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Weekly Bulletin



June 1, 1984

Canadian Leading Indicator

A more moderate pace of economic growth evident since the fourth quarter of last year will likely extend through the first half of 1984 and probably into the third quarter. The February growth of the leading indicator (1971=100) slowed to 1.16% (reaching 153.74) with more components declining than in the preceding month, particularly those with the longest lead-times at turning points. In the short term, the automotive component should continue to account for most of the growth of activity in Canada, and its influence is also evident in the relative strength of the U.S. leading indicator. The marginal gain in the non-filtered version of the composite index (0.3% to 157.2) reflects the continued slow growth of domestic demand and its increasingly evident impact on manufacturing.

The indicators of spending on housing and consumer goods continued to signal weakness of household demand in the first quarter. The drop in furniture and appliance sales accelerated (-0.99%), while auto sales — which have dominated the recent growth of retail sales — lost some vigor (+3.68%) and the residential construction index declined for the eighth consecutive month (-0.73%). The recent increase in interest rates, combined with continued sluggishness in both real incomes and consumer confidence suggest that modest growth in consumer spending will continue beyond the first half of the year. Given its long lead-time in signalling turning points, the ongoing decline in the indicator of residential construction signifies that work-put-in-place probably will continue to decline beyond the first half of the year.

The narrowing of the sources of domestic growth in recent months was increasingly evident in manufacturing in February, as one additional indicator posted a decline in the month. New orders for durable goods dropped by 0.59%, as the vigor of export demand was not sufficient to offset the weakness in industries related to household demand for housing and consumer goods. The average workweek declined for the second straight month in February (-0.04%), while the growth of the ratio of stocks to shipments slowed further (+0.02). A steady decline in unit labour costs should lend continued support to profits as indicated by the positive growth of the percent change of price per unit labour cost (+0.05)

(continued on page 2)

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

Average Weekly Earnings (\$)	Mar.*	400.17	398.71	4.9
Labour Income (\$ million)	Feb.	18,447.3	18,446.6	7.8
Persons with Jobs (million)	Apr.	10.67	10.60	2.5
Unemployed	Apr.	1,468,000	1,541,000	-7.2

INVENTORIES

Department Store (\$ million)	Mar.*	3,398.4	3,146.5	13.2
Manufacturers' Owned (\$ million)	Mar.	31,985.4	31,692.5	3.5

ORDERS

Manufacturers' New Orders (\$ million)	Mar.	19,788.2	17,785.2	17.2
Manufacturers' Unfilled Orders (\$ million)	Mar.	21,364.2	21,017.6	32.4

PRICES

Consumer Price Index (1981=100)	Apr.	121.5	121.2	4.9
New House Price Index (1981=100)	Mar.	95.3	95.1	0.7
Raw Materials Price Index (1977=100)	Apr.*	218.1	217.9	3.3
Excl. coal, crude oil, nat. gas	Apr.*	164.4	164.3	7.3
Industry Selling Price Index (1971=100)	Apr.*	310.3	308.7	4.4

CONSTRUCTION

Building Permits (\$ million)	Mar.*	960.5	2,479.1	-15.5
Housing Starts — Urban Centres (units)	Apr.*	9,051	30,591	-15.0

ENERGY

Coal Production (thousand tonnes)	Feb.	4 624	9 169	27.0
Electricity Generation (terawatt hours)	Feb.	36.2	77.7	10.3
Natural Gas Production (million cubic metres)	Jan.	10 482	10 482	5.8
Petroleum Refining (million cubic metres)	Mar.	7.3	22.6	7.7

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Mar.	9,320	26,111	26.5
Imports — Balance of Payments Basis (\$ million)	Mar.	8,239	22,151	33.8

PRODUCTION

Railway Carloadings (million tonnes)	Apr.	19.3	74.0	19.9
Steel (ingots — thousand tonnes)	Apr.	1 288	5 055	33.8

