



The Daily

Statistics Canada

Thursday, August 19, 2004

Released at 8:30 a.m. Eastern time

MAJOR RELEASES

- **University finances, 2002/03** 3
Revenue for Canada's 154 universities and degree-granting institutions grew at their fastest pace in three years in 2002/03, largely the result of increases in tuition fees and federal government grants. Student fees have reached their highest level, and now surpass 20% of total revenue.
- **Livestock estimates, as of July 1, 2004** 6
The Canadian cattle herd jumped 6.5% to a record 16.8 million head as of July 1, 2004, a little over a year after the ban on Canadian cattle and beef occurred as a result of the discovery of mad cow disease in a single cow. Meanwhile, hog inventories climbed 1.4% to 14.8 million head.

OTHER RELEASES

Travel between Canada and other countries, June 2004	9
Current economic conditions, August 2004	10
Study: Trends in the use of social assistance, 1993 to 2000	11
Stocks of frozen poultry meat, August 1, 2004	12

(continued on page 2)

Canadian Economic Observer

August 2004

The August issue of Statistics Canada's flagship publication for economic statistics, *Canadian Economic Observer*, analyzes current economic conditions, summarizes the major economic events that occurred in July and presents a feature article entitled: "Social assistance use: Trends in incidence, entry and exit rates." A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The August 2004 issue of *Canadian Economic Observer*, Vol. 17, no. 8 (11-010-XIB, \$19/\$182; 11-010-XPB, \$25/\$243) is now available. See *How to order products*. You can visit the *Canadian Economic Observer's* page on our website. From the *Canadian Statistics* page, choose *Economic conditions*, and on that page click on the banner ad for *Canadian Economic Observer*.

For more information, contact Francine Roy (613-951-3627; ceo@statcan.ca), Current Economic Analysis Group.



Statistics
Canada

Statistique
Canada

Canada

NEW PRODUCTS

13

MAJOR RELEASES

University finances

2002/03

Revenue for Canada's 154 universities and degree-granting institutions grew at their fastest pace in three years in 2002/03, largely the result of increases in tuition fees and federal government grants. Student fees have reached their highest level, and now surpass 20% of total revenue.

After adjusting for inflation, universities took in \$18.6 billion, up 6.4% from 2001/02. It was the strongest gain in three years.

The two biggest factors driving this growth were a 10.4% jump in income from student fees, the largest in the last 10 years, and a 15.5% increase in federal grants and contracts.

Student fees accounted for a record 20.5% of revenue compared with only 12.0% in 1990/91. Data on university tuition fees for the 2004/05 academic year will be released soon.

For the second consecutive year—and only the second time since 1990/91—university revenue from public sources grew more rapidly than those from private sources. Total revenue from government rose 8.1%, almost twice the pace of 4.3% from private sources.

As a result, government funding for universities accounted for 56% of the total revenue in 2002/03, the highest level in six years. However, this was still well below the proportion of 69% in 1990/91.

Revenue failed to keep pace with spending for the second consecutive year. Universities spent a record \$19.1 billion in 2002/03, up 8.7% from the previous year, and a 25.9% increase since the start of the decade.

Salaries, wages and benefits accounted for 55% of total expenses while 4% went to scholarships.

Government grants hit highest share in six years

In total, grants and contracts to universities from all three levels of government reached \$10.4 billion, up 8.1% from 2001/02 and the fifth consecutive yearly increase.

Of this total, provincial governments paid the lion's share or just over \$8.0 billion (+6.5%), followed by the federal government at just over \$2.2 billion. Almost all the federal cash was earmarked to support sponsored research.

In recent years, provincial governments have increased their contribution to university financing. Since the start of the decade, their funding has increased at an annual average rate of 5.6%, compared with an annual average decline of 1.5% during the 1990s.

Note to readers

Revenue and expenditure data are collected from each university and are distributed by fund.

The main funds are general operating (an unrestricted fund that accounts for the institution's primary activities of instruction and research, other than sponsored research), special purpose and trust, sponsored research, ancillary, capital and endowment.

Financial data analyzed here cover all these funds except endowment.

Data for this release cover 154 universities and degree-granting institutions.

The provinces' share of university funding fell from 58% in 1990/91 to 45% in 1999/2000. Since then, this rate of decline has levelled off, and in the academic year 2002/03, the provincial government share was 43%.

In contrast, the federal government accounted for 12.0% of revenue in 2002/03, compared with 8.9% in 1999/00.

University revenue from provincial governments accounted for more than three-quarters of those from public sources.

Between 2001/02 and 2002/03, only two provincial governments reduced their contribution to universities. Nova Scotia's payments fell 3.0% and Saskatchewan's declined 0.5%. In both cases, it was the second consecutive year of cutbacks. Provincial contributions increased the most in Quebec and British Columbia.

