



Infommat

A Weekly Review

Friday, October 11, 1996

OVERVIEW

◆ Building permits drop sharply in August

After three straight months of robust growth, construction intentions for new homes fell sharply in August.

◆ Motor vehicle sales little changed

Total new motor vehicle sales changed little between July and August, as a rise in truck sales was offset by a drop in car sales.

◆ Small firms offer more jobs, but lower wages

Although small firms have created more jobs than did large firms between 1973 and 1992, they have fallen behind with respect to both wages and productivity.

◆ Wheat production highest in four years

Total wheat production in 1996 will surpass one billion bushels for the first time since 1992, according to the September Field Crop Survey.

◆ Number of help-wanted ads stable

In September, the number of help-wanted ads appearing in newspapers remained unchanged from August.

Building permits drop sharply in August

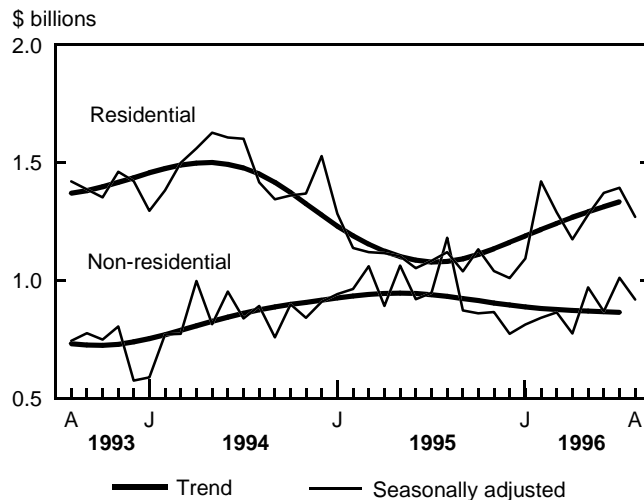
The housing sector's recovery stalled in August, as the value of residential building permits fell for the first time in four months (-8.8% to \$1.3 billion). The slumping multi-family component led the drop, sending housing permit values tumbling below their May level. Despite this setback, lower mortgage rates and increasing consumer confidence augur well for further growth in the housing sector. Non-residential permits also dropped in August (-9.1% to \$0.9 billion), the result of declining institutional intentions. The total value of building permits decreased 8.9% to \$2.2 billion.

An 18.8% drop in multi-family units was accompanied by a 3.9% dip in single-family permits. The value of residential building permits over the first eight months of 1996 was up 14.1% over the same period last year. Canada Mortgage and Housing Corporation expects housing starts to rise 11% in 1996; this suggests potential growth in construction employment.

British Columbia reported the nation's biggest drop, which was led by slumping multi-family construction plans. Only Manitoba and the Yukon posted increases in housing intentions.

(continued on page 2)

Value of building permits



... Building permits drop sharply in August

A 44.5% plunge in institutional construction plans, leading to a low not seen since December 1995, accounted entirely for the August decline in non-residential permits. On the other hand, commercial and industrial project values rose, mitigating the overall drop. Over the first eight months of 1996, non-residential permits were down 11.4% compared with the same period in 1995, despite marginal improvements since the beginning of the year.

Ontario recorded the largest non-residential drop, due to weak institutional and industrial components. Also notable were decreases in Nova Scotia, Manitoba and British Columbia, where non-residential construction plans reached exceptionally high levels in July. The only increases in the non-residential sector were posted in Quebec and the Yukon.

Available on CANSIM: matrices 80 (levels 3-7, 16-22, 24-32), 129, 137, 443, 989-992, 994, 995 and 4073.

The August 1996 issue of *Building permits* (paper version: 64-001-XPB, \$24/\$240; microfiche version: 64-001-XMB, \$25/

Note to readers

The Building and Demolition Permits Survey covers 2,400 municipalities each month, representing 93% of the population. It provides an early indication of building activity. The communities representing the other 7% of the population are very small, and their levels of building activity have little impact on the total.

The value of planned construction activities shown in this release excludes engineering projects (e.g., waterworks, sewers, culverts) and land.

Unless otherwise stated, all data are seasonally adjusted. The annual rate is a monthly figure that has been seasonally adjusted and multiplied by 12 to reflect annual levels.

\$135) will be available shortly. For further information, contact Joanne Bureau (613-951-9689; Internet: bureauja@statcan.ca), Investment and Capital Stock Division.

