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Statistics Canada Statistique Canada

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November 19, 1982

Canadian Leading Indicator

The composite leading indicator continued to decline in August 1982, although the rate of descent slowed noticeably from -1.23% to -0.74%. The level of the index was 108.48 in August compared to 109.29 in July. With domestic output apparently headed towards another large drop in the third quarter, an easing of the recession will likely not be evident before the fourth quarter at the earliest. The non-filtered version of the leading indicator rose 1.3% in August, led by signs of an improvement in indicators of liquidity such as profit margins and the stock market. Domestic demand, however, particularly in the household sector, has not as yet given any direct sign of responding positively to the steady drop of interest rates since June.

The indicators of personal expenditure continued to be among the principal factors contributing to the weakness of the composite leading indicator. The negative trend of furniture and appliance sales and of new motor vehicle sales gave few signs of easing during the summer, and these indices posted declines of 1.05% and 1.30%, respectively, in August. The recent drop in interest rates does not appear to have been sufficient to noticeably boost consumer confidence, which has been shaken by the sombre outlook for labour market conditions over the winter. In the third quarter, the drop in total employment was about the same as in the second, but was more concentrated among prime-aged workers so that nominal labour income will probably register a decline for the quarter. The non-filtered version of these indicators in August recorded increases of 0.2% in the case of furniture and appliances and 24.9% in the case of autos. The weakening of employment in trade industries between August and October (-84,000), suggests however, as does the filtered data, that little weight should be given to this one-month movement. The renewed slump in domestic auto sales in October, following the expiry of dealer incentives, supports the notion that consumer demand has not as yet responded to lower interest rates.

The cautious stance of households was reflected also in residential construction. Led by the drop in housing starts, the residential construction index continued to fall rapidly in August (-7.94%) for the fourth

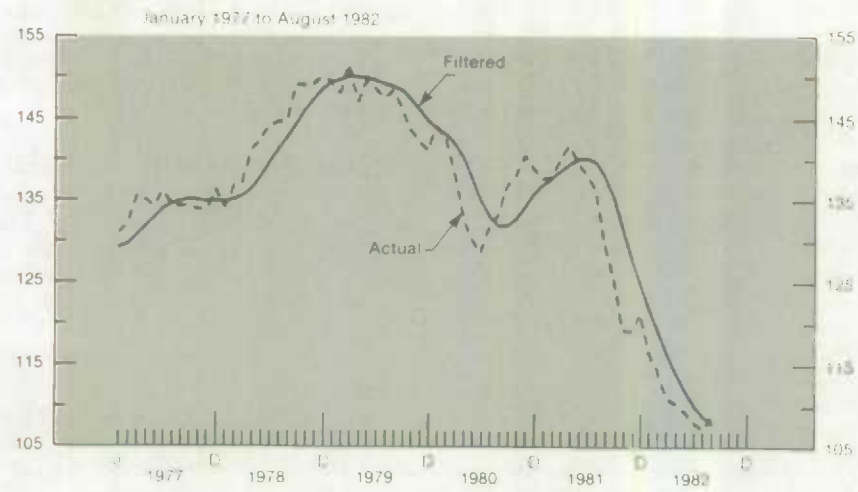
(continued on next page)

LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings ($)	Aug.*	391.26p	391.37p	9.0
Labour Income ($ million)	Aug.*	16,359.0p	16,671.6p	4.0
Persons with Jobs (million)	Oct.	10.52	10.54	-4.3
Unemployed	Oct.	1,388,000	1,343,000	55.8
INVENTORIES				
Department Store ($ million)	Sept.*	2,826.5	2,911.5	1.8
Manufacturers' Owned ($ million)	Aug.	32,838.6p	33,033.1r	1.7
ORDERS				
Manufacturers' New Orders ($ million)	Aug.	14,448.9p	13,667.1r	0.3
Manufacturers' Unfilled Orders ($ million)	Aug.	16,856.5p	17,236.3r	-13.1
PRICES				
Consumer Price Index (1971=100)	Oct.*	269.2	267.5	10.0
New House Price Index (1976=100)	Sept.	130.6	131.6	-3.0
Raw Materials Price Index (1977=100)	Sept.	203.4p	203.0p	7.8
Excl. coal, crude oil, nat. gas	Sept.	148.4p	148.1p	-2.9
Industry Selling Price Index (1971=100)	Sept.	292.4p	290.5p	5.6
CONSTRUCTION				**Year-to-date**
Building Permits ($ million)	Aug.	932.5p	*8,248.2p*	*-33.1*
Housing Starts — Urban Centres (units)	Sept.	6,345	*73,987*	*-33.1*
ENERGY				
Coal Production (thousand tonnes)	July	3.150	*25.694*	*11.7*
Electricity Generation (terawatt hours)	July	26.2	*220.7*	—
Natural Gas Production (million cubic metres)	July	6 869.9	*58 131.2*	*2.0*
Petroleum Refining (million cubic metres)	Aug.	8.2p	*60.2p*	*-15.3*
FOREIGN TRADE				
Exports — Balance of Payments Basis ($ million)	Sept.	7,450p	*63,580p*	*2.2*
Imports — Balance of Payments Basis ($ million)	Sept.	5,312p	*51,184p*	*-8.2*
PRODUCTION				
Railway Carloadings (million tonnes)	Oct.*	16.2p	*170.1p*	*-11.6*
Steel (ingots — thousand tonnes)	Aug.	924.4	*8 618.5*	*-19.1*
SALES				
Department Store Sales ($ million)	Sept.	859.9	*6,665.4*	*-1.2*
Manufacturers' Shipments ($ million)	Aug.	14,828.7p	*120,953.4p*	*-2.8*
New Motor Vehicle Sales ($ million)	Sept.*	786.2	*7,595.7*	*-17.9*
Retail Sales ($ million)	Sept.*	8,122.3p	*69,979.6p*	*3.1*

