



# The Daily

Statistics Canada

Wednesday, October 28, 1998

For release at 8:30 a.m.

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## MAJOR RELEASES

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- **National Longitudinal Survey of Children and Youth, cycle 2, 1996**

Information from the second cycle of the National Longitudinal Survey of Children and Youth, a comprehensive study of Canadian children conducted in 1996/97, is now available. The survey reveals that the vast majority of children were growing up healthy and well-adjusted two years after the first cycle, and were progressing well in school. Still, a significant proportion of children lived in difficult family circumstances and faced other disadvantages that put their development at risk.

2
  - **Industrial Product Price Index, September, 1998**

In September, industrial product prices declined 0.6% compared with August and were 0.3% lower than the same period a year earlier.

6
  - **Raw Materials Price Index, September 1998**

Manufacturers paid 1.6% more for raw materials in September compared with August, mainly due to higher prices for crude oil, aluminum materials and copper concentrates.

10
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## OTHER RELEASES

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Employment, earnings and hours, August 1998	12
Crude oil and natural gas, August 1998	15
Cereals and oilseeds review, August 1998	16

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## PUBLICATIONS RELEASED

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## MAJOR RELEASES

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### National Longitudinal Survey of Children and Youth

Cycle 2, 1996

In 1994/95, the National Longitudinal Survey of Children and Youth (NLSCY) began a comprehensive study of Canadian children under the age of 12 with the goal of painting a statistical portrait of their lives spanning a number of years.

The information released today is from the second cycle of the NLSCY, conducted in 1996/97. These data show that the vast majority of these same children, two years later, were growing up healthy and well-adjusted, and were progressing well in school. Still, a significant proportion of children lived in difficult family circumstances and faced other disadvantages that put their development at risk.

#### Children unlikely to escape low income in the short term

Protracted periods in a lower-income environment are believed to pose risks to a child's development. The second cycle of the NLSCY provides new insight into the origins, persistence and consequences of low income for children.

For the purposes of this study, families were categorized into four income groups or "quartiles" after adjusting for family size. Families in the lowest quartile (25%) are designated as lower-income families in this study. A parent refers to the person most knowledgeable about the child, the same person who provided information about the child, and is usually, but not always, the child's biological mother. Parents were classified as young parents based on the age of this person in 1996.

Family structure, the age of the parents and whether one or both parents are employed are key determinants of whether children are living in a lower-income family. Four out of every five children were living in a two-parent family in both 1994 and 1996. Two-parent families are least likely to be in a lower-income situation. However, two-parent families where only one parent had earnings from employment were three times as likely as families with two parent earners to be lower-income families.

Seven of every 10 children living in lower-income families in 1994 were also living in a lower-income environment in 1996. Lower-income, then, while

#### Note to readers

*The National Longitudinal Survey of Children and Youth (NLSCY), developed jointly by Human Resources Development Canada and Statistics Canada, is a comprehensive survey which follows the development of children in Canada and paints a picture of their lives. The survey monitors children's development and measures the incidence of various factors that influence their development, both positively and negatively.*

*The first cycle of the NLSCY, conducted in late 1994 and early 1995, interviewed parents of approximately 23,000 children up to the age of 11. They shared information not only about their children, but also about themselves and the children's families, schools and neighbourhoods.*

*The second cycle, carried out in 1996 and 1997, and released today, interviewed parents of the same children and provides unique insights into the evolution of children and their family environments over a two-year period.*

*Results from the second cycle of the NLSCY will be released in two phases. This release covers most characteristics of the children, their parents and families. The second release, to be published in the Spring of 1999, will focus on children in their school environment and in activities outside the home.*

*The NLSCY will continue to collect information on these same children every two years as they move into youth and adulthood.*

*Statistics Canada would like to thank the children, parents, teachers and school officials who are participating in the National Longitudinal Survey of Children and Youth. Without their collaboration this unprecedented source of insight into child development in Canada could not exist.*

escapable, is persistent in the short-term for most children in the lowest 25% of family incomes.

#### Family breakdown often leaves children living in lower-income

The movement of children's families into and out of a lower-income situation between 1994 and 1996 is attributable primarily to family breakdown and formation. Other Statistics Canada studies confirm that changes in family composition, while relatively infrequent, have a strong impact on moves into and out of lower-income. Changes in family incomes from employment have less impact but are more frequent. For families with incomes that are close to the lower-income boundary, the two effects in total are approximately equal.

Children of families experiencing family breakdown between 1994 and 1996 were four times more likely to have moved into the lowest income quartile than other families (26% versus 6%). The reverse was also true.

Children of parents who were single in 1994 but were living with a partner in 1996 were also more than four times as likely to move out of the lower-income quartile as other children (30% versus 7%).

### Young children are at risk of living in lower-income families

Research has shown that the pre-school years are a particularly critical phase in a child's long-term development. A large proportion of such pre-school children live in a family where the parent was less than 30 years of age.

Young parents have fewer financial resources at their disposal at this critical juncture in their child's development. Children living in a family where the parent was under age 30 in 1996 were three times more likely to have lived in a lower-income household in both years than those living in a family where the parent was 40 years of age or older.

### Canadian children: Healthy and well-adjusted

By far the majority of children living in Canada are in excellent or very good health according to their parents. Eighty-one percent of all children were in excellent or very good health in both 1994 and 1996. These NLSCY findings confirm those of other Statistics Canada surveys such as the National Population Health Survey. While problems are more frequent among children living in lower-income and single-parent families, it is nonetheless true that the majority of children, including those in these families, are developing well.

In 1996, 20% of all children aged 6 to 11 had a behavioral problem. Half of these children also had a behavioral problem in 1994. The NLSCY shows that children with a behavioural problem are likely to have more than one problem (34% of those with behavioral problems in 1996 had more than one).

