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Weekly Bulletin

January 4, 1985

Composite Leading Indicator

The filtered composite leading index declined by 0.30% in September to 159.35, the third month of marginal change. Given the small magnitude of the decline, and the firming in the financial market indicators which have the longest lead times at turning points, the index should be interpreted as signalling a continuation of the weakness in the economy that has become evident since July. Six of the 10 indicators declined in September, notably sales of new motor vehicles and furniture and appliances, and the United States leading indicator.

Two indicators of consumer spending on goods both continued to decline in September: sales of new motor vehicles and furniture and appliances dropped by 1.10% and 0.70% respectively. Growth in consumer demand for services appears to have continued into the fourth quarter, according to the early indications of increasing employment in trade and services.

The residential construction index posted little change in September (+0.04%), as the level has remained essentially unchanged since January 1984. This stabil-

(continued page 2, col. 2)

Construction Activity

The leading indicator of construction activity in Canada (1971=100) was unchanged in August, remaining at the July level of 93.8. The levelling-off of the total index is the result of a downward movement in the residential sector and an upward trend in the non-residential sector.

The leading indicator of residential construction weakened 1.3% in August after recording a deceleration of the growth rate in the previous two months. The retreat of the residential index is attributable to the persistent decline of construction intentions in the multi-family sector. Following six months of constant increases, a stability of intentions prevailed in the single-detached sector.

The leading indicator of non-residential construction continued to progress in August, increasing slightly (0.4%) from July to 92.7. Gains were recorded in the three components: industrial 1.7%, commercial 2.3% and governmental 0.6%.

Order the September 1984 issue of Building Permits (64-001, \$3.85/\$38.50), or contact Lizette Gervais-Simard (613-990-9689), Construction Division.

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

		Previous Month	% Change From Year Ago
Average Weekly Earnings (\$)	Sept. 407.97	405.49	2.9
Labour Income (\$ million)	Sept. 20,019.4	19,716.8	1.3
Persons with Jobs (million)	Nov. 11.05	11.15	2.4
Unemployed	Nov. 1,355,000	1,305,000	4.5

INVENTORIES

Department Store (\$ million)	Oct. 3,924.2	3,325.5	5.1
Manufacturers' Owned (\$ million)	Oct. 32,947.7	32,732.9	8.8

ORDERS

Manufacturers' New Orders (\$ million)	Oct. 20,277.7	18,868.3	11.7
Manufacturers' Unfilled Orders (\$ million)	Oct. 22,232.6	22,043.8	9.6

PRICES

Consumer Price Index (1981=100)	Nov. 124.0	123.2	4.0
New House Price Index (1981=100)	Oct. 94.8	94.8	0.0
Raw Materials Price Index (1977=100)	Oct. 212.5	213.4	0.6
Excl. coal, crude oil, nat. gas	Oct. 154.7	156.4	1.3
Industry Selling Price Index (1971=100)	Oct. 312.1	312.0	3.5

CONSTRUCTION

		Year-to-date	% Change
Building Permits (\$ million)	Sept. 1,120.2	11,328.1	4.0
Housing Starts — Urban Centres (units)	Oct. 8,863	93,435	-17.9

ENERGY

Coal Production (thousand tonnes)	Sept. 4,871	41,684	30.7
Electricity Generation (terawatt hours)	Sept. 31.5	311.1	8.7
Natural Gas Production (million cubic metres)	Sept. 6,560	64,040	8.5
Petroleum Refining (million cubic metres)	Sept. 6.2	65.6	3.5

FOREIGN TRADE

Exports — Balance of Payments Basis (\$ million)	Oct. 10,244	93,765	27.2
Imports — Balance of Payments Basis (\$ million)	Oct. 8,241	77,484	29.5

PRODUCTION

Railway Carloadings (million tonnes)	Oct. 22.6	201.3	17.4
Steel (ingots — thousand tonnes)	Nov. 1,208	13,483	15.6

SALES

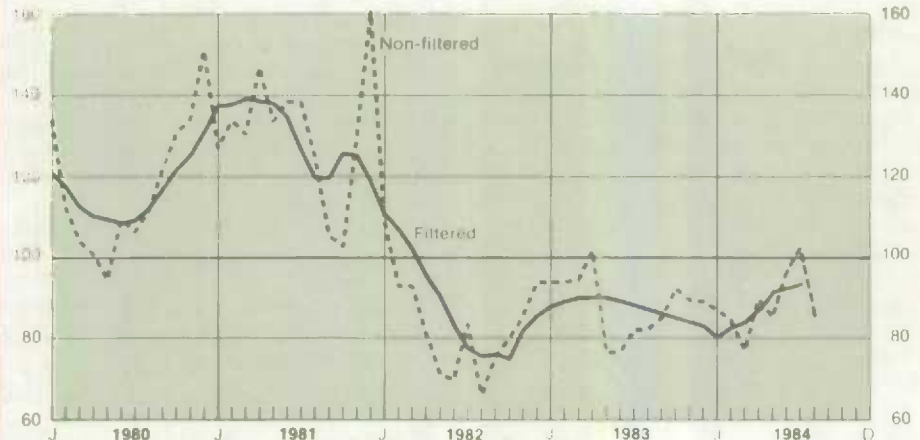
Department Store Sales (\$ million)	Oct. 957.6	8,411.9	4.4
Manufacturers' Shipments (\$ million)	Oct. 20,088.9	188,036.8	14.3
New Motor Vehicle Sales (\$ million)	Oct. 1,532.2	13,340.3	32.1
Retail Sales (\$ million)	Oct. 9,846.0	92,553.7	8.8

Statistics are in current dollars and are not seasonally adjusted.