Building permits, August 1996

Seasonally adjusted

Province/Territory	Total		Residential		Non-residential	
	\$ millions	% change, previous month	\$ millions	% change, previous month	\$ millions	% change, previous month
Canada	2,190	-8.9	1,270	-8.8	920	-9.1
Newfoundland	18	-16.0	12	-5.8	6	-31.9
Prince Edward Island	5	-45.8	2	-57.7	3	-32.1
Nova Scotia	50	-33.7	33	-6.7	17	-57.6
New Brunswick	36	-14.0	17	-16.9	19	-11.4
Quebec	467	6.8	200	-3.1	267	15.8
Ontario	765	-4.6	483	-1.3	282	-9.7
Manitoba	42	-33.9	22	5.4	19	-53.7
Saskatchewan	39	-33.7	19	-18.2	20	-44.2
Alberta	241	-13.7	154	-15.2	87	-11.0
British Columbia	517	14.4	323	-17.2	194	-9.2
Yukon	5	23.9	3	6.4	2	56.8
Northwest Territories	6	-44.2	1	-80.1	5	-22.8

Motor vehicle sales little changed

New motor vehicle sales were little changed between July and August (+0.7%). Sales for the first eight months of 1996 were also virtually unchanged from the same period of 1995. Monthly sales have followed a flat trend since July 1995.

While total sales have been steady, the mix of vehicles purchased continued to change. Consumers bought more trucks (+3.2%) but fewer passenger cars (-1.2%) in August than in July.

Truck sales have followed an upward trend since May 1995, and during the first eight months of 1996, were 5.7% higher than in the same period last year. Part of the growth in the truck market reflects the popularity of minivans and sport utility vehicles. In addition, in the Prairie provinces, where high grain prices and yields have boosted the economy, truck sales (unadjusted) soared: +23.5% in Manitoba, +17.7% in Saskatchewan and +11.5% in Alberta between the first eight months of 1996 and the same period of 1995. This contrasts with a 4.2% sales increase in the other provinces combined.

Note to readers

Passenger cars include cars used for personal and commercial purposes (such as taxis or rental cars). Trucks include minivans, sport utility vehicles, light and heavy trucks, vans, coaches and buses.

Monthly data have been seasonally adjusted unless otherwise specified. Provincial data and average prices are based on unadjusted data.

Car sales during the first eight months of 1996 were down 4.4% (seasonally adjusted) from the same period last year. The trend in passenger car sales has been virtually flat since April 1995. Prior to that, sales followed a steep downward trend from March 1994 to April 1995.

(continued on page 3)

... Motor vehicle sales little changed

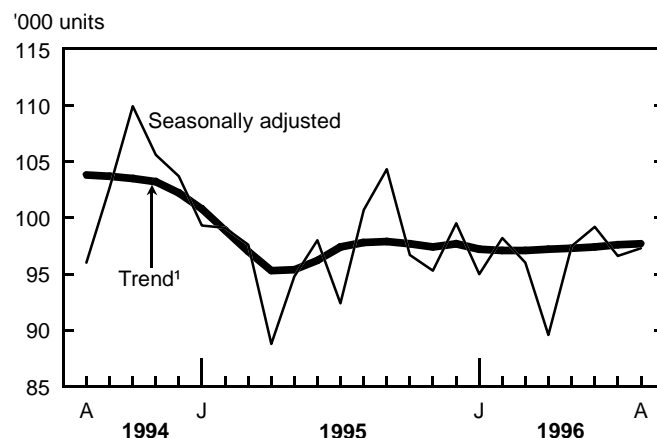
Despite the August decline in total passenger car sales, the Big Three automakers sold 2.1% more passenger cars than they did in July. The other automakers reported a 6.7% drop.

Consumers paid an average of \$21,800 per car (excluding sales tax) in August, about 7% more than in August 1995. Average car prices reflect consumers' choices of models and options, as well as changes in vehicle prices.

Available on CANSIM: matrix 64.

*The August 1996 issue of **New motor vehicle sales** (63-007-XPB, \$16/\$160) will be available shortly. For further information, contact Mary Beth Lozinski Garneau (613-951-9824), Industry Division.*

New motor vehicle sales



¹ The short-term trend represents a moving average of the data.

Small firms offer more jobs, but lower wages

While creating more jobs, small firms — once considered the “engines of manufacturing growth” — fell behind large firms in both productivity and wages paid from 1973 to 1992.

Workers in small manufacturing plants saw annual income fall, because they either earned a smaller hourly wage or worked fewer hours. By contrast, employees' wages in plants with more than 1,000 employees has risen over this period.

Small manufacturers have increased their share of employment. However, these new jobs have paid increasingly lower wages than those in large firms, due to rising unemployment rates in the general economy. For example, wages in the smallest manufacturing plants fell to 76% of the national average in 1991, from 84% in 1973. Thus, the absorption of jobs lost in large plants by smaller manufacturers resulted in downward pressure on wages. When this wage difference is factored in, large and medium-sized plants

contribute just as much to overall employment growth as do small plants.