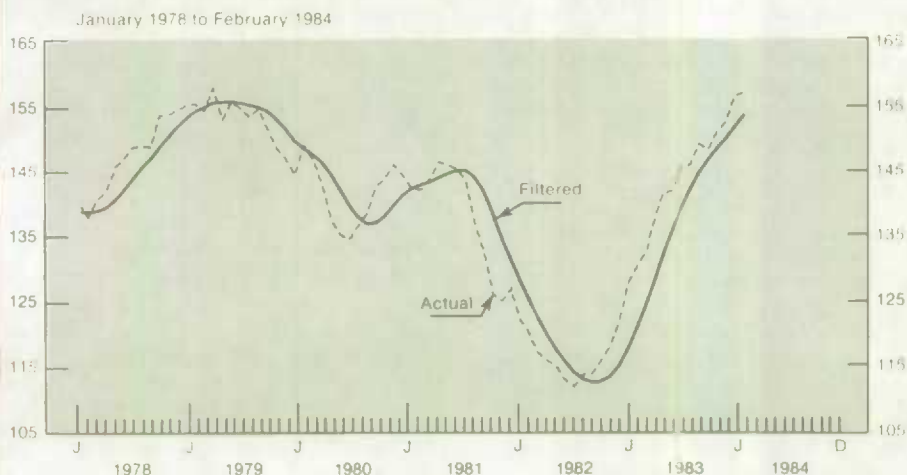
SALES

Department Store Sales (\$ million)	Mar.	806.7	2,115.4	5.0
Manufacturers' Shipments (\$ million)	Mar.	19,441.6	53,978.6	19.0
New Motor Vehicle Sales (\$ million)	Mar.	1,528.3	3,572.5	48.9
Retail Sales (\$ million)	Feb.	7,767.2	15,393.4	12.6

Statistics are in current dollars and are not seasonally adjusted.

* - new this week.

The Canadian Composite Leading Index (1971=100)



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

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... Leading Indicator

to 0.85%). The direct effect of profit growth on investment outlays, especially machinery, may be partly offset however by the increase in interest rates in 1984.

The leading indicator for the United States, which foreshadows fluctuations in external demand, continued to indicate relatively vigorous growth (+0.71%). Indeed, exports remained the principal source sustaining the recovery in the first quarter, bolstered by robust auto trade. A slowdown of export growth is probable, nevertheless, given the likely moderation of the United States economy from the exceptional increase in the first quarter and the appreciation of the Canadian dollar vis-à-vis overseas currencies in 1983, when the U.S. dollar also was rising. The higher Canadian and U.S. dollars would appear to be one of the factors restraining our exports to a growing number of overseas countries.

The financial market indicators are among the components which signal cyclical turning points with the longest lead-time. Consequently, the February declines (-0.26%) in the real money supply (M1) and the Toronto stock market index (-0.16%) provide additional evidence that the economy could continue to grow more slowly in the second half of the year. (The two other long-term indicators to record declines were the residential construction index and the average workweek.)

For further information, order *Current Economic Analysis* (13-004E, Canada: \$2.75/\$27.50; other countries: \$3.30/\$33), or contact D. Rhoades (613-992-4441), *Current Economic Analysis Division, Statistics Canada, Ottawa K1A 0T6*.

Wage Rates: Construction

The total Union Wage Rate Index for construction trades (including supplements) remained unchanged in April 1984 from the March level of 127.2 (1981=100).

For further information, order *Construction Price Statistics* (62-007, \$3.30/\$33), or contact Prices Division (613-996-3744), *Statistics Canada, Ottawa K1A 0T6*.

Capital Expenditures

Among domestic and foreign controlled establishments in manufacturing, mining and forestry, capital expenditures in the manufacturing sector are projected to decline in 1984 for the third consecutive year: planned spending of \$8,584 million in this sector is down 2.5% from 1983.

Manufacturers controlled in the United States plan capital expenditures of \$3,159 million in 1984, up 2% from the preceding year. This marks the first annual spending increase for these firms since 1981. Domestically controlled manufacturers plan a spending cut of 2% for 1984, but this represents a levelling off from deeper reductions in 1983 and 1982. Totalling \$4,150 million, this capital investment is almost 50% of overall spending in manufacturing. Investment in this sector by other foreign (excluding U.S.) controlled firms will show the most weakness of the three country-of-control groups: capital spending of these firms will drop by 12% in 1984 to \$1,276 million.

In manufacturing, two industries show strength in intended 1984 capital expenditures but weakness in three other industries more than offset these gains and led to the overall decline in investment.