Federal funding for universities in 2002/03 rose seven-fold in Prince Edward Island, the biggest increase. Federal funding fell in only one province, Alberta (-6.2%).

Sharp increase in student fees

Students paid \$3.8 billion in fees in the academic year 2002/03, up 10.4% from the previous year. Since 1990/91, income from student fees has risen at an average annual rate of 8.1%, compared with 1.6% from governments.

Provincially, the share of total revenue represented by student fees was higher than the national average in Nova Scotia (30%) and New Brunswick and Ontario (27% each).

In Nova Scotia, governments contributed only 41% of total university revenue, well below the national average of 56%.

In British Columbia, university revenue from student fees rose 28% in 2002/03. This followed the province's announcement in 2001 of a lifting of the freeze that had

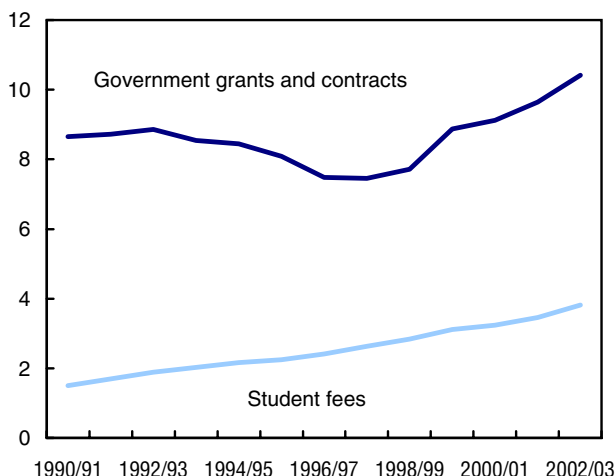
kept tuition fees at the same level for the previous six years.

At the same time, British Columbia's universities experienced the strongest gain in spending on scholarships, bursaries and prizes (+16.7%), compared with a national average gain of 10.4%.

In Quebec, governments accounted for nearly 69% of university revenue, the highest proportion in Canada. Student fees represented only 10%, half the level for their counterparts nationally. Tuition fees remain frozen for students who are residents of Quebec.

University revenue from student fees and government contributions

\$ billions (constant 2002/03 dollars)



Heavy investment in buildings and land

Universities continued a short-term surge in construction projects in 2002/03, investing heavily in buildings and land for the fifth straight year. Activity has been particularly intense since 2000/01.

Investments in buildings and land hit nearly \$1.3 billion, almost tripling since 1997/98. Between 2001/02 and 2002/03 alone, they increased 39%, the biggest jump among all expenditures.

Spending on infrastructure, which includes buildings, land and land improvements, accounted for 7% of total spending, the largest proportion in 13 years.

In Ontario, universities spent \$558.0 million on buildings in 2002/03, just under half the national total. During the previous three years, Ontario institutions spent \$1.2 billion on buildings and land, anticipating the massive influx of double cohort students in 2003/04 following the elimination of Grade 13.

At \$240.4 million, Quebec institutions more than tripled their spending on infrastructure, compared with the previous year.

Universities granted \$751.4 million in scholarships, bursaries and prizes during 2002/03. This was four times the amount in 1990/91 and 60% higher than in 1999/2000.

Even though spending on scholarships and bursaries has been the fastest-growing expenditure item over the previous 13 years, it accounted for only 4% of total university spending in 2002/03.

Of the \$751.4 million, \$415.2 million were allocated to scholarships alone, excluding sponsored research. Three-quarters of this was paid by Ontario institutions to their students (\$300.5 million). As a result, Ontario allocated 7.3% of its general operating expenditures to scholarships, bursaries and prizes, whereas the rest of Canada allocated an average of only 1.7%.

In 2002/03, the largest year-over-year gains on spending on scholarships, bursaries and prizes were in British Columbia (+16.7% to \$68.2 million) and Saskatchewan (+14.8%).

Combined, universities in Ontario and Quebec accounted for more than two-thirds of total spending on scholarships, bursaries and prizes. Ontario institutions spent \$387.0 million and those in Quebec, \$131.1 million.

Spending on salaries and benefits grew 6.8% to \$10.5 billion in 2002/03, the strongest annual gain since 1990/91. Even so, they accounted for only 55.0% of total spending, down from 65.0% in the 1990/91 academic year.