Statistics are in current dollars and 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)

Canada

straight month. The stock of unsold new houses, moreover, remained at high levels in the third quarter. This backlog of inventories appears to have delayed the upturn in housing starts that was expected to follow the introduction of housing aid programs during the summer by all levels of governments. The most recent non-filtered data indicate that demand has probably reached its cyclical trough. Building permits edged up in the third quarter — notably for single housing units — and housing starts recovered slightly in October, but this is unlikely to affect work-put-in-place until early 1983 due to the lags in construction.

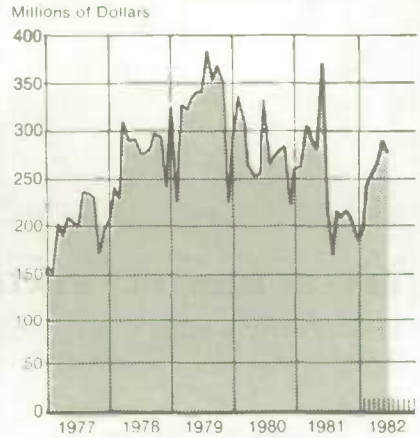
The recent firming of the leading indicators of the manufacturing sector continued into August, led by the indicators of demand. New orders for durable goods and total shipments in this sector rose by 0.55% and 0.19%, respectively, while the non-filtered data revealed a diffuse increase among the industry groups. The favourable signs do not correspond, however, to the steady downward trend of final demand, and inventories remain at high levels. Despite an increase in the ratio of shipments to inventories from 1.34 to 1.35 in August, this level remains extremely low. Consequently, the negative trend in production will be difficult to reverse in the short-term, especially in light of the renewed cutbacks implemented by the auto industry in the fall after the possibility of strikes at the two largest producers was removed. The average workweek in manufacturing continued to decline in August (-0.13%), while the most recent data available on employment up to October (in the labour force survey) give few signs of an easing of the layoff rate in this sector. Profit margins in the manufacturing sector in August were more favourable as the percentage change of price per unit labour cost increased by 0.08% in August, from -1.01% to -0.93%. This seemingly small movement in the filtered data was due to a very noticeable improvement in the non-filtered series. In addition, there has been a marked slowdown in the increase of unit labour costs from +2.0% in January to +0.2% in August, largely due to productivity gains.

The jump in the Toronto Stock Exchange in August led to a second consecutive appreciable slowing of the filtered version, from -3.77% to -1.26%, largely due to the steady drop in interest rates. Final demand has been slower to react positively to the easing of credit market conditions, and the decline in the real money supply (M1) accelerated from -0.58% to -0.98% in August.

The filtered leading indicator of the United States rose by 0.65% in August, the third consecutive increase. Signs of recovery have been less evident among the coincident indices, as the indicators of consumer demand and business investment are little changed from the trough levels attained in this recession.

For further information, order Current Economic Analysis (13-004E, Canada: $2.50/$25; other countries: $3/$30).

