

Statistics
Canada

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Weekly Bulletin

January 15, 1982

Canadian Leading Indicator

According to the Canadian leading indicator, the marked slowdown in the economy currently under way will not likely be reversed for the first quarter of 1982. The filtered composite index fell 2.67% in October, one of the largest declines since the 1975 recession. The downturn was generalized among all the components, including those, such as the real money supply, the residential construction index, and the Toronto stock market index, which have the longest leads in signalling a turning point at troughs. These indexes, together with the indicators of personal expenditure, led the fall in October, while the weakness in the manufacturing sector broadened in reaction to the slackening of final demand. The severe decline in the last three months in the non-filtered version (off 4.1% in October) suggests that the speed of the descent will not be substantially attenuated before the end of this quarter. The leading indicator in October fell from 135.77 to 132.14, a level slightly below the trough reached in the 1980 recession.

The indicators of personal spending continued to decline rapidly in October despite the 275 basis point decline in the prime rate over the course of September and October. Sales of furniture and appliances declined 3.67% and new motor vehicles sales by 4.03%. These indicators are at extremely low levels in the non-filtered version, as one must return to October 1974 in the case of autos and April 1980 for furniture to find similar levels. The drop since July has been quite striking and was echoed by numerous layoffs in manufacturing in November and December. Despite preliminary estimates of a sharp increase in vehicle sales in November, the industry attributed a large part of the resurgence in sales to rebate programs which have since expired.

The manufacturing sector continued to respond swiftly to the weakening of final demand, as new orders for durable goods fell 1.97%. The non-filtered version reveals that difficulties affected all industries during the last three months, and new orders have dropped by close to 15% over this period. The ratio of shipments to stocks of finished products fell again by 0.02 points to 1.57. The higher level of stocks and interest rates compared to that during the 1980 recession

(continued on next page)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Sept.	363.81p	358.11p	11.7
Labour Income (\$ million)	Oct.	16,109.1p	16,220.6p	13.5
Persons with Jobs (million)	Dec.*	10.66	10.85	0.2
Unemployed	Dec.*	987,000	928,000	21.9

INVENTORIES

Department Store (\$ million)	Oct.	3,769.4	2,775.9	20.8
Manufacturers' Owned (\$ million)	Oct.	32,626.9p	32,352.4r	16.0
Wholesale (\$ million)	May	17,091.0	16,923.1	..

ORDERS

Manufacturers' New Orders (\$ million)	Oct.	16,314.7p	16,556.6r	3.5
Manufacturers' Unfilled Orders (\$ million)	Oct.	19,213.4p	19,480.3r	4.8

PRICES

Consumer Price Index (1971=100)	Nov.	246.9	244.8	12.2
Non-food Component (CPI)	Nov.	230.5	227.8	13.6
New House Price Index (1976=100)	Nov.	134.3	134.4	9.0
Raw Materials Price Index (1977=100)	Nov.*	193.5p	194.5p	16.8
Industry Selling Price Index (1971=100)	Nov.	278.2p	278.6r	7.9

CONSTRUCTION

			Year-to-date	
Building Permits (\$ million)	Oct.	1,281.6p	14,983.8p	19.3
Housing Starts — Urban Centres (units)	Nov.	9,535	128,342	11.9

ENERGY

Coal Production (thousand metric tonnes)	Oct.*	3 270.4	32 487.7	8.6
Electricity Generation (terawatt hours)	Oct.*	31.8	308.6	3.6
Natural Gas Production (million cubic metres)	Sept.	7 084.6	71 025.6	-0.9
Petroleum Refining (million cubic metres)	Oct.	7.7p	86.8p	-6.3

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Nov.*	7,656p	77,098p	10.8
Imports — Balance of Payments Basis (\$ million)	Nov.*	6,443p	71,651p	14.2