In lower-income families, 15% of children had a behavioral problem in both 1994 and 1996. This compares with 9% for children in families that were not lower-income in either 1994 or 1996. Similarly, children of lower-income families were more likely to have relationship problems with their parents, friends or teachers.

#### Definitions

##### Behavioral problems

The National Longitudinal Survey of Children and Youth (NLSCY) assessed three types of behavioral problems in children: **Conduct disorder** (aggression, either physical or indirect, or property offences); **Hyperactivity** (inattention, impulsivity and motor activity, etc.); and, **Emotional disorder** (feelings of anxiety or depression, etc.).

Each type of behavioral problem was assessed through a series of questions concerning children aged 4 to 11. Responses were combined into a scale for each child and for each problem type. A child was considered to have a behavioural problem if he or she was scored in the highest 10% of the scale.

##### Parenting styles

The NLSCY measures four dimensions of parent-child interaction: **Hostile/ineffective** interaction (how often parents tell children that they are bad or not as good as others, get angry when they punish children, etc.); **Punitive/aversive** interaction (how often parents raise their voice or yell at children, use physical punishment with children, etc.); **Consistent** interaction (the proportion of time parent makes sure the child follows a command or order, enforces a punishment after warning the child, etc.); and **Positive** interaction (how often parents laugh with children, play sports, hobbies, and/or games together, etc.).

Each parenting style was assessed through a series of questions concerning interaction with the individual child (parenting style may vary with each of the parents' children). Responses were combined into a scale for each child and for each parenting style. A child's parents were considered to exhibit a negative parenting style if they scored in the worst 10%.

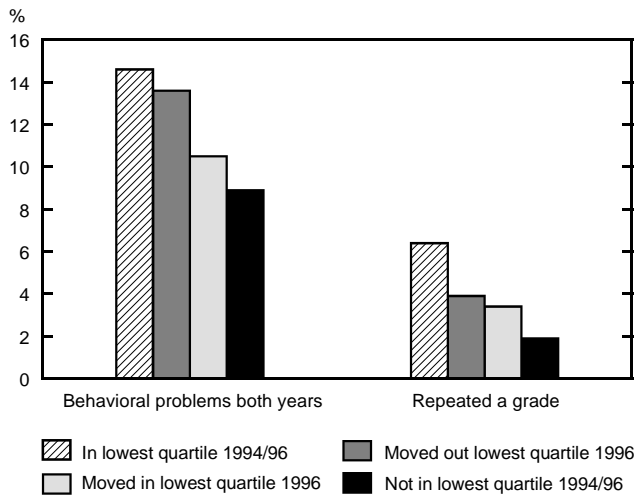
##### Motor and social development

The NLSCY measured motor and social development through a series of questions addressed to parents of children aged zero to three. Questions varied with the age of the child and touched on reactions to social stimuli (the child smiles at the parent when the parent speaks to the child, seems interested in his or her surroundings, etc.) and acquisition of mobility skills (the child can turn onto his or her stomach, or has begun to walk, etc.).

Responses were combined into a single scale for each child. A child was considered to be developing unusually slowly if he or she was among the 15% of children with the least developed motor and social skills for that age group.

Children in single-parent families, regardless of income, were also more likely to exhibit behavioral and relationship problems. Children in these families were almost twice as likely to exhibit a behavioral problem as those in two-parent families in similar income situations.

**Children in lower-income families most likely to have behavioral problems or repeat a grade**

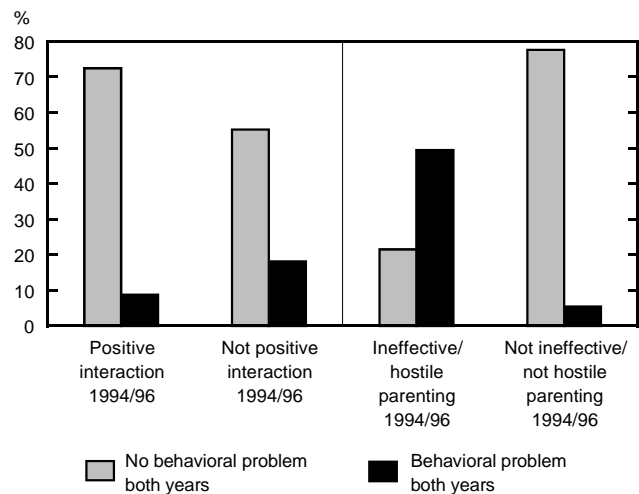


### Lower-income children also more likely to repeat a grade

Between 1994 and 1996, only 3% of children repeated a grade at school according to their parents. The rate was three times higher for children who stayed in the lowest-income quartile in both 1994 and 1996 versus those not in that quartile in either 1994 or 1996. Still, even among those children in the lowest-income quartile in both years, 94% did not repeat a grade.

Children generally have strong support from their parents to pursue their studies through university. In 1996, about 60% of children living in lower-income families in both 1994 and 1996 were expected by their parents to attend university. This compared with approximately 80% of those who were not in a lower-income situation in either year. However, information from the first cycle of the NLSCY showed that teachers' expectations of lower-income children's potential to attend university were much lower than those of the children's parents.

**Parenting style matters**



Preliminary analysis of survey findings suggests that higher frequencies of behavioral, relationship and scholastic problems tend to persist, at least in the short-term, for children moving out of lower-income. Movements out of lower-income are associated with parental remarriage or return to employment of one or more parents. Hence, the persistence of problems may reflect new stresses in the child's life, reduced supervision, or the severity of the problem. Future cycles of the survey will provide greater insight into this phenomenon and longer-term assessment of these changes over time.