University revenue and expenditures 2002/03

	Revenue	Expenditures
	\$ '000	
Canada	18,614,684	19,087,952
Newfoundland and Labrador	289,750	295,056
Prince Edward Island	90,447	74,435
Nova Scotia	731,576	793,473
New Brunswick	391,312	386,447
Quebec	4,414,682	4,521,131
Ontario	6,922,650	7,240,320
Manitoba	666,616	654,436
Saskatchewan	740,991	779,375
Alberta	1,767,802	1,869,127
British Columbia	2,598,858	2,474,152

Definitions, data sources and methods: survey number 3121.

For more information or to order data, contact Client Services (1-800-307-3382; 613-951-7608;

educationstats@statcan.ca; fax: 613-951-9040). To enquire about the concepts, methods or data quality of this release, contact Eda Reganaz (613-951-7556; Eda.Reganaz@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

University revenue and expenditures¹

	1990/91	2001/02	2002/03	1990/91 to 2002/03	2001/02 to 2002/03
	\$ '000			% change	
Total revenue	12,607,074	17,494,279	18,614,684	47.7	6.4
Government grants and contracts	8,634,615	9,640,769	10,421,373	20.7	8.1
Federal government grants and contracts	1,307,751	1,926,542	2,225,109	70.1	15.5
Provincial government grants and contracts	7,279,752	7,548,393	8,036,698	10.4	6.5
Municipal and other government grants and contracts	47,112	165,834	159,566	238.7	-3.8
Private revenue	3,972,459	7,853,510	8,193,311	106.3	4.3
Student fees	1,498,606	3,450,291	3,810,210	154.3	10.4
Bequests, donations, and non-government grants and contracts	811,865	1,777,424	1,757,200	116.4	-1.1
Sales of services and products	1,048,360	1,610,985	1,734,050	65.4	7.6
Investment revenue	427,438	368,672	207,006	-51.6	-43.9
Miscellaneous	186,190	646,137	684,845	267.8	6.0
Total expenditures	12,627,396	17,563,917	19,087,952	51.2	8.7
Salaries and benefits	8,204,456	9,822,052	10,491,362	27.9	6.8
Scholarships and bursaries	194,020	680,800	751,403	287.3	10.4
Buildings	539,139	925,593	1,286,342	138.6	39.0
Operational	1,753,657	2,721,343	3,107,962	77.2	14.2
Other	1,936,122	3,414,128	3,450,883	78.2	1.1

1. Constant 2002/03 dollars using the national and provincial Consumer Price Indexes.

**University revenue and expenditures
2002/03**

	Canada	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
	% of total revenue and expenditures										
Revenue											
Government grants and contracts	56.0	66.7	64.9	40.7	51.7	68.7	47.8	58.2	59.6	58.4	56.5
Federal government grants and contracts	12.0	10.9	25.5	9.2	7.1	14.3	11.4	11.1	13.2	11.7	10.5
Provincial government grants and contracts	43.2	55.7	39.4	31.0	44.3	53.7	35.4	46.6	44.0	45.6	45.2
Municipal and other government grants and contracts	0.9	0.1	0.0	0.4	0.2	0.7	1.0	0.4	2.4	1.1	0.7
Private revenue	44.0	33.3	35.1	59.3	48.3	31.3	52.2	41.8	40.4	41.6	43.5
Student fees	20.5	17.4	17.9	30.2	27.3	10.3	27.3	18.0	16.8	19.9	18.1
Bequests, donations, and non-government grants and contracts	9.4	4.3	3.5	7.4	5.6	10.4	10.6	11.9	8.2	8.2	7.3
Sales of services and products	9.3	4.6	11.8	15.8	11.8	6.6	7.0	9.1	14.3	14.1	13.5
Investment revenue	1.1	0.6	1.2	3.1	1.9	1.0	0.9	1.8	0.0	-1.5	3.0
Miscellaneous	3.7	6.5	0.6	2.9	1.7	2.9	6.4	0.9	1.1	0.8	1.5
Expenditures											
Salaries and benefits	55.0	67.9	60.7	53.6	60.0	54.0	53.0	56.7	52.1	57.0	59.2
Scholarships and bursaries	3.9	4.7	2.5	3.7	2.4	2.9	5.3	1.7	2.8	4.2	2.8
Buildings	6.7	1.0	2.4	10.5	4.0	5.3	7.7	5.8	18.8	5.9	3.6
Operational	16.3	14.7	16.7	13.0	15.0	16.9	16.8	19.8	10.2	13.7	18.0
Other	18.1	11.8	17.7	19.2	18.6	20.9	17.1	16.0	16.1	19.2	16.4

Livestock estimates

As of July 1, 2004

The Canadian cattle herd jumped 6.5% to a record 16.8 million head as of July 1, 2004, a little over a year after the ban on Canadian cattle and beef occurred as result of the discovery of mad cow disease in a single cow.