PRODUCTION

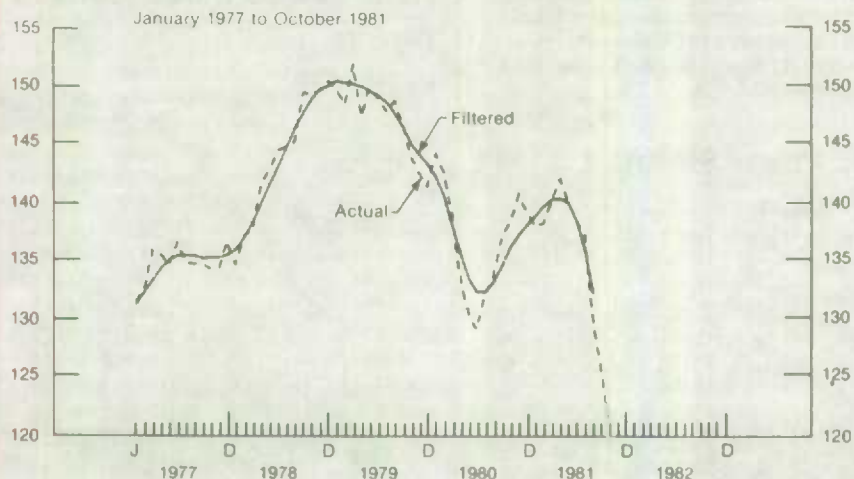
Steel (ingots — thousand metric tonnes)	Nov.	944.7	13 562.3	-5.7
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SALES

Department Store Sales (\$ million)	Nov.*	1,036.4	8,676.0	9.7
Manufacturers' Shipments (\$ million)	Oct.	16,581.7p	157,508.1p	14.4
New Motor Vehicle Sales (\$ million)	Nov.*	1,066.6	11,211.6	5.3
Retail Sales (\$ million)	Oct.	8,318.6p	76,297.8p	13.3
Wholesale Sales (\$ million)	May	9,701.6p	44,570.1p	..

Statistics are not seasonally adjusted. p - preliminary, r - revised, * - new this week.

The Canadian Composite Leading Index (1971=100)



Source: Statistics Canada, Current Economic Analysis (13-004E)

should in itself be an important restraining factor on production over the coming months. The decline in employment in this sector has been muted compared to the cutback in production which has occurred up to now. Consequently there has been a reduction in the percentage change of price per unit labour costs, this indicator being a proxy for profit margins.

The residential construction index was buffeted in October with a drop of 10.16% in the filtered version. Up to this moment, building permits (down 10.22% in October) and mortgage loan approvals (down 13.78%) have led the decline in the index. Housing starts slipped 7.69% in October partly due to the 48% nosedive in the non-filtered version, evident in both single and multiple units. The singles house market has contributed most to the drop in the residential construction index since July, as activity has nearly ceased in several large cities.

The performance of the financial market indicators continued to deteriorate in October. The real money supply fell by 2.18%, the tenth consecutive monthly decline. This indicator has, along with the residential construction index, the longest lead (of about five months) in signalling cyclical turning points at troughs, as well as a low error rate. The chances of a recovery in the first quarter in the economy will be quite limited then, according to this indicator. The Toronto stock market index, which also demonstrates a fairly long lead in flagging turning points, registered a sharp decline of 3.81%. The most recent data in the non-filtered version to January indicates that this weakness has not been reversed.

The leading indicator for the United States registered a decline of 1.09% in October. This rate of decline has slowed to one of the smallest among the components, suggesting that demand for Canadian exports will not be the dominant factor in the further reduction of economic activity in Canada over the coming months.

It should be noted that all references to leading indicators are to filtered data unless otherwise stated. For further information, order Current Economic Analysis (13-004E, Canada: \$2.50/\$25; other countries: \$3/\$30), or contact D. Rhoades (613-992-4441), Current Economic Analysis Staff, Statistics Canada, Ottawa K1A 0T6.

Electric Power Statistics

Net generation of electricity in Canada rose to 31.8 TW.h in October 1981 from 30.8 TW.h in October 1980. Hydro generation increased 2.3% while thermal production was up 6.3%.

Total generation during the first 10 months of 1981 at 308.6 TW.h showed an increase of 3.6% from the January-October 1980 period.

For further information, order the October 1981 issue of Electric Power Statistics (57-001, \$2.50/\$25), or contact David Madsen (613-996-3139), Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0T6.

Canada Year Book

The *Canada Year Book*, a publication that draws on a wide variety of sources to provide a composite review of economic, social and political developments in the country, is available now in the 1980-81 edition.

Departments, agencies and other organizations across the structure of the federal and provincial governments and the private sector provide the information set out in the book. The scope of the information included makes it a unique reference work, used as an authoritative source by parliamentarians, researchers, librarians, teachers and many others. The 1980-81 edition includes a new chapter on social security with comprehensive tables.