### Parenting style matters

Parent-child interaction is a difficult phenomenon to measure and analyze. Early NLSCY results indicate that poor parenting practices are strongly associated with relationship and behavioral problems in children. Poor parenting practices appear to be a better predictor of these problems than living in single-parent, teen-parent and lower-income families.

Children who did not have positive interaction with their parents in both 1994 and 1996 were twice as likely to show persistent behavioral problems as children who had positive interaction with their parents in both years.

Children who were exposed to hostile or ineffective parenting in both 1994 and 1996 were nine times more likely to show behavioral problems in both these years than children who were not exposed to hostile or ineffective parenting.

The NLSCY has found that children at risk (e.g., lower-income, low parental education, family

dysfunction, prenatal problem, single-parent) have fewer behavioral problems when raised with positive and consistent parenting. Parenting style, particularly a hostile parenting style, has a more negative effect on behavioral problems than other factors such as income and family structure.

In 1994 and 1996, 80% of children lived with two parents. Of these, only 5% lived in a family where parenting was defined as hostile/ineffective in both years. Children in these families experienced a five times greater incidence of persistent behavioral problems than children living with single parents where the parental style was not defined as hostile/ineffective in either period.

### **Problems with motor and social development at young age lead to slower acquisition of vocabulary**

Unusually slow development of motor and social skills (MSD skills) in early childhood is believed to have long-term and negative consequences for a child's later development. The factors determining the speed of development of these skills, and the relationship of these skills to later development, are complex issues.

Delays in development of motor and social skills appear to be associated with low-birthweight, among other factors. Low birthweight, in turn, is known to be associated with premature birth and the mother smoking during pregnancy. Survey results indicate that children with a low birthweight (almost 6% of all children) are three times more likely than other children to experience delays in motor and social skills development.

Lack of positive parental interaction with the child also appears to be related to slow development of motor and social skills. Children who did not receive positive interaction with the parent were twice as likely to exhibit unusually slow development of motor and social skills.

NLSCY results also lend support to the importance of motor-social skills in later development. Children who

showed delays in motor and social development at age two and three were almost three times more likely than those with no MSD delays to exhibit delays in the acquisition of vocabulary.

Research indicates that the level of vocabulary development is a measure of readiness to learn. Preliminary results from the NLSCY also indicate that there seems to be a relationship between the slow development of vocabulary and school achievement. Children who were acquiring vocabulary at a normal pace in 1994 were almost twice as likely to be doing "very well" in school, according to their parents, as those children who were acquiring vocabulary more slowly in 1994.

Results from the second cycle of the NLSCY therefore hint at some of the relationships between family circumstances and events in a child's life and their short-term implications for the child's subsequent development. The focus of the survey, however, is the long-term consequences of these circumstances and events. Several additional cycles of the survey will be necessary to draw strong conclusions about these relationships.

For further information about the National Longitudinal Survey of Children and Youth, including information regarding survey concepts, methods and data quality, contact Sylvie Michaud (613-951-9482; [michsyl@statcan.ca](mailto:michsyl@statcan.ca)) or Yvan Clermont (613-951-3326; [cleryva@statcan.ca](mailto:cleryva@statcan.ca)) Statistics Canada, or Allen Zeesman (613 946-5713; [allen.zeesman@spg.org](mailto:allen.zeesman@spg.org)), Human Resources Development Canada.

Data are also available through custom tabulations. For information about the tabulations and other products and services available from Special Surveys Division, contact (613 951-4598; fax: 613 951-0562), Data Dissemination, Special Surveys Division. ■

## Industrial Product Price Index

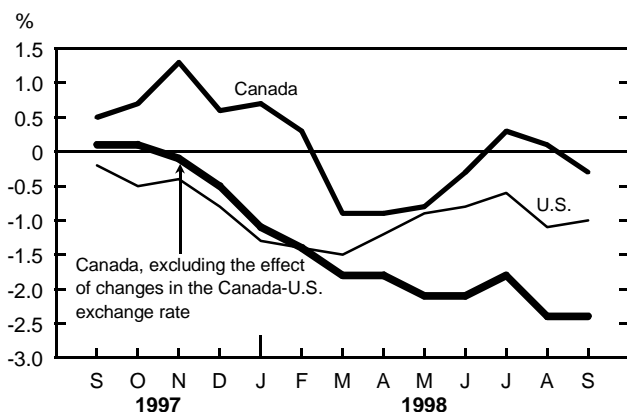
September, 1998 (preliminary)

In September, industrial product prices declined 0.6% compared with August and were 0.3% lower than the same period a year earlier.

The Industrial Product Price Index was 119.4 (1992=100) in September, down from 120.1 in August.

In September, the most significant price declines were for motor vehicles, pulp, softwood lumber, and pork. Prices were up, however, in the refined petroleum products industry.

**12-month change in manufacturing industry prices negative in Canada and the United States**



### Exchange rate effects significant in September

Between mid-August and mid-September, the Canadian dollar strengthened against the U.S. dollar. The value of the U.S. dollar declined to about C\$1.50 in mid-September from about C\$1.52 in mid-August. In mid-September 1997, it had been about C\$1.39.

If the effect of the changes in the value of the Canadian dollar was excluded for export prices quoted in U.S. dollars, the price level would have edged down only 0.2% from August. The 12-month change, however, would have been -2.4%.

### Note to readers

The Industrial Product Price Index (IPPI) reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time when a good leaves the plant and the time when the final user takes possession of it, including the transportation, wholesale, and retail costs.

Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp, paper, and wood products. A rise or fall in the value of the Canadian dollar against the U.S. dollar therefore affects the IPPI. A 1.0% change in the value of the Canadian dollar against the U.S. dollar has been estimated to change the IPPI by approximately 0.25%.

### 12-month change for non-food consumer goods prices negative for Canadian manufacturers and consumers

The Consumer Price Index for goods, excluding food purchased from stores, was down 0.9% from the same period a year earlier.