According to the July Livestock Survey of 18,000 farmers, beef and dairy producers had 1 million more head of cattle on their farms than they did on July 1, 2003. This 6.5% increase was largely because of the collapse of export markets for live cattle.

The survey also found that hog inventories climbed 1.4% to 14.8 million head.

Livestock inventories

July 1

	Cattle		Hogs		Sheep	
	2003	2004	2003	2004	2003	2004
	'000 head					
Canada	15,738	16,760	14,631	14,838	1,249	1,238
Atlantic	293	297	366	358	49	48
Quebec	1,420	1,515	4,350	4,350	292	280
Ontario	2,230	2,308	3,620	3,690	353	340
Manitoba	1,590	1,750	2,850	2,890	82	82
Saskatchewan	3,220	3,540	1,250	1,350	145	160
Alberta	6,100	6,400	2,030	2,030	255	248
British Columbia	885	950	165	170	73	80

Note: Figures may not add up to totals due to rounding.

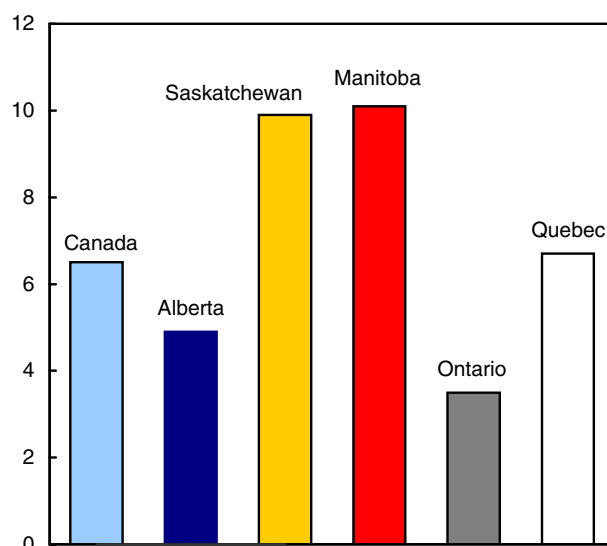
Survey results reflect the impact of a ban on Canadian beef following the disclosure of a single reported case of bovine spongiform encephalopathy (BSE), or mad cow disease, on May 20, 2003. The border remained closed to all Canadian beef exports until September 2003.

At that time, the United States, followed by a number of other countries, agreed to allow imports of Canadian boneless beef from animals younger than 30 months under a permit process. Subsequently, on December 23, 2003, a dairy cow in Washington State tested positive for BSE. The origin of this dairy cow was traced to northern Alberta.

Herd sizes rose in all provinces as exports collapsed following the ban. The herd surged 10.0% in Manitoba, the largest increase, while Saskatchewan's went up 9.9%, and Alberta's rose a more modest 4.9%.

More cattle in all provinces as of July 1, 2004

% change from 2003



Farmers reported increased levels of cattle on all types of operations. Cow-calf producers reported 9.7 million animals, up 2.7% while the number of cattle on back-grounding operations jumped 24.0% to stand at 3.2 million. Meanwhile, the number of cattle on feeding operations, which totalled 1.5 million, increased 5.3%.

Western Canadian farmers account for three-quarters of the national herd. Alberta alone represented 38.2% or 6.4 million animals as of July 1, 2004.

Exports plunge in the wake of border closures

Since the late 1980s, the Canadian cattle industry has expanded to the point where it was worth an estimated \$7.7 billion a year to farmers in 2002. This expansion coincided with freer trade, and was primarily driven by exports to the United States. Domestic consumption remained stable or declined until 2003, when beef consumption increased 5% from 2002 to 14.2 kilograms per person.

Canada's exports of cattle and beef meat to all countries virtually collapsed after the ban was imposed in May 2003, especially considering the vast majority of exports are destined for the United States.

In 2002, Canada exported 1.7 million head of cattle, worth \$1.8 billion. With the border closed in May 2003, cattle exports plunged to 505,689 head, valued at \$591 million, some 30% of the previous year's

level. Exports of live animals in 2004 are non-existent so far, as the border remains closed.

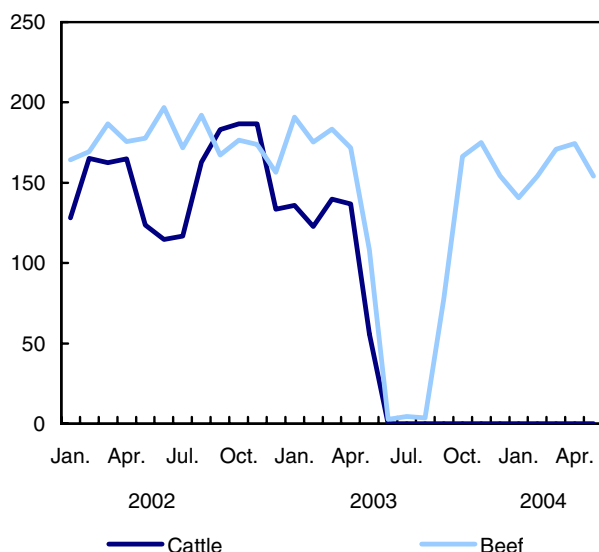
Exports of beef have also dropped dramatically from the \$2.1 billion worth registered in 2002. About 84% of Canada's beef exports are destined for American dinner plates.