In addition, average labour productivity at small plants fell from 84% in 1973 to 68% in 1992. Thus, while smaller firms have become a more important provider of jobs, they have become only slightly more important as producers. The employment share of the smallest size class increased dramatically from 28.8% of total employment in 1973 to 37.9% in 1992. However, its share of shipments rose only from 24.4% to 25.9% over the same period.

The declining employment share of large plants was accompanied by only a small drop in the share of shipments. Large plants' productivity grew from 116% in 1973 to 138% in 1992.

*This release is based on the research paper **Were small producers the engines of growth in the Canadian manufacturing sector in the 1980s?** (research paper series no. 88). To obtain a copy of this document, contact Louise Laurin (613-951-4676; 613-952-6325; fax: 613-951-5403), Analytical Studies Branch. For further information, contact John R. Baldwin (613-951-8588), Micro-Economic Analysis Division.*

Wheat production highest in four years

Total wheat production in 1996 will surpass one billion bushels for the first time since 1992, according to the September Field Crop Survey. While barley production should reach a new high, there will also be a bumper crop of oats. The September survey was taken when the harvest was about half completed, so that weather may yet change anticipated yields before harvest is finished.

Total wheat production is expected to be 177 million bushels more than last year, due to both the higher yields and a 15% rise in seeded acreage. The highest production on record is 1,179 million bushels in 1990. The driving force behind the increase in seeded

Note to readers

The September Field Crop Survey of 15,000 farm operators was conducted by telephone interviews during the week of September 9 to 16. Farmers were asked to report their seeded areas, harvested areas and yields of major grains, oilseeds and specialty crops.

acreage was the high grain prices forecast because of tightening global supplies.

Spring wheat production in the Prairies will be 197 million bushels greater this year, a 29% increase.

(continued on page 4)

... Wheat production highest in four years

Farmers in Ontario, the largest producers of winter wheat, are realizing very low yields of 40.5 bushels per acre, because of the harsh conditions of last winter. The five-year average yield for Ontario is 63.0 bushels per acre. Total Canadian production of winter wheat will drop by 16 million bushels this year.

This year's barley crop will be the highest ever recorded in Canada, reaching an estimated 735 million bushels. This is the result of an increase of 1.6 million seeded acres along with record yields in Saskatchewan. The previous production record was set in 1986 at 669 million bushels.

Canola production will drop to 220 million bushels this year, a decrease of 64 million bushels. The drop is due to a reduction of 4.2 million seeded acres. Yields are reported to be generally higher than in 1995. Wheat is preferred to canola this year because of the relatively high costs and risk involved in growing canola.

Flaxseed production will fall by 9.7 billion bushels from last year, because of 645,000 fewer acres seeded.

Principal field crop production, September 1996 estimates

Crop	1995	1996	1995 to 1996
	millions of bushel		% change
Total wheat	919.9	1,097.1	19.3
Spring wheat	694.5	891.3	28.3
Barley	598.7	734.5	22.7
Canola	283.8	219.5	-22.6
Oats	185.3	296.3	59.9
Durum wheat	170.8	167.3	-2.0
Flaxseed	43.5	33.8	-22.2
Winter wheat	54.6	38.5	-29.5

Available on CANSIM: matrices 1025-1043, 1046-1051, 3541-3565.

Field crop reporting series no. 7: September estimates of production of principal field crops, Canada, 1996 (22-002-XPB, \$15/\$85) is now available. For further information, contact David Burroughs (613-951-5138), Agriculture Division.

Number of help-wanted ads stable

The number of help-wanted advertisements in newspapers, as measured by the index, remained at 87 in September, little changed since April 1996. Three regions posted no changes from the August levels, Quebec recorded a decline and British Columbia an increase.

In the Atlantic region, the index increased in Nova Scotia (+2% to 103) and Prince Edward Island (+1% to 139). New Brunswick and Newfoundland reported declines of 3% (to 105) and 4% (to 76) respectively.

The Quebec index declined 1% to 86. In this province, the index last peaked in January 1995 and then fell 16% until May 1996; since then it has been relatively flat.

The index in Ontario remained at 91 for the second straight month. Since February, the index has been hovering between 90 and 93.