For manufacturers, the 12-month change in prices for finished goods, other than capital goods or foods and feeds, was +2.9%. However, this increase was basically due to the effect of the exchange rate on the prices of exported goods quoted in U.S. dollars. If this effect was removed, the change would have been -0.4%.

### 12-month change in manufacturing industry prices negative in the United States and Canada

In the United States, manufacturers saw no change in their overall price level from August to September. Manufacturing prices in September were 1.0% lower than a year earlier.

In Canada, the 12-month change in manufacturing prices fell from 0.1% in August to -0.3% in September. In addition, if the effect of the Canada-U.S. exchange rate was removed, the 12-month change in prices would have been -2.4%, the same as in August.

## 12-month price changes

	Total	Excluding exchange rate effect
	% change	
<b>Manufacturers prices</b>		
All goods	-0.3	-2.4
Intermediate Goods (used as inputs into industry)	-2.3	-4.0
First stage goods (used as inputs into basic industries)	-8.8	-11.1
Second stage goods (used as inputs into other industries)	-1.2	-2.8
<b>Finished goods</b>	<b>2.9</b>	<b>0.3</b>
Foods and feeds	0.7	0.6
Capital goods	4.9	1.4
Other finished goods	2.9	-0.4
<b>Other prices</b>		
Raw material prices (RMPI)	-13.0	...
Retail prices (CPI)		
Food purchased from stores	1.2	...
Other consumer goods	-0.9	...
U.S. manufacturers prices	-1.0	...

... Figures not appropriate or not applicable.

## Prices down for motor vehicles, pulp, softwood lumber, and pork

Motor vehicle prices declined in September. Most of the decline was due to the effect of the fall in the value of the U.S. dollar in terms of the Canadian dollar. About 90% of motor vehicles manufactured in Canada are exported, mostly to the United States. Export prices for automobiles (-1.3%) and trucks (-1.2%) were down. Domestic automobile prices fell 0.6% while domestic truck prices declined 0.3%. Incentives remain important in the competition to sell cars.

Pulp prices fell 6.4% overall in September. The decline was mainly due to the drop in the export price of bleached kraft wood pulp (-8.3%). Kraft wood pulp constitutes over 70% of Canadian pulp production. In the United States, the overall price of wood pulp fell 2.9%. Pulp inventories are relatively high and neither shipments nor exports, in constant dollar terms, have been particularly strong for some time.

Softwood lumber prices fell 3.0% in September after two months of increases. Domestic prices were down 2.5% and export prices were down 3.4%. August's increase had been mainly the result of concerns over possible events that did not actually occur (such as a rail strike in British Columbia). Prices in September were down across the country. Important contributors to the decline were B.C. Western Red

Cedar (-7.0%), and B.C. Douglas Fir (-3.3%). In the United States, overall softwood lumber prices fell 5.1%.

The market for lumber would have been affected by the September declines in housing starts in both Canada and the United States. In the United States, residential building permits were also down in September.

Pork prices fell 6.2% in September to stand 22.6% lower than a year earlier. Oversupply relative to demand, in large part due to the economic problems in Asia, remains a serious problem for the industry.

## Prices up in the refined petroleum products industry

The price level for the refined petroleum product industries rallied slightly in September (+2.1%) but remained 18.6% lower than a year earlier. Crude oil prices also rallied (+11.6%) but remained 19.0% lower than in September 1997. As noted in the Consumer Price Index, however, gasoline prices at the retail level continued to decline (-0.4%) to stand 13.0% lower than a year earlier.

## Lower prices for inputs into basic industries

In September, manufacturers of goods used mainly as industry inputs (intermediate goods) saw appreciably lower prices (-2.3%) than a year earlier. This was particularly true for the prices of goods used primarily as inputs into the primary metal, wood, pulp and some chemical industries (-8.8%). These industries are defined here as basic industries.

If the effect of the Canada-U.S. exchange rate on input goods was excluded, the declines would have been significantly larger (-4.0% for all intermediate goods and -11.1% for goods used primarily as inputs into basic industries).

The notable drop in prices of goods used as inputs into basic industries also reflected the much lower prices for raw materials than a year ago (-13.0%).

## Overview

In Canada, seasonally adjusted total employment continued to increase in September, but much of the increase was in part-time employment. In manufacturing, though, employment continued to fall with September having the largest of three consecutive monthly declines. September also saw Canadian housing starts down.

In August, there had been increases in both shipments and exports following the end of the prolonged strike at General Motors. However,

shipments remained below their peak at the end of 1997. Exports did not fully regain their May figure. In the wholesale sector, sales edged up in August, but retail sales were down slightly.

In the United States, Canada's major trading partner, industrial production was down 0.3% in September. The major contributor was the widespread decline in durables manufacturing. The increase in employment slowed as reflected in non-agricultural payrolls. The unemployment rate edged up to 4.6%. Housing starts in September were down for a second consecutive month and residential building permits also fell.

In Japan, Canada's second largest national export market, monthly industrial production fell in August to stand 8.5% below its level a year earlier. The 12-month change in Japanese domestic wholesale prices was -2.0% in September, marginally up from August.

Collectively, the European Union (E.U.) is an even larger export market for Canada than Japan. It is dominated by the four European G7 members. For these countries, the most recent figures for the

12-month change in industrial prices were +0.3% in the United Kingdom (September), -0.3% in Italy (August), -1.0% in Germany (September) and -1.2% in France (August).

In August, German industrial production was down sharply (the second decline in two months). In the United Kingdom, industrial production was down in August. Industrial production was also down in Italy in August (the second decline in three months). In France, industrial production was down slightly in June after increasing in May.