Although there is some monthly variation, exports of beef from Canada dropped to 789 tonnes in June 2003, staying extremely low until September. At that point, the United States started to allow some beef products into the country and exports climbed during the fall, almost reaching pre-BSE levels (about 40 000 tonnes per month). In January, monthly exports dipped before rising to close in on the pre-BSE levels.

In 2003, the value of beef exports fell 33.0% from 2002. For the first four months of 2004, beef exports were down 11.3% when compared with the value in 2003 prior to the discovery of the BSE-infected animal.

World exports of Canadian cattle and beef

Millions of CAN\$



In dollar value, for 2002 as a whole, total cattle and beef exports reached \$3.9 billion, the equivalent of \$11 million in sales each day. From June 2003 to May 2004 following the border closure, the total value of cattle and beef exports was estimated at \$1.4 billion, down 65% from the 2002 benchmark.

In the meantime, domestic slaughter rose 17.4% to a record 2.1 million animals in the first six months of 2004, as beef imports tumbled to less than one-third of pre-BSE levels. Domestic demand for beef remains strong.

Prices and cash receipts tumble

Prices for all cattle—slaughter animals, feeders as well as calves—tumbled because of the domestic oversupply resulting from the plunge in exports.

Prices for slaughter cattle were hardest hit. For example, the July 2003 price for slaughter cattle in Alberta was about 35% of the price before the borders closed. It has struggled upward since then, and in March amounted to 76% of prices last seen in the spring of 2003. This collapse was mirrored across the country.

Feeder cattle prices were also adversely affected, and although the impact was less severe prices have been volatile. In Alberta, prices for feeder cattle fell about 40% and were still down 15% in April 2004.

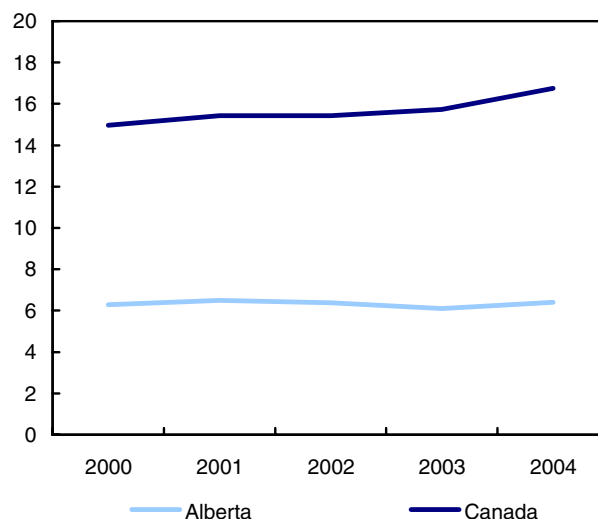
Canadian farmers' cash receipts for cattle and calves during the third and fourth quarters of 2003 were cut in half, tumbling to \$2.0 billion from the \$3.9 billion recorded for the same period in 2002.

Government payment programs helped cushion the shock for farmers. The main program, Bovine Spongiform Encephalopathy Recovery Program, is estimated to have paid \$443 million to producers between July and December 2003.

Meanwhile, American farmers are enjoying record prices. The drop in the US herd, coupled with the border closure and strong beef demand, tightened the beef supply in the United States.

Closed US border leads to record cattle inventories as of July 1, 2004

Million head



Hog exports surge

Canadian hog producers increased their inventories during the second quarter of 2004 as exports surged. Inventories rose to 14.8 million hogs as of July 1, 2004, a gain of 1.9% from April 1, and 1.4% higher over the same time last year.

In the year following the border closure (June 2003 to May 2004), exports jumped by 42.8%. Some 2.5 million more animals were shipped than during the same period the previous year.

Prices for hogs were weak in much of 2002 and 2003; however, they dropped considerably during the second half of 2003 following a brief rally last summer. From June to December 2003, prices fell over 25%. Since then, 2004 prices have rebounded.

Spurred by rising exports, the National Pork Producers Council in the United States filed for antidumping and countervailing duties on Canadian hogs on March 5, 2004. The applications were made

to both the US Department of Commerce and the International Trade Commission. These actions have added an element of uncertainty to the marketplace.

