as many months. The index lost almost 4.0% of its value in May and June. By contrast, U.S. stock prices (as measured by Standard and Poor's 500 index) jumped 3.9% in June following a 1.9% decline in May.

The Canadian dollar closed lower for a third consecutive month in June, tumbling half a cent US in June and 2.3 cents US since March 1998. Relative to the U.S. dollar, the Canadian dollar closed June at 68.13 cents US — another record monthly low.

Canadian investment in foreign stocks



Note: Bars below the zero line represent an outflow of money from Canada — in other words, an increase in Canadian investment abroad.

Jobless claims up slightly

In June, the number of individuals who applied for employment insurance benefits rose a slight 0.9% to 224,700. Increased jobless claims in Ontario (+18.1%), Prince Edward Island (+4.5%) and Quebec (+0.1%) were partly offset by declines in seven provinces and both territories. The monthly number of jobless claims has ranged between 219,000 and 250,000 since June 1996.

An estimated 555,360 Canadians received regular employment insurance benefits in June, a 2.2% increase from May. Eight of the provinces and the Northwest Territories recorded an increased number of EI beneficiaries in June. The amount paid out as regular benefits declined 2.0% to \$662.6 million. This was the fourth consecutive monthly decline. A total of six provinces and the Northwest Territories recorded lower payments of regular benefits.

Available on CANSIM: matrices 26 (series 1.6), 5700-5717 and 5735-5736.

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

Note to readers

The discrepancy between the estimated number of regular beneficiaries and regular payments data 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, June 1998

Seasonally adjusted

	Beneficiaries	% change, previous month	% change, previous year
Canada	555,360	2.2	-4.2
Newfoundland	31,090	-3.3	-3.6
Prince Edward Island	9,220	3.4	5.3
Nova Scotia	30,310	6.0	2.3
New Brunswick	37,670	3.7	5.9
Quebec	199,510	3.5	-3.4
Ontario	124,950	2.5	-13.1
Manitoba	13,190	5.7	-10.1
Saskatchewan	11,260	10.4	-1.0
Alberta	31,280	7.0	4.2
British Columbia	68,360	-0.6	3.3
Yukon	1,350	-3.2	6.1
Northwest Territories	1,100	0.4	1.3

New from Statistics Canada

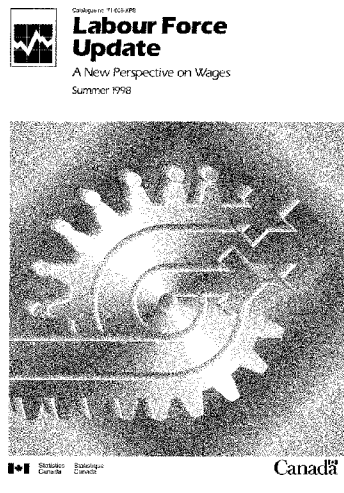
Caring Canadians, involved Canadians 1997

Caring Canadians, involved Canadians is a new report that reveals for the first time the depth of Canadians' involvement in philanthropy, volunteerism and civic engagement. The data, which are based on the 1997 National Survey of Giving, Volunteering and Participating, can be compared directly with Statistics Canada's 1987 Survey of Volunteer Activity.

This report provides detailed information on the personal and economic characteristics of Canadian donors and volunteers. It also explores the role that religious affiliation plays in their participation in these activities and indicates the types of organizations that benefit from both donors and volunteers. Perhaps most telling are the strong links evident among those who donate, those who volunteer and those who participate in their communities.

Caring Canadians, involved Canadians: Highlights from the 1997 National Survey of Giving, Volunteering and Participating (Internet: 71-542-XIE, free; paper: 71-542-XPE, \$15), is now available. For further information, contact Tamara Knighton (613-951-7326) Special Surveys Division, or Michael Hall (416-346-3418), Canadian Centre for Philanthropy.

New from Statistics Canada



Labour force update Summer 1998

Each quarter, *Labour force update* features the latest information and relevant trends relating to a particular labour market issue. The just released Summer 1998 issue presents "A new perspective on wages." Its informative commentary, charts and analytical tables provide a concise and up-to-date reference on the topic, as well as a useful starting point for further research.

Labour force update: A new perspective on wages (71-005-XPB, \$29/\$96) is now available. To order the publication, see "How to order publications" or contact the Statistics Canada Regional Reference Centre nearest to you. For further information, contact Geoff Bowlby (613-951-3325), Labour and Household Surveys Branch.

Postal code conversion file May 1998

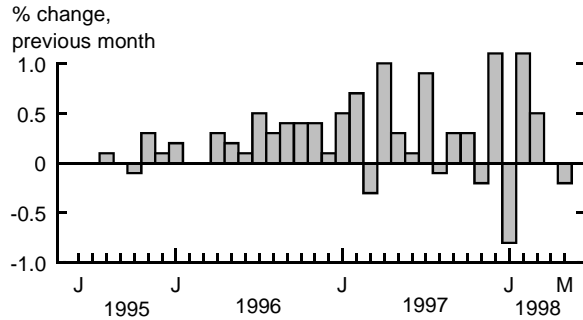
The May 1998 *Postal code conversion file* links the six-character postal code with the standard 1996 Census geographic areas (such as enumeration areas, census tracts and census subdivisions). It also locates each postal code by longitude and latitude co-ordinates to support mapping applications. This digital version of the file is an update to the June 1997 version released last December.