**Available on CANSIM: matrices 1870-1878.**

The September 1998 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available at the end of November. See *How to order publications*.

For further information, or to enquire about the concepts, methods and data quality of this release, contact the Client Services Unit (613-951-3350; fax: 613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)), Prices Division.□



**Industrial product price indexes**  
(1992=100)

	Relative importance	Sept. 1997	Aug. 1998 <sup>r</sup>	Sept. 1998 <sup>p</sup>	Sept. 1997 to Sept. 1998	Aug. to Sept. 1998
					% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>119.8</b>	<b>120.1</b>	<b>119.4</b>	<b>-0.3</b>	<b>-0.6</b>
<b>Intermediate goods<sup>1</sup></b>	<b>59.28</b>	<b>122.1</b>	<b>120.1</b>	<b>119.3</b>	<b>-2.3</b>	<b>-0.7</b>
First-stage intermediate goods <sup>2</sup>	7.91	128.0	119.1	116.7	-8.8	-2.0
Second-stage intermediate goods <sup>3</sup>	51.37	121.2	120.2	119.7	-1.2	-0.4
<b>Finished goods<sup>4</sup></b>	<b>40.72</b>	<b>116.3</b>	<b>120.1</b>	<b>119.7</b>	<b>2.9</b>	<b>-0.3</b>
Finished foods and feeds	10.38	111.8	112.7	112.6	0.7	-0.1
Capital equipment	10.21	118.2	124.7	124.0	4.9	-0.6
All other finished goods	20.13	117.7	121.6	121.1	2.9	-0.4
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	7.27	120.1	119.2	118.1	-1.7	-0.9
Fruit, vegetable, feed, miscellaneous food products	6.72	115.2	112.3	111.4	-3.3	-0.8
Beverages	2.12	110.3	112.4	112.8	2.3	0.4
Tobacco and tobacco products	0.72	127.3	131.6	131.6	3.4	0.0
Rubber, leather, plastic fabric products	3.01	113.3	113.7	113.6	0.3	-0.1
Textile products	1.82	109.5	110.3	110.0	0.5	-0.3
Knitted products and clothing	1.93	108.1	109.7	109.9	1.7	0.2
Lumber, sawmill, other wood products	5.20	143.1	141.2	138.7	-3.1	-1.8
Furniture and fixtures	1.46	113.9	115.2	115.1	1.1	-0.1
Pulp and paper products	7.65	127.2	131.5	129.1	1.5	-1.8
Printing and publishing	3.05	127.4	131.8	131.5	3.2	-0.2
Primary metal products	7.58	128.4	120.2	119.7	-6.8	-0.4
Metal fabricated products	4.11	120.4	123.5	123.4	2.5	-0.1
Machinery and equipment	4.08	111.3	113.4	113.3	1.8	-0.1
Autos, trucks, other transportation equipment	18.76	121.8	132.4	131.2	7.7	-0.9
Electrical and communications products	6.03	106.7	107.0	106.6	-0.1	-0.4
Non-metallic mineral products	2.12	111.2	112.6	112.7	1.3	0.1
Petroleum and coal products <sup>5</sup>	6.01	115.3	92.1	93.9	-18.6	2.0
Chemicals and chemical products	7.60	116.1	113.8	113.7	-2.1	-0.1
Miscellaneous manufactured products	2.45	115.2	117.5	117.4	1.9	-0.1
Miscellaneous non-manufactured commodities	0.31	122.9	117.0	117.5	-4.4	0.4

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

<sup>1</sup> Intermediate goods are used principally to produce other goods.

<sup>2</sup> First-stage intermediate goods are used most frequently to produce other intermediate goods.

<sup>3</sup> Second-stage intermediate goods are most commonly used to produce final goods.

<sup>4</sup> Finished goods are most commonly used for immediate consumption or for capital investment.

<sup>5</sup> This index is estimated for the current month.

## Raw Materials Price Index

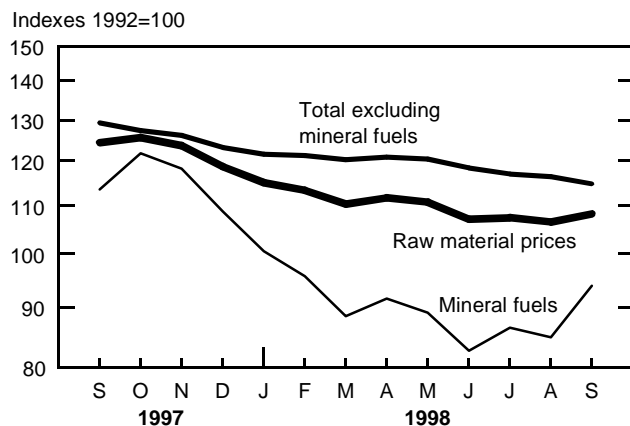
September 1998 (preliminary)

Manufacturers paid 1.6% more for raw materials in September compared with August, mainly due to higher prices for crude oil, aluminum materials and copper concentrates. Lower prices for hogs, unrefined sugar and coffee partially offset the overall increase in September's raw material prices.

The Raw Materials Price Index in September was 108.1 (1992=100), up from 106.4 (revised) in August. If the mineral fuels category (90% of which is crude oil), were excluded, raw material prices for September would actually have decreased 1.5% from August.

On a 12-month basis, manufacturers paid 13.0% less for raw materials compared with September 1997. The major contributors to the 12-month decline were crude oil, wood, animal and vegetable products and non-ferrous metals. If mineral fuels were excluded, the 12-month decrease in September for raw material prices would have been 11.3%.