- Capital investment in the primary metal industry is forecast to climb by \$450 million (+65%) in 1984 to a total of \$1,143 million. Increased spending by foreign controlled firms in Quebec mainly accounts for the strength.
- The wood products industry will see additional spending of \$91 million (+41%) in 1984, with the new investment in British Columbia.
- Capital investment in chemical products will drop by \$652 million in 1984 to a level of \$1,044 million. The spending decrease will occur in Alberta and Ontario.
- The petroleum and coal products industry will see a \$214 million decrease to \$520 million in 1984, with reduced capital spending by foreign controlled firms in Alberta accounting for the drop.
- In the transportation equipment industry, spending will decline by \$154 million to a level of \$640 million in 1984 due to weaker investment by U.S. controlled firms in Ontario.

Firms in all three country-of-control groups plan increased capital outlays in mining for 1984: spending is forecast to be up 4.3% overall to a level of \$10,022 million. This is in marked contrast to the year 1983 when all three groups registered contractions in spending.

Copies of Capital Expenditures of Domestic and Foreign Controlled Establishments in Manufacturing, Mining and Forestry, 1984 (Catalogue 61-215; Canada: \$6.65; other countries: \$7.95) are available from Publication Sales and Services, Statistics Canada, Ottawa K1A 0T6, or any of the Bureau's regional reference centres. For further information, contact Duncan Lusick (613-995-9013), Construction Division, Statistics Canada, Ottawa K1A 0T6.

Import Statistics

Annual import statistics in seven-digit detail are now available on microfiche, computer printout or magnetic tape, replacing the annual publication *Imports: Merchandise Trade Commodity Detail* (catalogue 65-207). These data will be available on request, at cost, for the commodities and countries required by the user.

Import data are available for 16,000 commodity classes and by each source country. Users interested in determining what is available should refer to the *Canadian International Trade Classification Reference Manual* (catalogue no. 65-502E), which contains the seven-digit commodity coded headings.

For further information, contact the nearest Statistics Canada regional reference centre, or the Trade Information Unit (613-995-6305), External Trade Division, Statistics Canada, Ottawa K1A 0T6.

Industrial Production

Gross Domestic Product by industry (measured in constant 1971 prices) was virtually unchanged in March 1984 from the February 1984 level, totalling \$33.2 billion at annual rates. This followed a sharp 3.3% drop in February.

The output level in March reflected production increases for utilities, mineral fuels, machinery, metal fabricating and electrical products manufacturing that were offset by output declines in the paper, wood and transportation equipment industries.

Continuing labour disputes in British Columbia contributed to the weakness in pulp and paper and sawmills. A 4.7% drop in motor vehicle production was the primary reason for the decline in transportation equipment output; this was the second consecutive monthly decline following six months of steady gains recorded by motor vehicle manufacturers.

For further information, order the *March 1984 issue of Gross Domestic Product by Industry* (61-005, \$3.85/\$38.50), or contact Erika Young (613-995-0568), *Industry Product Division, Statistics Canada, Ottawa K1A 0T6*.

Farm Input Price Index

The Farm Input Price Index (1981=100) for Canada stood at 107.0 in the first quarter of 1984, up 2.7% over the fourth quarter 1983 level of 104.2 and 3.0% higher than in the first quarter of 1983. In the latest quarter, the indexes for all of the major input groups rose, price increases ranging from 0.3% for building and fencing to 4.8% for animal production.

Users should note that the first quarter 1984 issue of *Farm Input Price Indexes* (62-004, \$4.40/\$17.60) will be published at a later date.

Correctional Services

Highlights of the report *Adult Correctional Services in Canada, 1982-83*, released by the Canadian Centre for Justice Statistics, include the following:

- Expenditures on corrections totalled about \$1.1 billion in 1982-83, including \$568 million federally and \$516 million provincially. Over the five-year period, 1978-79 to 1982-83, only a slight increase was recorded in government spending on corrections when expressed in constant dollars.
- The average provincial inmate population increased by 27% over the five-year period, reaching 17,149 in 1982-83. The average federal inmate population in 1982-83 was 9,775 which represented an increase of 20% over the five-year period. In addition to these figures, there were approximately 2,500 provincial inmates and 1,000 federal inmates who were on-register but not in custody at the time of the count.
- While over 70% of the total correctional caseload was under some form of community supervision, less than 10% of the total correctional expenditure was for the provision of those services in 1982-83.
- The median sentence length on admission to provincial facilities in 1982-83 was 26 days. The corresponding sentence length for offenders admitted to federal penitentiaries was 42 months.
- Inmates admitted to provincial custody are typically 25 years old and one-third of all admissions are for fine default. Federal inmates are typically 28 years of age, and are incarcerated for either robbery, or break and enter.
- The average provincial probationer is 21 years of age and is serving a probation order of 11 months in length.