Postal codes by federal riding (1996 representation order) file is also available for May 1998. This product, a subset of the conversion file, provides a link between the six-character postal code and Canada's federal ridings (electoral districts). By using the postal code as a link, data from administrative files may be organized and/or tabulated by federal riding.

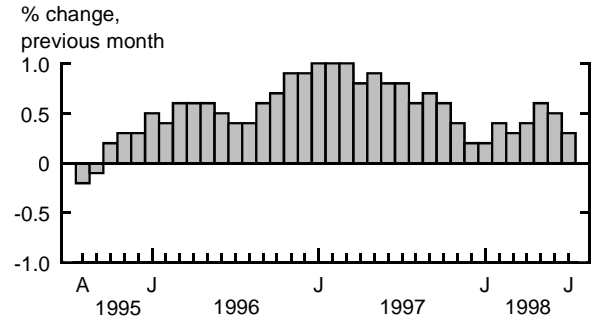
The Postal code conversion file (92F0027XDB) and the ***Postal codes by federal riding*** file (92F0028XDB) are available in ASCII format on diskette or CD-ROM. For further information or to order these files, contact the Statistics Canada Regional Reference Centre nearest you.

Current trends

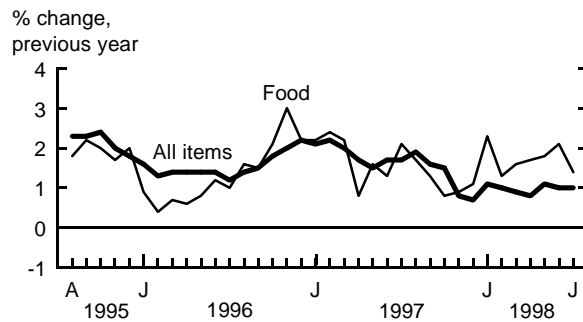
Gross domestic product



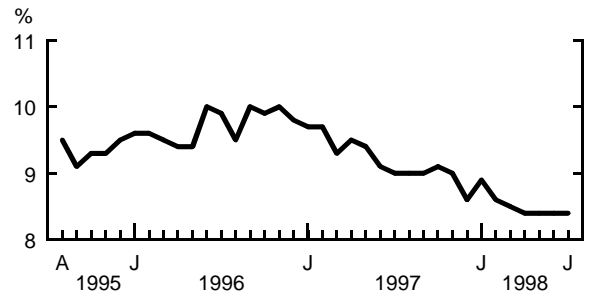
Composite Index



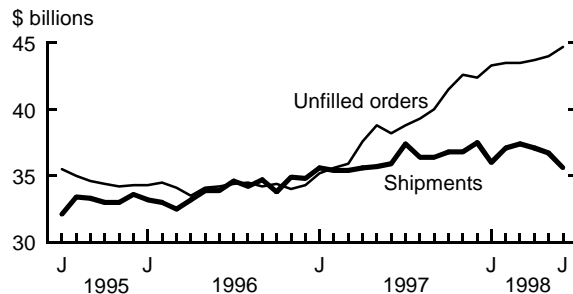
Consumer Price Index



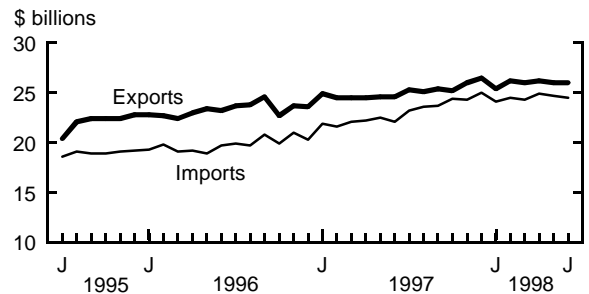
Unemployment rate



Manufacturing



Merchandise trade



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

Latest monthly statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billion, 1992)	May	710.0	- 0.2%	3.0%
Composite Index (1981=100)	July	207.7	0.3%	5.4%
Operating profits of enterprises (\$ billion)	Q2 1998*	25.7	- 4.6%	- 4.3%
Capacity utilization (%)	Q1 1998	86.0	0.3†	2.6†
DOMESTIC DEMAND				
Retail trade (\$ billion)	June*	20.4	- 1.7%	4.0%
New motor vehicle sales (thousand of units)	June	123.1	- 3.1%	8.0%
LABOUR				
Employment (millions)	July	14.3	0.2%	2.2%
Unemployment rate (%)	July	8.4	0.0†	- 0.6†
Participation rate (%)	July	64.9	0.2†	0.0†
Labour income (\$ billion)	May	38.3	- 0.2%	3.0%
Average weekly earnings (\$)	May	607.09	- 0.2%	0.8%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	June	26.0	0.1%	5.7%
Merchandise imports (\$ billion)	June	24.5	- 0.8%	10.6%
Merchandise trade balance (all figures in \$ billion)	June	1.5	0.2	- 0.9
MANUFACTURING				
Shipments (\$ billion)	June*	35.6	- 2.9%	- 0.6%
New orders (\$ billion)	June*	36.3	- 2.0%	2.9%
Unfilled orders (\$ billion)	June*	44.7	1.5%	17.1%
Inventory/shipments ratio	June*	1.38	0.05	0.08
PRICES				
Consumer Price Index (1992=100)	July	108.8	0.0%	1.0%
Industrial Product Price Index (1992=100)	June	119.1	0.1%	- 0.3%
Raw Materials Price Index (1992=100)	June	107.0	- 3.2%	- 15.9%
New Housing Price Index (1992=100)	June	100.1	0.1%	1.0%