### Crude oil prices push up raw material prices



### Crude oil prices up alongside supply cuts by OPEC

Crude oil prices increased 11.6% in September, remaining 19.0% lower than the same period last year. Higher prices for crude oil in September were partially due to OPEC's ongoing supply cuts, as well as potential increased cuts by OPEC members. Prices were further strengthened when the United States announced buying significantly more oil for their Strategic Petroleum Reserve. However, there remains a general oversupply of oil on the world

#### Note to readers

The Raw Materials Price Index (RMPI) reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Also, unlike the industrial product price index, the RMPI includes goods that are not produced in Canada.

market, exemplified by crude oil inventories in the United States being 9% higher than a year ago.

### Hog prices down

In September, animals and animal product prices were down 3.2% from August, and were 9.1% lower compared with 12 months earlier. Lower hog prices (-19.2%) were the only major contributor to the overall monthly decline.

Compared with September 1997, lower prices for hogs (-39.3%) and cattle (-3.4%) were marginally offset by higher prices for molluscs and crustaceans (+16.1%). Hog prices have remained weak due to declining demand and oversupply. The oversupply should prevail for at least the next few months as winter approaches and more hogs are usually brought to market. The surplus of hogs have brought prices down to 1994 levels.

### Copper prices up

On a month-to-month basis, non-ferrous metal prices increased 0.8% in September. Higher prices for copper concentrates (+4.6%), aluminum materials (+5.1%) and gold (+0.9%) were the major contributors to the gains.

Compared with September 1997, non-ferrous metal prices were down 12.3%. Lower prices for zinc concentrates (-31.3%), copper (-11.5%), nickel concentrates (-31.0%) and aluminum materials (-9.8%) were marginally offset by higher prices for silver and platinum.

Copper prices increased in September apparently more due to perceptions of demand rather than actual copper inventory depletions. The potential higher copper demand from builders and manufacturers in the United States, combined with a lower value of the U.S. dollar compared with the Japanese yen, made copper cheaper for Japanese buyers and helped boost copper prices.

### Vegetable product prices down

On a month-to-month basis, vegetable product prices fell 3.1% in September. The major contributors

to the lower prices were unrefined sugar (-16.8%), coffee (-9.0%) and grains (-2.3%). Sugar prices have been under considerable downward stress over the last seven months. The global supply has been in a glut situation. This was recently aggravated due to the larger than expected crop yields for sugar beets in Europe.

Compared with 12-months earlier, vegetable product prices were down 16.3%. Lower prices for coffee (-46.7%), grains (-20.0%) and unrefined sugar (-29.3%) were the major contributors to the decline. Coffee prices have continued to fall since the beginning of the year, as Brazil, the worlds largest producer remained on track to harvest its largest crop in more than a decade.

In September, wood prices remained unchanged for the second consecutive month. Marginally higher

log prices were completely offset by marginally lower pulpwood prices. Compared with September 1997 wood prices have fallen 14.3%. Contributing to the 12-month decline was logs (-17.9%), with pulpwood prices remaining unchanged over the same period.

**Available on CANSIM: matrice 1879.**

The September 1998 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available at the end of November. See *How to order publications*.

For further information, or to enquire about the concepts, methods and data quality of this release, contact the Client Services Unit (613-951-3350; fax: 613-951-1539; [infounit@stat.can.ca](mailto:infounit@stat.can.ca)), Prices Division.

### Raw Materials Price Index (1992 = 100)

	Relative importance	Sept. 1997	Aug. 1998 <sup>r</sup>	Sept. 1998 <sup>p</sup>	Sept. 1997 to Sept. 1998	Aug. to Sept. 1998
					% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>124.3</b>	<b>106.4</b>	<b>108.1</b>	<b>-13.0</b>	<b>1.6</b>
Mineral fuels	31.47	113.4	84.9	93.9	-17.2	10.6
Vegetable products	9.41	145.8	125.9	122.0	-16.3	-3.1
Animals and animal products	24.41	114.5	107.5	104.1	-9.1	-3.2
Wood	14.88	149.9	128.5	128.5	-14.3	0.0
Ferrous materials	3.17	131.9	134.2	130.0	-1.4	-3.1
Non-ferrous metals	13.81	124.9	108.6	109.5	-12.3	0.8
Non-metallic minerals	2.85	112.0	115.2	115.3	2.9	0.1
<b>RMPI excluding mineral fuels</b>	<b>68.53</b>	<b>129.2</b>	<b>116.3</b>	<b>114.6</b>	<b>-11.3</b>	<b>-1.5</b>

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.



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## OTHER RELEASES

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### Employment, earnings and hours

August 1998 (preliminary)

Average weekly earnings increased by an estimated \$1.36 to \$607.18 in August. Earnings increased in most industries. Over the last 12 months, average weekly earnings have increased 1.5%. Year-over-year gains in average weekly earnings remain moderate and have been in the range of 1.0% to 2.0% since mid-1997.

Despite relatively modest earnings gains at the aggregate level, workers in most industries have experienced average weekly earnings gains in excess of the Consumer Price Index in the past 12 months. On average, workers in 130 of the 214 industries covered by the survey registered earnings gains in the past 12 months which were higher than the Consumer Price Index.

Average hours for hourly paid employees were unchanged in August and were at the same level as June. Average hours were down by 0.6 hours since May 1997. Average overtime hours were also down by 0.3 hours for the same period. The reductions in average weekly hours and average overtime hours were offset by increases to the number of hourly rated employees.

Following substantial growth in July, paid employment was essentially unchanged in August. With the exception of manufacturers of durable goods, employment fell slightly or was unchanged in most industries. Durable goods employment increased due to employees in the automobile manufacturing and related industries returning to work after layoffs. Employers in Quebec reduced employees on payrolls by an estimated 11,000 with the largest decline in the construction industry. Paid employment in Ontario was flat as gains in the auto industry offset losses in other industries.