The latest edition is available in Canada at \$16.95, in other countries at \$20.35, in either English or French versions. Order catalogue 11-402E for the English version, 11-402F for the French.

Help-wanted Index

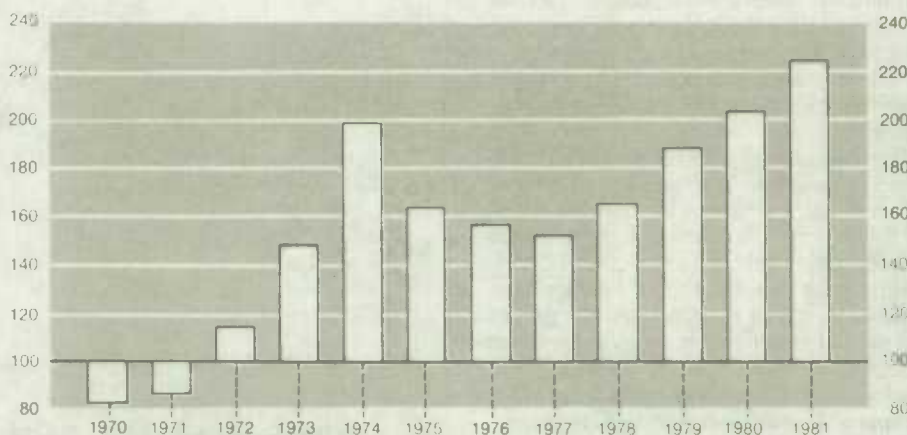
The seasonally adjusted help-wanted index (1969=100) declined to 202 in the fourth quarter of 1981, a drop of 16% from the third quarter and down 4% from the fourth quarter of 1980.

The annual index for 1981 advanced to 224 — the highest level posted since data were first compiled in 1962 — despite a weak fourth quarter. The index was 10% higher in 1981 than in 1980. A strong gain of 41% in the British Columbia index was recorded in the year-over-year comparison. The indexes for the Prairie provinces and Ontario were each up about 15%, while the Quebec index dropped 13% and the Atlantic provinces index decreased by 8%.

For further information, contact George Fincham (613-995-8445), Labour Division, Statistics Canada, Ottawa K1A 0V1.

Help-wanted Index, Canada

(1969=100)



Source: Statistics Canada, Daily Bulletin (11-002E)

New Motor Vehicle Sales

New motor vehicles sold in November 1981 totalled 103,231 units, up 7.5% from a year earlier. This included 61,131 passenger cars (up 11.1%) and 19,005 commercial vehicles (down 7.8%) manufactured in Canada and the United States and 19,704 passenger cars (up 7.3%) and 3,381 commercial vehicles (up 64.4%) manufactured overseas. Of all the new passenger cars sold in Canada in November, 75.6% were produced in North America, 19.6% in Japan and 4.8% in Europe.

Total sales value increased 20.9% to \$1,066.6 million. Canadian and U.S. passenger cars sold for \$600.7 million (up 29.4%) and commercial vehicles for \$256.5 million (down 1.3%). Sales of passenger cars from overseas rose 26.5% to \$179.5 million and those of commercial vehicles increased 82.0% to \$30.0 million. Included in total commercial vehicles sold were 345 coaches and buses valued at \$22.4 million.

For the first 11 months of 1981, total sales were 1,127,152 units (1,185,949 in 1980), with an accumulated value of \$11,211.6 million. This represented an increase of 5.3% in value over sales for January-November 1980.

For further information, order the November 1981 issue of New Motor Vehicle Sales (63-007, \$2.50/\$25), or contact M. Kwilecki (613-996-9304), Retail Trade Section, Merchandising and Services Division, Statistics Canada, Ottawa K1A 0V4.

Oil Pipeline Transport

Net receipts of crude oil, condensates, pentanes plus, liquefied petroleum gases and petroleum products through Canadian oil pipelines decreased 4.2% in October 1981 to 11 255 832 cubic metres from 11 754 718 cubic metres in October 1980.

For further information, order the October 1981 issue of Oil Pipeline Transport (55-001, \$2.50/\$25), or contact M. Lefebvre (613-996-3139), Manufacturing and Primary Industries, Statistics Canada, Ottawa K1A 0T6.

Labour Force Survey

Canada's seasonally adjusted unemployment rate increased to 8.6% in December from 8.2% in November, matching the previous record level reached in 1978. The seasonally adjusted participation rate decreased to 64.4% from 64.5% in the previous month. The employment/population ratio decreased sharply to 58.8% from 59.2% in November.

