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Weekly Bulletin

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Canadian Leading Indicator

According to the composite leading indicator in February 1982 there are few signs that the Canadian economy will recover in the near-term. The sporadic signs of recovery which have been evident in some components in recent months have only marginally slowed the rate of decline in the leading index (1971=100), which fell 2.32% in February after a 2.41% drop in January. The filtered index fell to 119.12 in February from 121.95 in January, while the non-filtered index declined to 114.0 from 116.9. The 2.5% decline in February follows a similar drop in January (-3.1%), and suggests an extension of poor economic conditions through the first quarter at least. Indicators of domestic demand were particularly weak, suggesting that the termination of inventory liquidation may be delayed. The outlook for exports improved slightly, however, as there was some evidence of a firming of economic activity in the United States, which may act as a restraint on further reductions in production.

The indicators of retail trade for February suggest that personal expenditure on goods acquired renewed downward momentum in the first quarter, after having fallen marginally in the fourth quarter of 1981. Despite the drop in the prime rate to 16.5%, sales of furniture and appliances and new motor vehicles again recorded large declines, falling by 2.17% and 3.19% respectively. The non-filtered version of furniture and appliance sales points to a continuation of the downward trend in this series, dropping 2.4% in February after a downward revised 2.9% decline in January. This, and the unenthusiastic response of consumers to the automobile rebate programs in the first quarter reflect in part the marked declines in employment since December. The recent increases in interest rates, and reductions in employment through March, limit the chances of an imminent turnaround in consumer demand.

The leading indicator for the United States fell by 1.09% in February, giving little indication of a sustained upturn in the American economy. This trend continued in March with most of the weakness, however, shifting towards variables reflecting the financial sector. It seems, however, in light of data through March on external trade, (continued on next page)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Jan.	373.64p	363.17p	10.1
Labour Income (\$ million)	Feb.*	15,685.2p	15,630.9p	11.0
Persons with Jobs (million)	Apr.*	10.43	10.46	-2.5
Unemployed	Apr.*	1,233,000	1,228,000	39.2

INVENTORIES

Department Store (\$ million)	Feb.	2,618.1	2,685.0	3.5
Manufacturers' Owned (\$ million)	Feb.	34,270.0p	33,696.2r	14.1

ORDERS

Manufacturers' New Orders (\$ million)	Feb.	14,448.9p	13,870.1r	-2.5
Manufacturers' Unfilled Orders (\$ million)	Feb.	18,277.4p	18,462.9r	-5.4

PRICES

Consumer Price Index (1971=100)	Mar.	255.9	252.7	11.6
Non-food Component (CPI)	Mar.	239.3	236.0	13.0
New House Price Index (1976=100)	Mar.	135.2	135.4	4.0
Raw Materials Price Index (1977=100)	Mar.	196.5p	196.3p	11.8
Industry Selling Price Index (1971=100)	Mar.	284.0p	283.1p	7.0

CONSTRUCTION

Building Permits (\$ million)	Feb.*	821.8p	1,582.6p	-9.3
Housing Starts — Urban Centres (units)	Mar.*	7,461	26,389	17.1

ENERGY

Coal Production (thousand tonnes)	Feb.	3 305.8	6 900.6	2.8
Electricity Generation (terawatt hours)	Feb.*	34.0	73.8	6.4
Natural Gas Production (million cubic metres)	Dec.	9 876.6	97 833.1	-0.9
Petroleum Refining (million cubic metres)	Feb.	7.0p	15.3p	-15.5

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Mar.*	7,549p	20,295p	1.3
Imports — Balance of Payments Basis (\$ million)	Mar.*	6,522p	17,052p	-7.4

PRODUCTION

Railway Carloadings (million tonnes)	Mar.	19.0	50.4	-9.5
Steel (ingots — thousand tonnes)	Mar.	1 246.3	3 654.3	-12.5