Available on CANSIM: tables 003-0004 and 003-0030 to 003-0032.

Definitions, data sources and methods: survey number 3460.

The reports *Cattle Statistics*, Vol. 3, no. 2 (23-012-XIE, free), *Hog Statistics*, Vol. 3, no. 3 (23-010-XIE, free) and *Sheep Statistics*, Vol. 3, no. 2 (23-011-XIE, free) are now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Agriculture*.

For more information, contact Client Services (1-800-465-1991). To enquire about the concepts, methods or data quality of this release, contact Robert Plourde (613-951-8716, robert.plourde@statcan.ca), Agriculture Division. ■

OTHER RELEASES

Travel between Canada and other countries

June 2004

Travel to Canada rebounded in June as a result of the first increase in visitors from the United States in the last four months.

An estimated 3.3 million visitors came to Canada in June, up 1.0% from May when travel from abroad declined. (Unless otherwise specified, data are seasonally adjusted).

The increase in trips to Canada was primarily the result of a 1.2% rise in travellers from the United States. Nine out of every 10 visitors who arrived in June were US residents.

Approximately 1.5 million Americans made same-day car trips to Canada, the first increase since February. However, overnight trips from the United States slipped in the wake of declines in travel by both air and automobile.

A total of 351,000 visitors arrived in Canada from overseas, virtually unchanged from May. Travel was up in 6 of Canada's top 12 overseas markets. Italy led the way with a 9.0% monthly increase, followed by Taiwan and Japan. Travel from Australia tumbled 7.0% after hitting a record high in May.

In June, Canadian travel to the United States and overseas nations fell 3.2%, the third monthly decline in a row.

Canadian travel to the United States was down 3.3% as a result of declines in both same-day and overnight travel. Same-day car trips, historically acknowledged as a barometer of cross-border shopping, slipped 2.3% to fewer than 1.8 million, even though the Canadian dollar gained in value against the US dollar. The monthly decline in same-day car travel was the third in a row.

An estimated 467,000 Canadian residents travelled to overseas countries, down 2.7%, the second consecutive monthly decline and the fourth this year. Even so, the level in June was still higher than at the start of the year.

Available on CANSIM: tables 427-0001 to 427-0006.

Definitions, data sources and methods: survey number 5005.

The June 2004 issue of *International Travel, Advance Information*, Vol. 20, no. 6 (66-001-PIE, \$7/\$59) is now available. See *How to order products*.

For more information, contact Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-9040; cult.tourstats@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Frances Kremarik (613-951-4240; frances.kremarik@statcan.ca), Culture, Tourism and the Centre for Education Statistics. □

Travel between Canada and other countries

	May 2004 ^r	June 2004 ^p	May to June 2004	June 2004	June 2003 to June 2004
	seasonally adjusted			unadjusted	
	'000		% change	'000	% change
Canadian trips abroad¹	3,483	3,371	-3.2	3,207	0.5
to the United States	3,003	2,903	-3.3	2,861	-1.1
to Other countries	480	467	-2.7	346	15.2
Same-day car trips to the United States	1,796	1,755	-2.3	1,821	-0.7
Total trips, one or more nights	1,642	1,589	-3.3	1,337	2.2
United States ²	1,162	1,121	-3.5	991	-1.7
Car	678	652	-3.8	585	-5.7
Plane	383	375	-2.0	290	4.9
Other modes of transportation	100	94	-6.6	116	4.3
Other countries ³	480	467	-2.7	346	15.2
Travel to Canada¹	3,218	3,251	1.0	4,202	5.2
from the United States	2,866	2,900	1.2	3,716	2.3
from other countries	351	351	-0.1	486	34.5
Same-day car trips from the United States	1,496	1,508	0.8	1,717	-4.4
Total trips, one or more nights	1,622	1,607	-0.9	2,222	12.8
United States ²	1,272	1,265	-0.5	1,751	8.2
Car	806	791	-1.9	1,076	6.9
Plane	327	325	-0.7	441	9.0
Other modes of transportation	139	150	7.9	235	12.6
Other countries ³	350	342	-2.3	471	34.0
Most important overseas markets⁴					
United Kingdom	74	75	1.3	104	23.7
Japan	38	40	5.1	46	172.1
France	25	26	3.7	30	21.3
Germany	26	25	-1.6	37	21.8
Australia	17	16	-7.0	23	22.3
South Korea	14	15	4.6	20	28.9
Mexico	14	14	-3.2	18	21.2
Taiwan	12	12	6.3	14	195.2
Hong Kong	11	11	-0.1	14	80.5
Netherlands	10	9	-6.2	15	-3.5
Italy	8	9	9.0	12	128.0
China	8	8	-1.6	10	88.5

^r Revised figures.