For the week ending December 12, 1981, the seasonally adjusted level of employment was 10,839,000, down 57,000 from November and continuing the downward trend established in the preceding three months. The latest decline was concentrated in the manufacturing industries, particularly in the provinces of Quebec and Ontario. The employment level decreased by 42,000 for males 25 years of age and over and by 10,000 for males 15 to 24. There was little change in the employment levels for females in both age groups.

On a provincial basis, declines in employment occurred in Ontario (down 31,000), Quebec (down 20,000), British Columbia (down 9,000) and New Brunswick (down 4,000).

The seasonally adjusted unemployment level was estimated at 1,026,000 in December, up 47,000 from November. The level increased by 48,000 for males 25 and over, while the remaining age/sex groups showed little change. Layoffs in Ontario contributed substantially to the increased unemployment levels.

Provincially, the seasonally adjusted unemployment level increased in Ontario (up 18,000), British Columbia (up 17,000) and Quebec (up 12,000). The level declined in Newfoundland (down 4,000) and registered little or no change in the other provinces.

Seasonally adjusted unemployment rates for the provinces in December were as follows, with November rates in brackets: Newfoundland, 13.6% (15.3%); Prince Edward Island, 11.8% (12.0%); Nova Scotia, 10.9% (10.6%); New Brunswick, 12.9% (12.8%); Quebec, 11.8% (11.3%); Ontario, 7.5% (7.1%); Manitoba, 6.7% (6.1%); Saskatchewan, 4.8% (5.3%); Alberta, 4.5% (4.9%); and British Columbia, 8.7% (7.5%).

The unadjusted employment level for Canada was estimated at 10,658,000 in December 1981, up only 23,000 (0.2%) from a year earlier. Unemployment rose to 987,000 from 810,000 over the period. The unemployment rate at 8.5% was up from 7.1% in December 1980. The participation rate was 63.2% compared to 63.1% a year earlier and the employment/population ratio was down to 57.9% from 58.6%.

For further information, order the December issue of *The Labour Force* (71-001, \$3.50/\$35), or contact Marlene Levine (613-992-9543), or Bruce Petrie (613-995-7891), Labour Force Survey Group, Statistics Canada, Ottawa K1A 0T6.

Unemployment Rate, Canada

(Seasonally Adjusted)



Source: Statistics Canada, The Labour Force (71-001)

Department Store Sales

Department store sales in November 1981 totalled \$1,036.4 million, an increase of 4.6% from a year earlier. Sales were higher in all regions except Quebec.

Department store sales by regions for the latest month were as follows, with percentage changes from November 1980 in brackets:

- Ontario, \$364.8 million (+1.9%)
- British Columbia, \$181.9 million (+5.9%)
- Quebec, \$176.6 million (-1.1%)
- Alberta, \$157.2 million (+14.5%)
- Atlantic provinces, \$71.2 million (+9.7%)
- Manitoba, \$54.5 million (+8.9%)
- Saskatchewan, \$30.3 million (+1.1%)

Data users should note that figures for the Yukon and Northwest Territories are included with British Columbia.

For further information, order the November 1981 issue of *Department Store Sales by Regions* (63-004, \$1.50/\$15), or contact the Retail Trade Section (613-996-9304), Merchandising and Services Division, Statistics Canada, Ottawa K1A 0V4.

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Industrial Corporations

After-tax profits of Canadian industrial corporations, seasonally adjusted at quarterly rates, were \$4,275 million for the third quarter of 1981, down \$687 million (13.9%) from the preceding quarter. Profits, not seasonally adjusted, totalled \$3,995 million, a drop of \$1,050 million (20.8%) from the year-earlier period. (Included in these totals are extraordinary gains of \$178 million in the third quarter of 1981, \$55 million in the second quarter of 1981, and \$86 million in the third quarter of 1980.)

Pre-tax profits of industrial corporations were \$7,019 million, seasonally adjusted, a decrease of \$1,479 million (17.4%) from the preceding quarter. Unadjusted pre-tax profits at \$6,615 million showed a drop of \$1,427 million (17.7%) from July-September 1980.

Third quarter 1981 sales, seasonally adjusted, decreased by \$1.8 billion (1.4%) from the prior quarter to \$125.3 billion. Sales, not seasonally adjusted, were \$123.9 billion, an increase of \$12.2 billion (10.9%) from the third quarter of 1980.