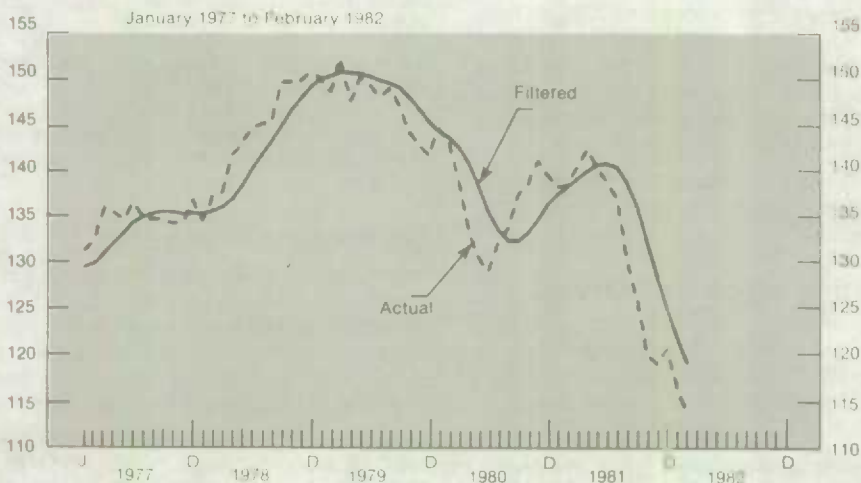
SALES

Department Store Sales (\$ million)	Mar.*	694.4	1,872.4	-1.5
Manufacturers' Shipments (\$ million)	Feb.	14,634.5p	28,308.5p	1.1
New Motor Vehicle Sales (\$ million)	Mar.*	941.9	2,272.5	-20.1
Retail Sales (\$ million)	Feb.	6,550.7p	13,192.2p	1.9

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)

that merchandise exports to the United States have firmed, and there is evidence of an upturn in new orders in industries which produce goods that have led the firming of exports, most notably automobiles, non-ferrous primary metal products and lumber products. The shift towards financial indicators in the sources of weakness in the U.S. leading index, evident in the decline of the index of stocks and in the rate of growth of liquid assets, accompanies the growing concern of analysts over the dependence of the banking system on assets held by countries and firms in financial difficulty.

Mixed signals were given by the leading indicators in the manufacturing sector. There was a deceleration in the rate of decline of new orders for durable goods (-2.36% in February compared to -3.43% in January), reflecting the 6.4% gain in February in the non-filtered data, and an easing in labour cutbacks was evident in a deceleration in the reduction of the average workweek (-1.7% in February compared to -3.3% in January and -5.1% in December). Production, however, remained restrained as unfilled orders dropped again and stocks of finished goods rose by about \$7 million. At the same time total shipments rose for the first time after seven consecutive reductions, and consequently led to an increase in the non-filtered ratio of shipments to inventories of finished goods. Most of the improvement in shipments originated in a growth of exports. A further deterioration of profit margins was reflected in the fourth straight drop in the percentage change of prices per unit labour cost (-5.2%). Prices have not succeeded in matching the increase in unit labour costs, but the growth of hourly earnings was a less important factor in February in the erosion of profit margins.

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.

Steel Ingot Production

Preliminary estimates show steel ingot production for the month of April 1982 totalled 1 167 036 tonnes, down from 1 445 960 tonnes a year earlier. Pig iron production dropped to 802 096 tonnes in the latest month from 964 914 tonnes in April 1981.

For further information, order the April 1982 issue of *Primary Iron and Steel* (41-001, \$2.50/\$25).

Washing Machines/Dryers

Canadian production of electric automatic washing machines during the month of March 1982 totalled 28,953 units. Production of electric automatic clothes dryers for the same month amounted to 19,724 units.

For further information, order the March 1982 issue of *Domestic Washing Machines and Clothes Dryers* (43-002, \$1.50/\$15), or contact Sharon Boyer (613-996-3226).