The Labour Division completed the third phase of its redesign in the use of administrative records for the production of employment, earnings and hours estimates starting with May 1998 release. In addition, a new sample for the Business Payrolls Survey has been drawn to produce estimates of paid hours, and average weekly and hourly earnings.

With the change in methodology, employment estimates derived from administrative records may show a different seasonal pattern than the previous data, which was derived from survey questionnaires. This can only be assessed within the context of a longer time period. Statistics Canada will continue to monitor these impacts and will help users interpret its data. To minimise impacts, it is recommended that SEPH data, particularly employment data, be used in the context of longer time periods for detailed industry distributions. A description of the methodological changes and their impacts on the data is available in the May publication of *Employment, earnings and hours* (72-002-XPB, \$32/\$320).

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

Detailed industry data and other labour market indicators will be available in November through standard tables in the monthly publication *Employment, earnings and hours* (72-002-XPB, \$32/\$320), the historical publication *Annual estimates of employment, earnings and hours 1985-1997* (diskette: 72F0002XDB, \$120) and by custom tabulations.

For further information, or to enquire about the concepts, methods and data quality of this release, contact Robert Frindt (613-951-4090, fax: 613-951-4087; [labour@statcan.ca](mailto:labour@statcan.ca)), Labour Division. □

## Number of employees

Industry group (1980 Standard Industrial Classification)	June 1998	July 1998 <sup>r</sup>	Aug. 1998 <sup>p</sup>	June to July 1998	July to Aug. 1998
seasonally adjusted					
	thousands			% change	
<b>Industrial aggregate</b>	<b>11,568</b>	<b>11,608</b>	<b>11,598</b>	<b>0.3</b>	<b>-0.1</b>
Logging and forestry	68	67	65	-1.5	-3.0
Mining, quarrying and oil wells	145	142	140	-2.1	-1.4
Manufacturing	1,875	1,870	1,873	-0.3	0.2
Construction	497	499	492	0.4	-1.4
Transportation and storage	486	487	485	0.2	-0.4
Communication and other utilities	383	383	382	0.0	-0.3
Wholesale trade	723	726	725	0.4	-0.1
Retail trade	1,423	1,433	1,426	0.7	-0.5
Finance and insurance	513	519	519	1.2	0.0
Real estate operators and insurances agencies	201	201	199	0.0	-1.0
Business services	792	793	798	0.1	0.6
Education-related services	935	934	928	-0.1	-0.6
Health and social services	1,208	1,209	1,211	0.1	0.2
Accommodation, food and beverage services	842	848	850	0.7	0.2
Public administration	667	667	668	0.0	0.1
Miscellaneous services	685	689	687	0.6	-0.3
<b>Provinces and territories</b>					
Newfoundland	149	150	149	0.7	-0.7
Prince Edward Island	47	48	47	2.1	-2.1
Nova Scotia	320	321	322	0.3	0.3
New Brunswick	259	258	255	-0.4	-1.2
Quebec	2,731	2,772	2,761	1.5	-0.4
Ontario	4,547	4,546	4,551	0.0	0.1
Manitoba	435	438	438	0.7	0.0
Saskatchewan	346	349	352	0.9	0.9
Alberta	1,207	1,207	1,203	0.0	-0.3
British Columbia	1,480	1,480	1,479	0.0	-0.1
Yukon	15	15	15	0.0	0.0
Northwest Territories	25	26	25	4.0	-3.8

<sup>p</sup> Preliminary estimates.

<sup>r</sup> Revised estimates.

## Average weekly earnings for all employees

Industry group (1980 Standard Industrial Classification)	Aug. 1997	July 1998 <sup>r</sup>	Aug. 1998 <sup>p</sup>	July to Aug. 1998	Aug. 1997 to Aug. 1998
seasonally adjusted					
	\$			% change	
<b>Industrial aggregate</b>	<b>598.43</b>	<b>605.82</b>	<b>607.18</b>	<b>0.2</b>	<b>1.5</b>
Logging and forestry	796.50	780.84	791.67	1.4	-0.6
Mining, quarrying and oil wells	1,044.41	1,093.03	1,125.06	2.9	7.7
Manufacturing	735.31	756.59	764.05	1.0	3.9
Construction	709.11	691.46	693.08	0.2	-2.3
Transportation and storage	719.58	732.69	728.84	-0.5	1.3
Communication and other utilities	787.50	807.54	812.36	0.6	3.2
Wholesale trade	648.79	669.59	665.12	-0.7	2.5
Retail trade	354.75	367.77	368.41	0.2	3.9
Finance and insurance	789.24	797.30	802.05	0.6	1.6
Real estate operators and insurance agencies	639.87	618.77	605.21	-2.2	-5.4
Business services	677.76	690.67	692.29	0.2	2.1
Education-related services	672.11	657.39	652.64	-0.7	-2.9
Health and social services	519.80	522.05	519.53	-0.5	-0.1
Accommodation, food and beverage services	233.89	228.17	227.83	-0.1	-2.6
Public administration	737.11	744.38	740.96	-0.5	0.5
Miscellaneous services	405.82	403.11	406.03	0.7	0.1
<b>Provinces and territories</b>					
Newfoundland	531.63	530.07	528.88	-0.2	-0.5
Prince Edward Island	466.04	475.81	480.08	0.9	3.0
Nova Scotia	498.72	519.41	513.53	-1.1	3.0
New Brunswick	523.74	533.30	536.28	0.6	2.4
Quebec	564.50	570.20	572.27	0.4	1.4
Ontario	639.16	643.02	643.74	0.1	0.7
Manitoba	526.15	542.93	543.67	0.1	3.3
Saskatchewan	524.86	539.03	541.32	0.4	3.1
Alberta	598.46	616.07	618.19	0.3	3.3
British Columbia	615.24	617.59	617.11	-0.1	0.3
Yukon	692.41	682.90	673.46	-1.4	-2.7
Northwest Territories	711.61	721.22	708.74	-1.7	-0.4

<sup>p</sup> Preliminary estimates.