Data users should note that the figures above represent the latest data for the third quarter of 1981 and supersede preliminary estimates for the same period released on December 1, 1981. The data are also available on CANSIM. For further information, order the third quarter 1981 issue of *Industrial Corporations, Financial Statistics* (61-003, \$10/\$40), or contact G. Campbell or R. St. Germain (613-995-9751), Business Finance Division, Statistics Canada, Ottawa K1A 0T6.

Farm Cash Receipts

Farm cash receipts for the January-November 1981 period totalled an estimated \$17.2 billion, an increase of 21% over the \$14.2 billion estimated for the same period in 1980. All provinces recorded increases in cash receipts.

Receipts from the sale of crops rose 33% with higher 1981 average prices for wheat, barley and potatoes all contributing to the gain. Livestock receipts increased 9% due to higher receipts for hogs (up 19%), dairy products (up 15%), poultry (up 19%) and eggs (up 15%).

Total estimates include: cash receipts from the sale of farm products; Canadian Wheat Board participation payments on previous years' grain crops; cash advances on farm-stored grains in Western Canada; and deficiency payments made by the Agricultural Stabilization Board. No deduction is made for the cost incurred by farmers in the production of the commodities sold.

For further information, order the January-November 1981 issue of *Farm Cash Receipts* (21-001, \$1.50/\$15), or contact Peter Lys (613-995-4895), Agriculture Statistics Division, Statistics Canada, Ottawa K1A 0T6.



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THESE PUBLICATIONS RELEASED JANUARY 8 — 14

	Cata- logue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
AGRICULTURE STATISTICS			
Stocks of Frozen Meat Products, December 1981	32-012	\$2.50/\$25	\$3/\$30
CANSIM			
Canadian Statistical Review, December 1981	11-003E	\$3.50/\$35	\$4.20/\$42
CURRENT ECONOMIC ANALYSIS			
Current Economic Analysis, December 1981	13-004E	\$2.50/\$25	\$3/\$30
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EXTERNAL TRADE			
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National Income and Expenditure Accounts, Third Quarter 1981	13-001	\$6/\$24	\$7.20/\$28.80
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Basic Facts on Therapeutic Abortions, Canada, 1980	82-215	\$4.50	\$5.40
Health and Economic Activity: A Time-series Analysis of Canadian Mortality and Unemployment Rates, 1950-1977	82-539E	\$7	\$8.40
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Estimates of Employees by Province and Industry, September 1981	72-008	\$3/\$30	\$3.60/\$36
MANUFACTURING AND PRIMARY INDUSTRIES			
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Crude Petroleum and Natural Gas Production, September 1981	26-006	\$2.50/\$25	\$3/\$30
Distilleries, 1980	32-206	\$4.50	\$5.40
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Electric Power Statistics, Volume II — Annual Statistics, 1979	57-202	\$7	\$8.40
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Gas Utilities, September 1981	55-002	\$2.50/\$25	\$3/\$30
Gypsum Products, November 1981	44-003	\$1.50/\$15	\$1.80/\$18
Hardboard (Wood Fibre), November 1981	36-001	\$1.50/\$15	\$1.80/\$18
Inventories, Shipments and Orders in Manufacturing Industries, October 1981	31-001	\$3.50/\$35	\$4.20/\$42
Refined Petroleum Products, September 1981	45-004	\$3.50/\$35	\$4.20/\$42
MERCHANDISING AND SERVICES			
Department Store Sales by Regions, November 1981	63-004	\$1.50/\$15	\$1.80/\$18
Department Store Sales and Stocks, October 1981	63-002	\$2.50/\$25	\$3/\$30
New Motor Vehicle Sales, October 1981	63-007	\$2.50/\$25	\$3/\$30
Operating Results, Retail Florists, 1979	63-608	\$6	\$7.20
Restaurant, Caterer and Tavern Statistics, October 1981	63-011	\$1.50/\$15	\$1.80/\$18
Retail Chain and Department Stores, 1979	63-210	\$8	\$9.60
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International Vessel Traffic Statistics, 1979	54-209	\$8	\$9.60
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Aviation Statistics Centre, Vol. 13, No. 12, Canadian Air Transport, Summary	51-004	\$1.50/\$15	\$1.80/\$18