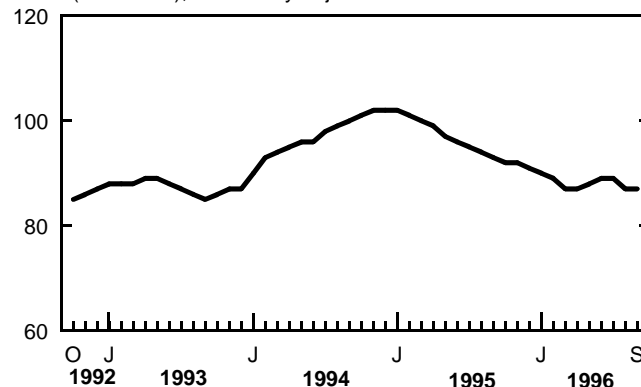
Following five consecutive months of growth, the index in the Prairies remained at 94. Manitoba and Alberta both recorded declines of 1%, to stand at 104 and 88 respectively. Saskatchewan

Note to readers

The help-wanted index is compiled from the number of help-wanted ads published in 22 newspapers in 20 major metropolitan areas. The index is a measure of companies intentions to hire new workers. These indexes have been seasonally adjusted and smoothed.

Help-wanted index

Index (1991=100), seasonally adjusted



Help-wanted index, September 1996

(1991=100)

Seasonally adjusted

	Level	% change, previous year	% change, previous month
Canada	87	-6	0
Atlantic provinces	100	-2	0
Quebec	86	-11	-1
Ontario	91	-7	0
Prairie provinces	94	8	0
British Columbia	65	-10	2

increased 2% to 104.

In British Columbia, the index increased 2% to 65. This is only the second month in the last three years that the index has registered an increase, the other being January 1996.

Available on CANSIM: matrix 105 (levels 8-10).

For further information, contact Michael Scrim (613-951-4090; fax: 613-951-4087; the Internet: labour@statcan.ca), Labour Division.

New from Statistics Canada

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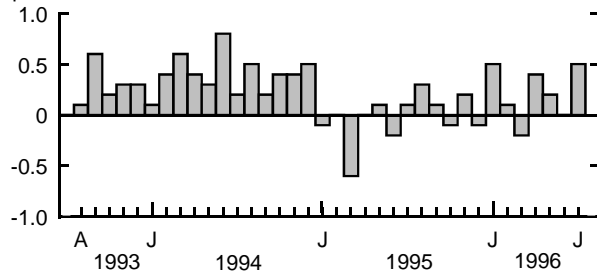
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Current trends

Gross domestic product

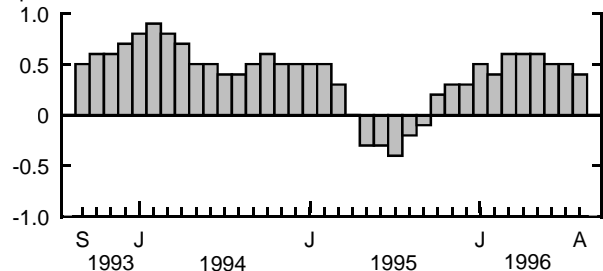
% change,
previous month



Real gross domestic product at factor cost increased 0.5% between June and July.

Composite index

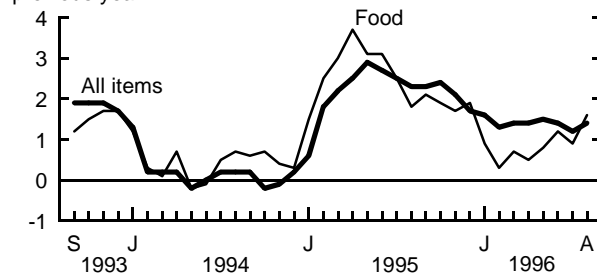
% change,
previous month



The composite index grew by 0.4% between July and August.

Consumer price index

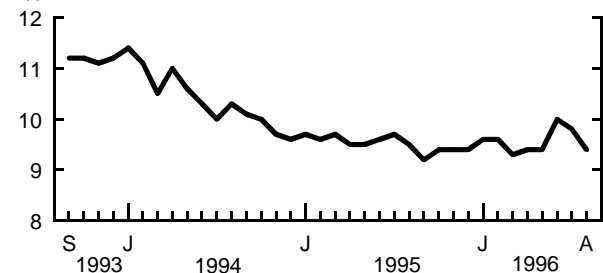
% change,
previous year



Consumers paid 1.4% more for goods and services in August 1996 than the year before. Food prices rose by 1.6%.