Canadian Exports of Lumber



Source: **Statistics Canada**, Summary of External Trade (65-001)

Department Store Sales

Department store sales were $859.9 million in September 1982, up 1.4% from September 1981. Sales increased in 21 of the 40 departments with the largest gains recorded in television, radio and music (+31.3%) and women's and girls' hosiery (+18.4%). The largest decreases were posted in furniture (-13.7%) and women's and misses' coats and suits (-10.1%). Sales were up from a year earlier in all provinces except British Columbia (-1.6%); the largest sales increases were registered in Nova Scotia (+14.0%) and in Saskatchewan (+13.2%). For the 10 metropolitan areas covered by this survey, the largest sales increase was in Halifax-Dartmouth (+19.3%), while the largest decrease was in Montreal (-1.8%).

Sales of major department store organizations in September 1982 totalled $583.3 million, up 1.4% from September 1981, while junior department store organizations had sales of $276.6 million (up 1.3%).

The selling value of stocks held in September 1982 at $2,826.5 million showed an increase of 1.8% from September 1981.

For further information, order the September 1982 issue of Department Store Sales and Stocks (63-002, $3/$30), or contact the Retail Trade Section (613-996-9304), Merchandising and Services Division, Statistics Canada, Ottawa K1A 9Z9.

Telecommunications Statistics

Teleglobe Canada and CNCP Telecommunications reported revenue of $118.1 million in the second quarter of 1982, up 12.2% from the year-earlier period. Operating expenses increased 13.7% to $81.2 million. Net operating revenue at $36.8 million was up from $33.7 million in the second quarter of 1981.

For further information, order the Communications Service Bulletin, Telecommunications Statistics, Second Quarter 1982 (56-001, $1.50/$15), or contact J.R. Slattery (613-996-9271).

Farm Cash Receipts

Farm cash receipts for the period January-September 1982 totalled an estimated $13,842.2 million, down 2% from the year-earlier level of $14,081.4 million.

Receipts from the sale of field crops declined 6% in the latest period to $6,401.5 million. This decline primarily reflected smaller Canadian Wheat Board payments ($568 million paid in 1982 compared with $1,243 million in 1981) and lower initial prices for wheat; partly offsetting were deferred grain receipts liquidated in 1982. Despite the decreased level of wheat board payments and initial prices, grain volumes continue to increase and are now 17% higher than in 1981 for barley and 21% higher for wheat.

Cash receipts from the sale of livestock and livestock products increased 5% from the January-September 1981 level. Higher hog and dairy prices (and consequently receipts) offset decreases in cattle and poultry receipts.

For further information, order the January-September 1982 issue of Farm Cash Receipts (21-001, $1.50/$15), or contact Peter Lys (613-995-4895), Agriculture Statistics Division, Statistics Canada, Ottawa K1A 0L7.

Prices of Agricultural Products

The Canada index number of farm prices of agricultural products (1971=100) stood at a level of 289.6 in September 1982, down 0.7% from 291.7 in August, but up 2.2% from the year-earlier index of 283.2.

The index, which measures — as closely as can be determined — prices received by producers at the farm gate, is available on CANSIM (matrix 176) or in the publication Index Numbers of Farm Prices of Agricultural Products (62-003, $1.50/$15). Sub-indexes for livestock, crops and their components and further information are available from Ed Hamilton (613-995-4895), Farm Income and Prices Section, Agriculture Statistics Division, Statistics Canada, Ottawa K1A 0T6.

Refined Petroleum Products

Preliminary data show net sales in Canada of all refined petroleum products dropped 11.0% in September 1982 to 6 762.4 thousand cubic metres from 7 601.2 thousand cubic metres a year earlier.

Canadian refineries produced 7 235.5 thousand cubic metres of refined petroleum products in the latest month, down 8.7% from 7 927.5 thousand cubic metres in September 1981.

For further information, order the September 1982 issue of Refined Petroleum Products (45-004, $3.50/$35), or contact R. Godin (613-996-3139), Energy Section, Manufacturing and Primary Industries Division, Statistics Canada, Ottawa K1A 0T6.

Cigarette Production

Canadian production of cigarettes in October 1982 totalled 6.1 billion, down from 6.[illegible] billion a year earlier.

Production of cigars declined to 34.0 million in the latest month from 48.0 million in October 1981.

Consumer Price Index

The Consumer Price Index (CPI) for Canada advanced by 0.6% in October to 269.2 (1971=100) from 267.5 in September. Although the monthly change represented a slight acceleration from the advances of 0.5% registered in each of the preceding three months, the year-over-year increase between October 1981 and October 1982 fell to 10.0%, down from the 10.4% increase recorded in September and represented the smallest year-over-year change since May 1980.

The latest monthly increase was largely attributable to higher housing charges, increased recreation, reading and education costs and to higher tobacco and alcohol prices. The impact of these increases on the overall monthly change was dampened by lower food prices and decreased transportation costs. The all-items-excluding-food index advanced 0.8% in the latest month. Food prices, meanwhile, declined for the third consecutive month, down 0.3% as compared to declines of 0.8% in each of the previous two months.