<sup>r</sup> Revised estimates.

■

## Crude oil and natural gas

August 1998

In August, crude oil production was 0.3% lower compared with a year earlier — the first year-over-year decrease in 14 months. Despite the overall drop in the total crude oil production in August, Hibernia reached its highest production level yet at almost 500 000 cubic metres, or 4.6% of the total. Exports, which accounted for 58.2% of total production, continued their upward trend, increasing by a marginal 0.8% from the year earlier and 16% higher compared with the same period in 1996. Exports, still driven by strong demand in the United States, have increased steadily for 27 consecutive months.

Natural gas production increased 3.3% from August 1997. Canadian domestic sales continued dropping (-2.2%) — the 10th consecutive monthly year-over-year decrease. The decline is attributable to a drop in sales to the residential and commercial sectors. In contrast, exports continued to increase strongly, posting a 14.3% gain from August 1997. During the summer, Canadian natural gas shipped to the United States is used mainly for electricity generation to operate air conditioners. Warmer-than-normal summer temperatures led to higher demand for Canadian natural gas by U.S. electric utilities.

Year-to-date exports of natural gas were up 7.8% over the same period in 1997. Year-to-date Canadian sales were down 6.6% from the same period a year earlier, as a result of unseasonably mild temperatures during the first eight months of 1998.

## Crude oil and natural gas

	Aug. 1997	Aug. 1998	Aug. 1997 to Aug. 1998
	thousands of cubic metres		% change
<b>Crude oil and equivalent hydrocarbons<sup>1</sup></b>			
Production	10, 884.4	10, 851.8	-0.3
Exports	6, 271.1	6, 318.4	0.8
Imports <sup>2</sup>	3 759.4	4 028.9	7.2
Refinery receipts	8, 385.4	8, 432.8	0.6
	millions of cubic metres		% change
<b>Natural gas<sup>3</sup></b>			
Marketable production	12, 634.2	13, 050.9	3.3
Exports	6, 677.0	7, 630.8	14.3
Canadian domestic sales <sup>4</sup>	3, 684.8	3, 603.6	-2.2
	Jan. 1997 to Aug. 1997	Jan. 1998 to Aug. 1998	Jan.-Aug. 1997 to Jan.-Aug. 1998
	thousands of cubic metres		% change
<b>Crude oil and equivalent hydrocarbons<sup>1</sup></b>			
Production	80, 730.8	85, 354.9	5.7
Exports	45, 553.5	52, 276.5	14.8
Imports <sup>2</sup>	28, 921.4	29, 439.8	1.8
Refinery receipts	63, 216.9	62, 898.7	-0.5
	millions of cubic metres		% change
<b>Natural gas<sup>3</sup></b>			
Marketable production	103, 245.6	106, 122.9	2.8
Exports	53, 718.9	57, 921.0	7.8
Canadian domestic sales <sup>4</sup>	45, 175.2	42, 203.6	-6.6

<sup>1</sup> Disposition may differ from production due to inventory change, industry own-use, etc.

<sup>2</sup> Crude oil received by Canadian refineries from foreign countries for processing. Data may differ from International Trade Division (ITD) estimates due to timing differences and the inclusion of crude oil landed in Canada for future re-export in the ITD data.

<sup>3</sup> Disposition may differ from production due to inventory change, usage as pipeline fuel, pipeline losses, line-pack fluctuations, etc.

<sup>4</sup> Includes direct sales.

## Available on CANSIM: matrices 530 and 539.

The August 1998 issue of *Crude petroleum and natural gas production* (26-006-XPB, \$19/\$186) will be available in November. See *How to order publications*.

For further information, or to enquire about the concepts, methods and data quality of this release, contact Eleonore Harding (613-951-5708; [hardele@statcan.ca](mailto:hardele@statcan.ca)), Energy Section, Manufacturing, Construction and Energy Division. ■

## **Cereals and oilseeds review**

August 1998

Data from the August issue of *Cereals and oilseeds review* are now available. The information includes data on production, stocks, cash and futures prices, crop quality, domestic processing, exports, farmers' deliveries and supply-disposition analyses.

The September situation report, an overview of current market conditions, both domestic and international, is also included in the August issue of

*Cereals and oilseeds review* (22-007-XPB, \$15/\$149), which will be available in early November. See *How to order publications*.

For further information, or to enquire about the concepts, methods and data quality of this release, contact Rick Burroughs (613-951-2890; [burriric@statcan.ca](mailto:burriric@statcan.ca)) or Les Macartney (613-951-8714; [macales@statcan.ca](mailto:macales@statcan.ca)), Grain Marketing Unit, Agriculture Division. ■



## PUBLICATIONS RELEASED

**Food consumption in Canada, Part II**  
**Catalogue number 32-230-XIB**  
(Canada: \$25; outside Canada: US\$25).

**Food consumption in Canada, Part II**  
**Catalogue number 32-230-XPB**  
(Canada: \$33; outside Canada: US\$33).

**Construction type plywood, June 1998, Vol. 46,**  
**no .6**  
**Catalogue number 35-001-XPB**  
(Canada: \$7/\$62; outside Canada: US\$7/US\$62).

**Family food expenditure in Canada, 1996**  
**Catalogue number 62-554-XPB**  
(Canada: \$52; outside Canada: US\$52).

**All prices exclude sales tax.**

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Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took the average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4  
Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Help-wanted Index, May 1997** 3
- **Short-term Expectations Survey** 2
- **Steel primary forms, steel ending May 31, 1997** 12
- **Egg production, April 1997** 12

**PUBLICATIONS RELEASED** 11

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