Unemployment rate

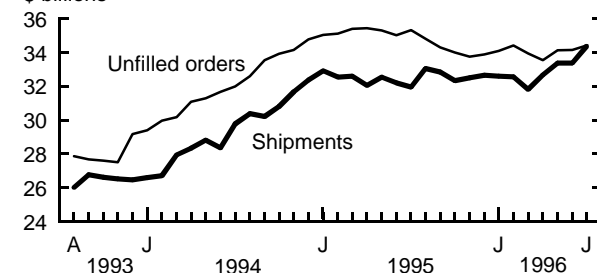
%



In August, the unemployment rate fell to 9.4%.

Manufacturing

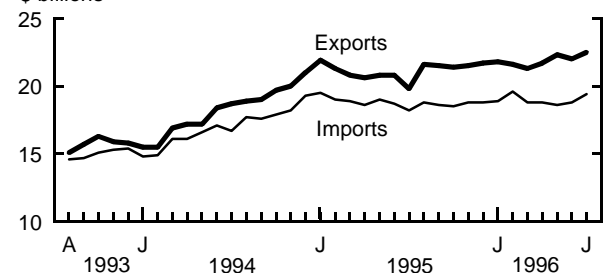
\$ billions



Manufacturers' shipments advanced 3.0% in July to \$34.4 billion. The level of unfilled orders rose 0.7% to \$34.4 billion.

Merchandise trade

\$ billions



In July, the value of merchandise exports rose 2.1% from June to \$22.5 billion. Imports advanced 3.2% to \$19.4 billion.

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, 1986)	July	551.3	0.5%	1.9%
Composite index (1981=100)	August	179.7	0.4%	4.8%
Operating profits of enterprises (\$ billion)	Q2 1996	22.1	-1.6%	-6.4%
Capacity utilization (%)	Q2 1996	82.7	0.3†	-0.9†
DOMESTIC DEMAND				
Retail trade (\$ billion)	July	18.0	0.2%	1.7%
New motor vehicle sales ('000 units)	August*	97.3	0.7%	-3.3%
LABOUR				
Employment (millions)	August	13.7	0.6%	1.6%
Unemployment rate (%)	August	9.4	-0.4†	-0.1†
Participation rate (%)	August	64.8	0.1†	0.1†
Labour income (\$ billion)	June	35.7	0.3%	2.1%
Average weekly earnings (\$)	July	584.85	-0.7%	2.4%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	July	22.5	2.1%	13.4%
Merchandise imports (\$ billion)	July	19.4	3.3%	6.6%
Merchandise trade balance (all figures in \$ billion)	July	3.1	-0.1	1.5
MANUFACTURING				
Shipments (\$ billion)	July	34.4	3.0%	7.6%
New orders (\$ billion)	July	34.6	3.7%	7.3%
Unfilled orders (\$ billion)	July	34.4	0.7%	-2.6%
Inventory/shipments ratio	July	1.29	-0.05	-0.11
PRICES				
Consumer price index (1986=100)	August	135.7	0.1%	1.4%
Industrial product price index (1986=100)	August	129.3	0.4%	0.1%
Raw materials price index (1986=100)	August	137.9	1.3%	5.7%
New housing price index (1986=100)	July	131.5	-0.1%	-2.2%

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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Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
AGRICULTURE					
Cereals and oilseeds review	July 1996	22-007-XPB	15/144	18/173	21/202
Field crop reporting series no. 7: Production of principal field crops	September 1996	22-002-XPB	15/85	18/102	21/119
BALANCE OF PAYMENTS					
Canada's international transactions in securities	July 1996	67-002-XPB	17/170	21/204	24/238
EDUCATION, CULTURE AND TOURISM					
A statistical portrait of education at the university level in Canada	September 1996	81-579-XPB	20	24	28
INDUSTRIAL ORGANIZATION AND INDUSTRY FINANCE					
Quarterly financial statistics for enterprises	Q2 1996	61-008-XPB	33/110	40/132	47/154
INDUSTRY					
Asphalt roofing	August 1996	45-001-XPB	6/60	8/72	9/84
Cement	August 1996	44-001-XPB	6/60	8/72	9/84
Electric lamps (light bulbs and tubes)	May 1996	43-009-XPB	6/60	8/72	9/84
Industrial chemicals and synthetic resins	August 1996	46-002-XPB	6/60	8/72	9/84
Production and shipments of steel pipe and tubing	August 1996	41-011-XPB	6/60	8/72	9/84
Sawmills and planing mills	July 1996	35-003-XPB	11/110	14/132	16/154
Telephone statistics	February 1996	56-002-XPB	9/90	11/108	13/126
INDUSTRY MEASURES AND ANALYSIS					
Gross domestic product by industry	July 1996	15-001-XPB	14/140	17/168	20/196
PRICES					
Consumer prices and price indexes	April-July 1996	62-010-XPB	24/80	29/96	34/112

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