Significantly lower prices for fresh fruit and for beef were largely responsible for the 0.6% decline in the food-purchased-from-stores index. In October, the index stood 5.2% above its level of October 1981. The food-purchased-from-restaurants index advanced 0.5% in the latest month, up 10.5% above its level of October 1981. As a result, the aggregate food index increased 6.5% over its level of October 1981.

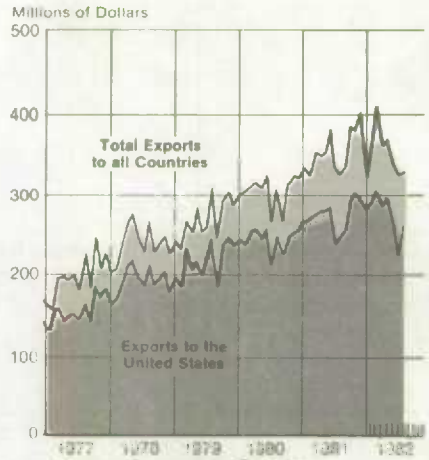
The 0.8% increase in the all-items-excluding-food index was largely attributable to higher shelter charges, increased university tuition fees in most provinces and to higher tobacco and alcohol prices. The higher shelter charges primarily reflected increased owned accommodation costs, notably property taxes for 1982 which, on average, rose by 10.7%. Dampening the impact of these price increases were lower gasoline prices in several cities reflecting local "price wars" and lower prices for certain major household appliances largely resulting from manufacturers' rebates. Between October 1981 and October 1982, the all-items-excluding-food index advanced 10.9%.

Viewed in terms of goods and services, the price level for goods registered no overall change between September and October as the decline in food and gasoline prices offset the price increases in the other goods included in this aggregate. The service index advanced 1.5% reflecting the increases in shelter charges (including property taxes), university tuition fees and air fares, among others.

On a seasonally adjusted basis, the all-items CPI rose 0.7% in October.

For further information, order the October 1982 issue of The Consumer Price Index (62-001, $2.50/$25), or contact Sandra Shadlock or Suzanne Gratton (613-995-4078), Prices Division, Statistics Canada, Ottawa K1A 0T6.

Exports of Newsprint Paper



Source: Statistics Canada, Exports by Commodities (65-004)

Trusteed Pension Funds

The book value of assets held in trusteed pension funds reached an estimated $65.9 billion at the end of the second quarter of 1982, an increase of $2.3 billion over the assets of the previous quarter and $9.5 billion more than the amount held one year earlier.

Income of these funds for the second quarter of 1982 — comprised of employee and employer contributions of nearly $1.5 billion, investment income of $1.6 billion and other income of nearly $100 million —amounted to $3.2 billion. Out of this revenue, expenditures of $900 million were met, leaving a net cash flow of $2.3 billion.

Data users should note that this current report includes revised data for the fourth quarter of 1981 and the first quarter of 1982. At the end of 1981, the revised total of assets held in trusteed pension funds was $61.5 billion.

For further information, order the second quarter 1982 issue of Quarterly Estimates of Trusteed Pension Funds (74-001, $2.50/$10), or contact Hubert Frenken (613-995-4476), Pensions Section, Labour Division, Statistics Canada, Ottawa K1A 0T6.

Railway Operating Statistics

Canada's seven major railways reported combined net income from operations of $24.7 million in August 1982, an increase of 14.3% from a year earlier. Operating revenues of $467.3 million were up 2.1% from the 1981 figure.

Revenue freight tonne-kilometres were down by 8.0% in August 1982, freight train-kilometres decreased 10.2% and freight car-kilometres by 8.5%. Average revenue per tonne-kilometre of freight was 2.051 cents. Revenue passenger-kilometres decreased by 26.6% to 286.1 million.

For further information, order the August 1982 issue of Railway Operating Statistics (52-003, $2.50/$25), or contact J. Bustros (613-996-9271).

Retail Trade

Canadian retail sales totalled $8,122.3 million in September 1982, up 4.8% over September 1981. Sales increased in 18 of the 28 trade groups with the largest gains posted for used car dealers (+32.2%), pharmacies, patent medicine and cosmetics stores (+19.2%) and sporting goods and accessories stores (+15.9%). The largest decreases were for furniture, TV, radio and appliance stores (-6.8%) and motor vehicle dealers (-5.4%). Sales increased in all provinces except British Columbia (-4.2%) and Alberta (-1.7%). Montreal sales rose 6.8%; Toronto, 5.2%; Winnipeg, 9.2%. Vancouver sales fell 4.2%.