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

* new this week

† percentage point

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Publications released from August 20 to 26, 1998

Division/Title of publication	Period	Catalogue number	Price: Issue/Subscription	
			Canada (C\$)	Outside Canada (US\$)
AGRICULTURE				
Farm cash receipts	Second quarter 1998	21-001-XIB	15/48	15/48
Field crop reporting series: seeded area, principal field crops, Vol. 77, no. 5	July 31, 1998	22-002-XPB	15/88	15/88
The dairy review	April to June 1998			
Internet		23-001-XIB	27/89	27/89
Paper		23-001QXPB	36/119	36/119
BALANCE OF PAYMENTS AND FINANCIAL FLOWS				
Canada's international transactions in securities	May 1998	67-002-XPB	18/176	18/176
CANADIAN CENTRE FOR JUSTICE STATISTICS				
Legal aid in Canada: Description of operations	March 1997	85-217-XIB	30	30
CULTURE, TOURISM AND THE CENTRE FOR EDUCATION STATISTICS				
Touriscope— International travel, advance information, Vol. 14, no. 6	June 1998	66-001-PPB	8/73	8/73
CURRENT ECONOMIC ANALYSIS				
Canadian economic observer	August 1998	11-010-XPB	23/227	23/227
DISTRIBUTIVE TRADES				
New motor vehicle sales	June 1998	63-007-XIB	13/124	13/124
Wholesaling and retailing in Canada	1995	63-236-XPB	47	47
HOUSEHOLD SURVEYS				
Labour force update: A new perspective on wages	Summer 1998	71-005-XPB	29/96	29/96
INTERNATIONAL TRADE				
Canadian international merchandise trade	June 1998			
Internet		65-001-XIB	14/141	14/141
Paper		65-001-XPB	19/188	19/188
Imports by country	January to June 1998			
Microfiche		65-006-XMB	62/206	62/206
Paper		65-006-XPB	124/412	124/412
MANUFACTURING, CONSTRUCTION AND ENERGY				
Gas utilities	April 1998	55-002-XPB	17/165	17/165
Industrial chemicals and synthetic resins	June 1998	46-002-XPB	7/62	7/62
Monthly survey of manufacturing	June 1998	31-001-XPB	20/196	20/196
Oil pipeline transport	May 1998	55-001-XPB	12/114	12/114
Particleboard, oriented strandboard and fibreboard	June 1998	36-003-XPB	7/62	7/62
Pulpwood and wood residue statistics	June 1998	25-001-XPB	8/73	8/73
Refined petroleum products	May 1998	45-004-XPB	21/206	21/206
Shipments of plastic film and bags manufactured from resin	Second quarter 1998	47-007-XPB	10/33	10/33
SPECIAL SURVEYS				
Caring Canadians, involved Canadians: Highlights from the 1997 National Survey of Giving, Volunteering and Participating	1997			
Internet		71-542-XIE	Free	Free
Paper		71-542-XPE	15	15

Catalogue numbers with an -XIB or an -XIE extension are Internet versions (B signifies bilingual, E signifies English); those with -XMB or -XME are microfiche; and -XPB or -XPE denote the paper version. XDB means the electronic version on diskette or compact disc.

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Key release calendar: September 1998

Monday	Tuesday	Wednesday	Thursday	Friday
	1	2 Help-wanted Index, August 1998	3	4 Building permits, July 1998 Labour Force Survey, August 1998
7	8 Industrial capacity utilization rates, Second quarter 1998 Radio listening, Autumn 1997	9 Field crop reporting series, July 31 grain stocks Perspectives on labour and income, Autumn 1998 New Housing Price Index, July 1998	10	11 New motor vehicle sales, July 1998
14	15 Canadian social trends, Autumn 1998	16 Monthly Survey of Manufacturing, July 1998 Travel between Canada and other countries, July 1998	17 Canadian international merchandise trade, July 1998	18 Consumer Price Index, August 1998 Wholesale trade, July 1998
21 Retail trade, July 1998	22 Employment insurance, July 1998	23 Canada's international transactions in securities, July 1998 Composite Index, August 1998	24	25 Employment, earnings and hours, July 1998
28 National tourism indicators, Second quarter 1998	29 Industrial Product Price Index, August 1998 Raw Materials Price Index, August 1998	30 Real gross domestic product at factor cost by industry, July 1998		

Note: Release dates for Canadian international merchandise trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other releases may change.