Copies of Adult Correctional Services in Canada, 1982-83 (85-211; Canada: \$8.85; other countries: \$10.60) are available from Publication Sales and Services, Statistics Canada, Ottawa K1A 0T6, or any of the Bureau's regional reference centres. For further information, contact Rick Beattie (613-593-7137), Canadian Centre for Justice Statistics, Statistics Canada, Ottawa K1A 0T6.

Our Aging People

Nearly 10 in every 100 Canadians were 65 years of age or older at Census '81 time. This represents 2,350,000 elderly persons compared with 1,750,000 a decade earlier and 750,000 in 1941. Over the decade 1971-1981, the aged increased by 36% compared with a 13% increase for the total population and a 14% decrease for children.

The Elderly in Canada (catalogue 99-932, \$5.50) focuses on some of the major demographic and socio-economic characteristics of Canada's senior citizens, including place of residence, education, income, ethnic composition and place of birth. It concludes by linking population projections for the elderly to present concerns of social planners who must design the welfare systems of the next century.

The Elderly in Canada is the fourth of 12 publications in the 1981 Census Content Series — short, informative and easy to read reports covering major issues of interest to a broad cross-section of the public. Copies can be obtained from Publication Sales and Services, Statistics Canada, Ottawa K1A 0T6, or any of the Bureau's regional reference centres.

For additional information on the content of The Elderly in Canada, contact Joseph Norland (613-995-8672), Demography Division, Statistics Canada, Ottawa K1A 0T6.

Building Permits

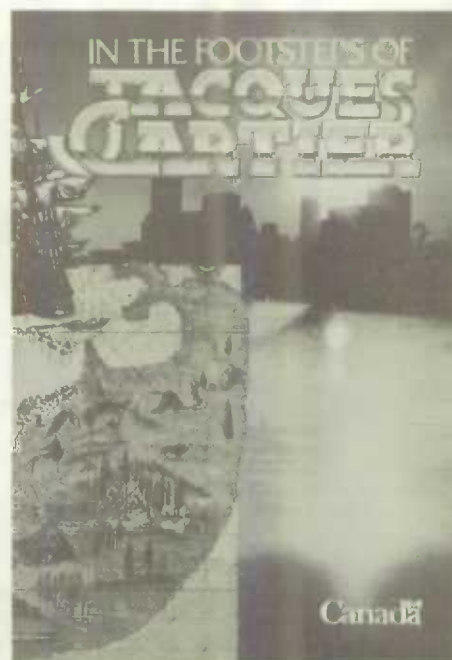
Building permits issued by Canadian municipalities in March 1984 fell 14.9% to a seasonally adjusted \$1,016.3 million from the revised February level of \$1,194.1 million. The decline in proposed building construction was shared by both the residential and non-residential sectors. In March 1983, the value of building permits issued was estimated at \$1,261.5 million.

Residential building permits were issued for \$628.4 million of work in March, down 11.9% from \$712.8 million in February. Builders' applications were approved for the construction of 10,511 new dwellings compared to 11,554 units in February; the number of single-detached homes authorized decreased to 5,793 units from 6,649 in February, while multiple dwellings remained low at 4,718 units (compared to 4,905 in February).

The value of non-residential building projects authorized also decreased in March, dropping 19.4% to a seasonally adjusted \$387.9 million from \$481.3 million. Industrial projects showed a 35.7% increase to \$85.9 million in March from \$63.3 million in February but commercial projects dropped 37.3% to \$174.6 million from \$279.0 million and government-initiated projects continued to weaken, decreasing 8.4% to \$127.4 million in March from \$139.0 million in February.

Building permits issued in Canada during January-March 1984 were 15.5% lower than the year-earlier level, with decreases posted in Prince Edward Island (-11.5%); Quebec (-14.3%); Saskatchewan (-29.1%); Alberta (-34.9%) and British Columbia (-39.9%). In Ontario, the value of building permits issued was little changed from last year, while increases were recorded in Newfoundland (+29.0%); Nova Scotia (+9.1%); New Brunswick (+3.1%) and Manitoba (+47.5%).

For further information, order the March 1984 issue of Building Permits (64-001, \$3.85/\$38.50), or contact J.P. Delisle (613-995-8213), Construction Division, Statistics Canada, Ottawa K1A 0T6.