Revised total retail trade for August 1982 was $7,939.3 million, an increase of 3.6% over August 1981.

Cumulative sales for January to September 1982 were $69,979.6 million, up 3.1% over the same period in 1981.

Seasonally adjusted, retail sales for September 1982 were at a level of $8,228.4 million, an increase of 1.1% from $8,141.2 million in August 1982. The largest sales increases were shown for motor vehicle dealers (+7.1%), furniture, TV, radio and appliance stores (+6.5%) and general stores (+4.3%), while the largest decreases were for specialty shoe stores (-13.4%), family shoe stores (-8.9%) and family clothing stores (-5.7%). All provinces except New Brunswick (-0.8%) and Quebec (-0.1%) had increased sales from August, advances ranging from 3.6% for Saskatchewan to 0.7% for Ontario.

For further information, order the September 1982 issue of Retail Trade (63-005, $3.50/$35), or contact the Retail Trade Section (613-996-9304), Merchandising and Services Division, Statistics Canada, Ottawa K1A 9Z9.

Telephone Statistics

Canada's 13 major telephone systems had revenues totalling $662.3 million in September 1982, up 13.3% from a year earlier. Operating expenses increased 14.6% to $479.3 million. Net operating revenue at $183.0 million showed an increase of 10.3% over September 1981.

For further information, order the September 1982 issue of Telephone Statistics (56-002, $1.50/$15), or contact J.R. Slattery (613-996-9271).

Computer Service Industry

The 1,392 companies in Canada primarily engaged in providing processing, software and systems and other computer-related services had total operating revenue of $1,102.2 million in 1981.

The 28 companies in Canada primarily engaged in the sale, lease and rental of hardware reported total 1981 operating revenue of $1,411.2 million.

For further information, order Computer Service Industry, 1981 (catalogue 63-222), or contact R. Bennett (613-996-9301), Merchandising and Services Division, Statistics Canada, Ottawa K1A 9Z9.

THESE PUBLICATIONS RELEASED NOVEMBER 12 — 18

	Catalogue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
AGRICULTURE STATISTICS			
Stocks of Fruit and Vegetables, October 1, 1982	32-010	$1.50/$15	$1.80/$18
The Dairy Review, September 1982	23-001	$2.50/$25	$3/$30
CENSUS			
Census Tracts: Population, Occupied Private Dwellings, Private Households, Census Families in Private Households — Selected Characteristics, Guelph, 1981 Census of Canada	95-909	$4	$4.80
Census Tracts: Population, Occupied Private Dwellings, Private Households, Census Families in Private Households — Selected Characteristics, Moncton, 1981 Census of Canada	95-917	$4	$4.80
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Building Permits, August 1982	64-001	$3.50/$35	$4.20/$42
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SERVICE BULLETIN			
Education Statistics, Vol. 4, No. 7, Interprovincial and International Migration of Children, 1981-82	81-002	$1.50/$15	$1.80/$18
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Imports by Commodities, August 1982	65-007	$5/$50	$6/$60
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Financial Flow Accounts, Second Quarter 1982	13-002	$7.50/$30	$9/$36
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Vital Statistics, July-September 1982	84-001	$2.50/$10	$3/$12
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Electric Power Statistics, August 1982	57-001	$2.50/$25	$3/$30
Gas Utilities, July 1982	55-002	$2.50/$25	$3/$30
Gypsum Products, September 1982	44-003	$1.50/$15	$1.80/$18
Industrial Chemicals and Synthetic Resins, September 1982	46-002	$1.50/$15	$1.80/$18
Inventories, Shipments and Orders in Manufacturing Industries, August 1982	31-001	$3.50/$35	$4.20/$42
Oil Pipe Line Transport, August 1982	55-001	$2.50/$25	$3/$30
Production and Sales of Phonograph Records and Pre-recorded Tapes in Canada, September 1982	47-004	$1.50/$15	$1.80/$18
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies, August 1982	35-002	$2.50/$25	$3/$30
Rigid Insulating Board, September 1982	36-002	$1.50/$15	$1.80/$18
Shipments of Solid Fuel Burning Heating Products, Quarter Ended September 1982	25-002	$2.50/$10	$3/$12
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Merchandising Inventories, August 1982	63-014	$2.50/$25	$3/$30
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The Consumer Price Index, October 1982	62-001	$2.50/$25	$3/$30
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Aviation Statistics Centre, Vol. 14, No. 10, Canadian Air Transport Industry, Summary	51-004	$1.50/$15	$1.80/$18