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International Travel

Preliminary statistics for the month of March 1982 show that both the number of non-resident visitors entering Canada and Canadian residents returning to this country after trips abroad decreased in a year-over-year comparison with 1981.

Statistics for March show that 1.7 million United States residents entered Canada, down 42.8% from 1981. (This notable drop in total entries is mainly due to the disappearance of the gasoline price differential between the U.S. and Canada, resulting in a sizeable reduction in the number of same-day automobile entries from the U.S.) Visitors from countries other than the U.S. declined by 3.2% to 70,000. Canadian residents re-entering this country after visits to the U.S. numbered 2.6 million, down 3.9% from March 1981, while residents returning from other countries decreased by 2.2% to 156,000.

For the first quarter of 1982, the international travel flows were as follows: 4.6 million U.S. residents entered Canada, down 37.0% from the year-earlier period; visitors from other countries were down by 3.9% to 175,000; Canadians returning from the U.S. decreased by 4.7% to 6.6 million while resident re-entries from other countries numbered 454,000, almost unchanged from 1981.

For further information, order the March issue of *International Travel — Advance Information* (66-002, \$1.50/\$15), or contact Paul L. Paradis (613-995-0847), *International Travel Section*, Statistics Canada, Ottawa K1A 0Z8.

Oil Pipeline Transport

Net receipts of crude oil, condensates, pentanes plus, liquefied petroleum gases and petroleum products through Canadian oil pipelines during February 1982 totalled 11 427 061 cubic metres, down 2.0% from 11 660 898 cubic metres a year earlier.

For further information, order the February 1982 issue of *Oil Pipeline Transport* (55-001, \$2.50/\$25), or contact M. Lefebvre (613-996-3139), *Manufacturing and Primary Industries Division*, Statistics Canada, Ottawa K1A 0T6.

Canada's Merchandise Trade

On a seasonally adjusted balance-of-payments basis, preliminary results indicate that Canada's exports declined 1.1% or \$75 million to \$7.0 billion in March 1982, following a 10.7% increase in February. Imports declined 4.5% or \$270 million to \$5.8 billion in March after an 18.7% increase in February. The merchandise trade surplus rose \$194 million to \$1,175 million in March from \$981 million in February.

In the first quarter of 1982, exports declined 4.2% or \$885 million to \$20.43 billion following a 1.2% increase in the fourth quarter of 1981. First quarter imports were down more heavily than exports with an 8.3% or \$1.5 billion decrease to \$17.0 billion after an 8.2% decline in the fourth quarter of 1981. The greater weakness of imports than exports in the first quarter of 1982 led to a \$656 million increase in the surplus on merchandise trade to \$3.4 billion, double the \$1.7 billion surplus recorded in the first quarter of 1981.

Commodity Analysis

On a customs basis, for seasonally adjusted domestic exports the largest increases in value in March 1982 were for cereals and cereal preparations including wheat (up 13% or \$60 million to \$530 million following a \$150 million increase in February), and woodpulp (up 15% or \$40 million to \$340 million). The largest decreases in value were for iron ores and concentrates (down 35% or \$75 million to \$130 million, following a \$90 million increase in February), crude oil (down 20% or \$45 million to \$190 million) and chemicals (down 10% or \$40 million to \$350 million after a \$45 million increase in February).

For imports, the largest declines in value for March 1982 were for crude petroleum (down 14.6% or \$100 million to \$575 million following a \$220 million increase in February), aircraft (down 40% or \$75 million to \$110 million after a \$100 million increase in February), iron and steel (down 26% or \$50 million to \$135 million) and chemical products (down 11.4% or \$40 million to \$300 million). The largest increases were for motor vehicle products (up 7.3% or \$85 million to \$1,255 million following an increase of \$255 million) and metal ores and concentrates (up 31% or \$45 million to \$185 million after an increase of \$50 million in February).