Cartier Charted

Statistics Canada has released a publication designed to pay tribute to Jacques Cartier and commemorate his efforts.

Written in a readable, engaging style, the reference work should improve our understanding of an exciting and colourful period in the history of Quebec and Canada.

In the Footsteps of Jacques Cartier: A Statistical Portrait (11-X524E, \$4.95) will be available at Statistics Canada regional reference centres, Parks Canada kiosks and the sites of activities celebrating the 450th anniversary of Jacques Cartier's landing in Canada.

For further information, contact Denis Boudreault (514-283-3312), Advisory Services, Statistics Canada, Guy Favreau Complex, 200 Dorchester Boulevard West, Suite 412, Montreal H2Z 1X4.

Employment/Earnings/Hours

Preliminary estimates show employment at the Canada industrial aggregate level increased by 0.4% from February to March 1984. Employment was higher in the construction, transportation, communication and other utilities, trade and service industries, while the remaining industries registered decreases. Employment rose in all provinces and the territories.

Average weekly earnings at the Canada industrial aggregate level increased by 0.4% to \$400.17 in March from \$398.71 in February.

Detailed information for February and March will be published in the March 1984 issue of Employment, Earnings and Hours (72-002, \$5.30/\$53), or may be obtained by calling the Labour Division (613-995-7165), Statistics Canada, Ottawa K1A 0T6.



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THESE PUBLICATIONS RELEASED MAY 25 — 31

	Cata- logue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
AGRICULTURE STATISTICS			
Index Numbers of Farm Prices of Agricultural Products, March 1984	62-003	\$1.60/\$16	\$1.90/\$19
BUSINESS FINANCE			
Industrial Corporations, Financial Statistics, Fourth Quarter 1983	61-003	\$11.10/\$44.40	\$13.30/\$53.25
CANADIAN CENTRE FOR JUSTICE STATISTICS			
Adult Correctional Services in Canada, 1982-83	85-211	\$8.85	\$10.60
CENSUS			
Population: Economic Characteristics, Manitoba, 1981 Census of Canada	93-967	\$12	\$14.40
Population: Economic Characteristics, Nova Scotia, 1981 Census of Canada	93-963	\$12	\$14.40
Population: Economic Characteristics, Ontario, 1981 Census of Canada	93-966	\$24	\$28.80
CONSTRUCTION			
Construction Price Statistics, February 1984	62-007	\$3.30/\$33	\$3.95/\$39.50
CURRENT ECONOMIC ANALYSIS			
Current Economic Analysis, March 1984	13-004E	\$3.30/\$33	\$3.95/\$39.50
EDUCATION, CULTURE AND TOURISM			
Service Bulletin			
Science Statistics — Vol. 8, No. 6, Regional Distribution of Federal Expenditures on Science and Technology, 1982-83	83-001	\$1.60/\$16	\$1.90/\$19
EXTERNAL TRADE			
Exports by Commodities, March 1984	55-004	\$5.55/\$55.50	\$6.65/\$66.50
FINANCIAL FLOWS AND MULTINATIONAL ENTERPRISES			
International Travel — Advance Information, March 1984	66-002	\$1.60/\$16	\$1.90/\$19
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Coal and Coke Statistics, January 1984	45-002	\$2.75/\$27.50	\$3.30/\$33
Feed Industry, 1982	32-214	\$5	\$6
Manufacturers of Electrical Industrial Equipment, 1982	43-207	\$5	\$6
Miscellaneous Chemical Industries, 1982	46-216	\$5	\$6
Production and Shipments of Floor Tiles, April 1984	47-001	\$1.60/\$16	\$1.90/\$19
Production and Inventories of Process Cheese and Instant Skim Milk Powder, April 1984	32-024	\$1.60/\$16	\$1.90/\$19
Soft Drink Manufacturers, 1982	32-208	\$5	\$6
TRANSPORTATION AND COMMUNICATIONS			
Railway Carloadings, March 1984	52-001	\$1.60/\$16	\$1.90/\$19
SCIENCE AND TECHNOLOGY			
An Indicator of Excellence in Canadian Science: Summary Report by James B. MacAulay	88-507E	\$5	\$6

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Publications can also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Sturgeon Falls, Toronto, Winnipeg, Regina, Edmonton and Vancouver, or from bookstore agents or other booksellers.