^p Preliminary figures.

1. Totals exceed the sum of same-day car trips and total trips, one or more nights because they include all of the same-day trips.

2. Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.

3. Figures for other countries exclude same-day entries by land only, via the United States.

4. Includes same-day and one or more night trips.

■

Current economic conditions

August 2004

Output and jobs have both accelerated in Canada in recent months, even as the American economy slowed in the second quarter, according to an assessment of current economic conditions in the August issue of the *Canadian Economic Observer*.

In both countries, the engine of growth shifted from consumer to business spending. However, Canada had the added benefit of its booming resource sector.

There were more signs that firms were beginning to step up outlays, after building an enormous war chest in recent quarters. Corporate saving totalled \$69 billion in the 12 months ending in the first quarter.

Profits rose to new highs, but business investment outlays grew only 1.2% over the same period. Inventories were cut after last summer's build-up, and private sector payrolls rose less than 1% in the year to March.

Starting in the second quarter, corporate outlays began to accelerate noticeably. Imports of machinery and equipment in May posted their largest increase in two decades, reinforcing a gain in April.

The surge in demand was broadly based, with the sharpest increase in the oil patch where record prices stimulated exploration and development after a lengthy decline. Other spending on non-residential construction also turned up in April and May. Meanwhile, private

sector payrolls grew by 57,000 people (+0.5%) since March.

Regionally, natural resources continued to drive the economies of Western Canada. With the end of a strike that paralyzed rail transport for much of April, wood and paper shipments rebounded in British Columbia. In fact, they more than made up for the decline recorded in April, approaching the highs recorded in early 2000.

The booming US housing market continued to dominate British Columbia's exports, accounting for half their growth since the same period last year. The second biggest source of growth was China, which is rapidly catching up to the United States and Japan as British Columbia's main export market. China accounted for one-quarter of the province's year-over-year increase in exports.

Exports from the Prairies also continued to climb, rising 30% from last year on the strength of industrial goods and energy. However, manufacturing shipments from Alberta fell sharply, pulled down by computer products.

In Central Canada, domestic demand rather than exports continued to account for the economy's solid performance. Ontario's retail sales made up their April loss, while housing starts edged up for a second consecutive month, nearing their high for the year recorded in March.

These sectors contributed the most to an increase in manufacturing shipments, which rose 1.8% in May, their fourth consecutive advance. They were also buoyed by the continuing recovery of the auto sector. For the first time in May, Ontario shipments exceeded their previous record high set in October 2000.

Retail sales also rebounded in Quebec. Housing starts slipped from their 15-year high in March, but non-residential building permits strengthened in the commercial sector. Quebec surpasses the national trend in permits by a wide margin.

Shipments in Quebec declined as wood and metal shipments shifted westward with the resumption of rail transport in British Columbia. In April, Quebec had picked up the slack from Western Canada.

Definitions, data sources and methods: survey numbers, including related surveys, 1901 and 3701.

The entire analysis of current economic conditions is now available in the August 2004 issue of *Canadian Economic Observer*, Vol. 17, no. 8 (11-010-XIB, \$19/\$182; 11-010-XPB, \$25/\$243). See *How to order products*.

You can visit the *Canadian Economic Observer's* page on our website. From the *Canadian Statistics* page, choose *Economic conditions*, and on that page click on the banner ad for *Canadian Economic Observer*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Francine Roy (613-951-3627), Current Economic Analysis Group. ■

Study: Trends in the use of social assistance

1993 to 2000

The number of people on welfare jumped in the wake of the recession of the early 1990s, then fell sharply during the rest of the decade, according to a new study examining social assistance.

Following the recession, the economy strengthened, especially after 1995, while virtually all provinces instituted reforms to their welfare systems aimed at reducing dependency. Eligibility rules were tightened, especially for new entrants, benefit levels were cut, snitch lines were introduced and other rules were adopted.

As a result, the number of people on social assistance fell from a peak of 3.1 million in 1994 to fewer than 2 million by 2000. Benefit payouts went from \$14.3 billion to \$10.4 billion.

Most of the overall decline in welfare cases reflected fewer people entering the system. The number of entrants tumbled by more than a half during the 1990s.

The decline in Canada was slightly less than that in the United States, where the caseload fell to less than half its 1994 peak. The drop in the United States also reflected an expanding economy and tighter restrictions, including a five-year limit on benefits.

An individual was defined as receiving social assistance in any particular year if they or their spouse declared welfare income of at least \$101.