Trading Partner Analysis

Exports to the United States were down 2.9% or \$140 million to \$4.68 billion in March following an increase of \$575 million in February. Exports to the United Kingdom were down 13% or \$35 million to \$245 million, while "Other E.E.C." countries were up 9% or \$35 million to \$445 million. Exports to Japan increased 19% or \$70 million to \$430 million after an 8% increase in February, while "Other O.E.C.D." countries were down 19% or \$40 million to \$165 million.

For further information, order the March 1982 issue of *Summary of External Trade* (65-001, \$3/\$30).

New Motor Vehicle Sales

New motor vehicles sold in March 1982 totalled 88,437 units, a drop of 28.3% from a year earlier. This included 44,301 passenger cars (down 34.6%) and 17,838 commercial vehicles (down 34.0%) manufactured in North America, and 22,410 passenger cars (down 11.4%) and 3,888 commercial vehicles (up 21.3%) manufactured overseas. Of all the new passenger cars sold in Canada in March 1982, 66.4% were produced in North America, 27.1% in Japan and 6.5% in Europe; for March 1981 the percentages were 72.8%, 20.9% and 6.3%, respectively.

Total sales value decreased 22.4% to \$941.9 million. North-American passenger cars sold for \$431.5 million (down 30.5%) and commercial vehicles for \$260.3 million (down 26.1%). Sales of passenger cars from overseas increased 0.5% to \$214.8 million and those of commercial vehicles climbed 29.0% to \$35.3 million. Included in total commercial vehicles sold were 261 coaches and buses valued at \$14.7 million.

For the first three months of 1982, total sales were 208,767 units (294,489 in 1981) with an accumulated value of \$2,272.5 million. This represented a drop of 20.1% in value from sales for January-March 1981.

For further information, order the March 1982 issue of *New Motor Vehicle Sales* (63-007, \$2.50/\$25), or contact the Retail Trade Section (613-996-9304), Merchandising and Services Division, Statistics Canada, Ottawa K1A 0V4.

Labour Income

Labour income for the month of February 1982 was estimated at \$15,685.2 million, an increase of \$1,559.1 million or 11.0% from February 1981.

Adjusted for seasonal variation, wages and salaries increased by \$68.7 million between January and February 1982 to \$14,950.3 million.

The estimates will be published in the January-March 1982 issue of *Estimates of Labour Income* (72-005, \$5/\$20). For further information, contact G. Gauthier (613-995-8431), Labour Income Section, Labour Division, Statistics Canada, Ottawa K1A 0T6.

Electric Power Statistics

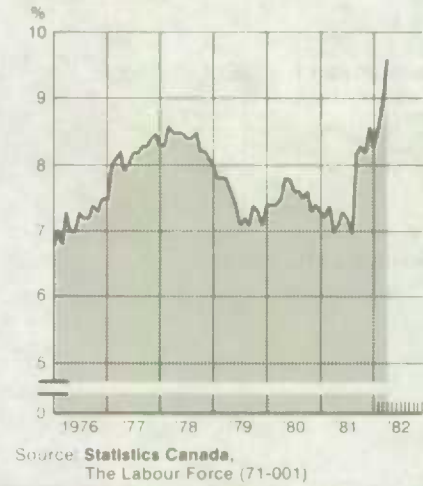
Net generation of electricity in Canada increased to 34.0 TW.h in February 1982 from 32.6 TW.h a year earlier. Hydro generation decreased .02% while thermal production increased 13.9%.

Total generation for the first two months of 1982 was 73.8 TW.h, up 6.4% from the January-February 1981 period.

For further information, order the February 1982 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.

Unemployment Rate, Canada

(Seasonally Adjusted)



Department Store Sales

Department store sales in March 1982 totalled \$694.4 million, up a marginal 0.8% from a year earlier. Sales showed a mixed pattern across the country, ranging from an increase of 6.1% recorded in the Atlantic provinces to a drop of 9.4% in Saskatchewan.