The study examined four types of families—singles, couples with children, couples with no children and lone mothers—in all provinces. It did not attempt to apportion movements in welfare rates between those related to the economy or to administrative changes. Rather, it focussed solely on rates.

The most dramatic change in dependency on social assistance was for single mothers. In 1995, the peak year, one-half of all single mothers were receiving social assistance nationally. By 2000, this rate had declined to nearly one-third.

Unattached individuals had the second largest decline in rates, which eased from nearly 21% in 1993 to about 16%.

Declining entry rates clearly played a significant role in lowering welfare use for all family types, and again single mothers had the largest absolute decline.

About 13% of all single mothers who were not on social assistance in 1992 had entered it in 1993. By 2000, this rate had plunged to less than 5%.

Overall, provincial trends were broadly similar. Every province experienced a jump in welfare rates between 1992 and 1993, yet there were important differences. Alberta had the lowest rate in practically all years.

The case was the opposite for Quebec and Newfoundland and Labrador, as their rates rose sharply in 1993, and then remained high through to 2000, finishing well above the other provinces.

In Quebec, for example, 24% of all unattached individuals were on welfare in 1994, the highest level among the provinces. By 2000, this rate had dropped slightly to just over 21%, but it was still highest.

In terms of couples with children, Newfoundland and Labrador recorded both the highest rates of use, as well as the steepest decline in entry rates.

In 2000, nearly 11% of families with children in Newfoundland and Labrador were on welfare, nearly twice the national average. The proportion of these families who went on welfare fell by two-thirds during the 1990s.

Definitions, data sources and methods: survey number 4107.

The article "Social assistance use: Trends in incidence, entry and exit rates" is now available free online. It also appears in the August 2004 issue of *Canadian Economic Observer*, Vol. 17, no. 8 (11-010-XIB, \$19/\$182; 11-010-XPB, \$25/\$243), which is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Ross Finnie (613-951-3962), Business and Labour Market Analysis Division. ■

Stocks of frozen poultry meat

August 1, 2004 (preliminary)

Stocks of frozen poultry meat in cold storage on August 1 totalled 60 280 metric tonnes, down 0.5% from August 1, 2003.

Available on CANSIM: tables 003-0023 and 003-0024.

Definitions, data sources and methods: survey number 3425.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sandy Gielfeldt (613-951-2505; Sandy.Gielfeldt@statcan.ca), Agriculture Division. ■

NEW PRODUCTS

Canadian Economic Observer, August 2004, Vol. 17, no. 8

Catalogue number 11-010-XIB (\$19/\$182).

Canadian Economic Observer, August 2004, Vol. 17, no. 8

Catalogue number 11-010-XPB (\$25/\$243).

Hog Statistics, 2004, Vol. 3, no. 3

Catalogue number 23-010-XIE
(free).

Sheep Statistics, 2004, Vol. 3, no. 2

Catalogue number 23-011-XIE
(free).

Cattle Statistics, 2004, Vol. 3, no. 2

Catalogue number 23-012-XIE
(free).

Imports by Commodity, June 2004, Vol. 61, no. 6
Catalogue number 65-007-XMB (\$40/\$387).

Imports by Commodity, June 2004, Vol. 61, no. 6
Catalogue number 65-007-XPB (\$84/\$828).

International Travel, Advance Information,
June 2004, Vol. 20, no. 6
Catalogue number 66-001-PIE (\$7/\$59).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

How to order products

To order by phone, please refer to:

- The title
- The catalogue number
- The volume number
- The issue number
- Your credit card number.

From Canada and the United States, call:

1-800-267-6677

From other countries, call:

1-613-951-7277

To fax your order, call:

1-877-287-4369

For address changes or account inquiries, call:




1-800-700-1033

To order by mail, write to: Statistics Canada, Circulation Management, Dissemination Division, Ottawa, K1A 0T6.

Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

To order by Internet, write to: infostats@statcan.ca or download an electronic version by accessing Statistics Canada's website (www.statcan.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

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

Catalogue 11-001-XIE (F) English 11-001-XIE/001-0007-0-001	
 The Daily	
Statistics Canada	
Thursday, June 3, 1997 For release at 9:30 a.m.	
MAJOR RELEASES	
• Urban transit, 1996 Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 21 trips on some form of urban transit, the lowest level in the past 25 years.	2
• Productivity, hourly compensation and unit labour cost, 1996 Growth in productivity among Canadian businesses was modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	4
OTHER RELEASES	
Map-based Index, May 1997	3
Short-term Expectations Survey	9
Steel primary forms, steel ending May 31, 1997	12
Egg production, Apr. 1997	13
PUBLICATIONS RELEASED	11
 	

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2004. Citation in newsprint, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001-XIE, along with date and page references.