Department store sales by regions in the latest month were as follows, with percentage changes from March 1981 in brackets:

- Ontario, \$241.7 million (+3.9%)
- British Columbia, \$128.2 million (-4.7%)
- Quebec, \$118.5 million (-0.7%)
- Alberta, \$107.8 million (+2.1%)
- Atlantic provinces, \$40.8 million (+6.1%)
- Manitoba, \$37.9 million (+0.9%)
- Saskatchewan, \$19.6 million (-9.4%).

Data users should note that department store sales in the Yukon and Northwest Territories are included with British Columbia.

R&D Expenditures

Now available is the 1981 issue of *Annual Review of Science Statistics* (13-212, \$6), an edition that focusses on gross domestic expenditures on research and development (GERD), estimated to total over \$3.5 billion or 1.1% of GNP in 1981.

Expenditures are identified with the major sectors of performance of R & D and with the major funding sectors. In response to recommendations of the Auditor General, the publication also outlines the reliability, uses and limitations of the GERD.

A number of other indicators of scientific and technological activity are also presented in this issue: estimated full-time equivalent of persons engaged in R & D; the S & T activities of the federal and provincial governments and several series related to the technological balance of payments. As a result of a special enquiry carried out among firms performing research and development, there are also some observations on industrial R & D, information links and patenting practices.

Labour Force Survey

Canada's seasonally adjusted unemployment rate climbed to a record 9.6% in April 1982, surpassing the previous high of 9.0% recorded in March. The participation rate decreased to 63.9% from 64.0%, while the employment/population ratio declined sharply to 57.7% from 58.2% in the preceding month.

For the week ending April 17, 1982, the seasonally adjusted level of employment was 10,691,000, down substantially (-75,000) from March. The largest declines occurred among males, with the level decreasing by 32,000 for the 15 to 24 age group and by 30,000 for those 25 years of age and over. Employment levels also declined slightly for females 15 to 24 (-6,000) and 25 and over (-7,000). On a provincial basis, the largest declines in the level of employment were registered in Quebec (-28,000), British Columbia (-25,000), Alberta (-13,000) and Newfoundland (-7,000).

Seasonally adjusted unemployment was estimated at 1,135,000 in April, up 66,000 from March. The level increased in all major age/sex groups: males 25 and over (24,000); females 25 and over (19,000); males 15 to 24 (16,000) and females 15 to 24 (7,000). Unemployment levels were higher in all provinces except Prince Edward Island, with the largest rises recorded in Quebec (21,000), Ontario (11,000), Alberta (11,000) and British Columbia (10,000).

Seasonally adjusted unemployment rates for the provinces in April 1982 were as follows, with March rates in brackets: Newfoundland, 15.4% (14.2%); Prince Edward Island, 12.5% (12.6%); Nova Scotia, 12.8% (12.5%); New Brunswick, 14.1% (13.5%); Quebec, 13.0% (12.2%); Ontario, 7.9% (7.7%); Manitoba, 7.2% (7.0%); Saskatchewan, 5.6% (4.8%); Alberta, 5.9% (5.0%); and British Columbia, 10.2% (9.3%).

The unadjusted employment level for Canada was estimated at 10,432,000 in April 1982, down 268,000 (2.5%) from a year earlier. Unemployment jumped 39.2% to 1,233,000 from 886,000 over the 12-month period. The unemployment rate at 10.6% was up from 7.6% in April 1981. The participation rate was 63.0% compared to 63.5% a year earlier and the employment/population ratio was down to 56.3% from 58.7%.

For further information, order the April 1982 issue of *The Labour Force* (71-001, \$3.50/\$35).

Refrigerators/Home Freezers

Domestic production of refrigerators during the month of March 1982 amounted to 27,074 units. Home freezer production was 26,653 units.

For further information, order the March 1982 issue of *Domestic Refrigerators and Freezers* (43-001, \$1.50/\$15), or contact Sharon Boyer (613-996-3226).



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