* - new this week.

Indexes of Construction Activity in Canada

1971=100



Source: Statistics Canada, Building Permits (64-001)

Gross Domestic Product and Industrial Production

Gross Domestic Product edged down 0.1% to \$125.1 billion in October 1984 from the September level of \$125.3 billion. Although growth in the third quarter was a very strong 1.7%, output in the last two months of the third quarter and in the first month of the fourth quarter has been down. The October decline followed decreases in September and August of 0.2% respectively, leaving GDP 0.6% below its peak reached in July of this year.

The index of Industrial Production declined 0.1% in October. The decrease represented the third consecutive monthly drop for Industrial Production since the large July increase of 3.6%, and followed declines of 2.3% and 0.4% in September and August.

The major contributors to the October weakness were wholesale trade, construction and forestry. Overall manufacturing output recorded little change from the month before. Significant increases were registered in finance, insurance and real estate industries, transportation and communications, as well as retail trade.

Virtually every segment of wholesale trade declined, following substantial increases in the month of September. The sharpest decreases occurred in wholesalers of motor vehicles and parts, food products, machinery and equipment and electrical machinery and equipment. The 1.0% growth in retail trade during the month was entirely due to increased sales by new motor vehicle dealers. September output also increased 1.0% for retail trade. This contrasts with the lack of growth evidenced in the third quarter and signals some improvement in consumer expenditure on goods.

The first decline in residential construction since February of this year accounted for the major share of the downturn in construction activity. This reflects the decline in housing starts in September and October.

Increased real estate sales were one of the main contributors to the gain in the finance, insurance and real estate industry. Declining interest rates may have contributed to the first increase in insurance and real estate agencies since May.

Telephone systems, pipeline, railway and air transportation provided most of the gains in transportation and communications.

Although total manufacturing output was almost unchanged from September, large movements occurred in several industries. Declines were recorded by motor vehicle manufacturers, pulp and paper mills and motor vehicle parts manufacturers. Numerous small advances and a large increase in metal stamping combined to leave total manufacturing output almost unchanged.

Order the October 1984 issue of Gross Domestic Product by Industry (61-005, \$3.85/\$38.50), or contact Ron Kennedy (613-990-9145), Industry Measures and Analysis.

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...Composite Leading Indicator

ity should continue to year-end, reflecting an offset between the influence of weak labour income and lower employment in goods-producing industries, lower mortgage rates, and the final stages of stimulative programs. Housing starts have remained relatively firm in Ontario recently.

The leading indicators of manufacturing in September reflected the slowdown of final demand. After a gain in August (largely due to preparations for auto strikes), new orders for durable goods turned down in September (-0.31%). The ratio of shipments to stocks of finished goods was unchanged at 1.69, while the average workweek was essentially unchanged. Weakness in household spending and the deceleration of American demand have been accompanied recently by a slowdown in other sectors of demand, notably for investment goods.

In September the leading indicator for the United States registered a third straight small decline (-0.36%). Preliminary data for October reveal continuing decline within the components, suggesting that the recent slowdown of our exports is likely to continue in the short term. All the indicators of U.S. final demand faltered during September and October, particularly building permits (off 3.9% to 1.27 million units) as residential construction has been dropping since June. Orders for investment goods declined 1.0% to \$15.7 billion in October, and orders for household goods continued to ease in association with the inertia of sales of durable goods.

The financial market indicators gave signs of firming in September: the Toronto stock index recorded its first increase (+0.15%) after seven straight declines, while the real money supply (M1) declined less rapidly (-0.76%).

Order Current Economic Analysis (13-004E, Canada: \$2.75/\$27.50; Other Countries: \$3.30/\$33.00), or contact D. Rhoades (613-990-9161), Current Economic Analysis Division.

Unemployment Insurance

Unemployment insurance benefits paid out during the month of October 1984 totalled \$783.9 million, a 21.4% rise over the previous month and up 20.3% from the October 1983 figure. Since January, \$8,429.3 million have been disbursed during 1984; this is 2.6% less than the \$8,655.3 million paid out during the same period last year.

The number of beneficiaries for the week ending October 20, 1984 stood at 1,021,000, a 5.4% rise over September and an increase of 1.0% over October 1983.

During October 1984, 355,000 claims for unemployment insurance benefits were received. The number of claims increased by 30.9% over September 1984 and by 17.0% over October 1983. For the first 10 months of 1984, 2.76 million claims were received; this represents an increase of 2.0% over the 2.71 million received during the same period in 1983.

Order the Statistical Report on the Operation of the Unemployment Insurance Act (73-001, \$6.65/\$26.60), or contact H. Steibert or J.P. Maynard (613-990-9900), Labour Division.

Department Store Sales

Total department store sales in Canada for October 1984 registered an increase of 3.9% over the same month last year to \$957.6 million in current dollars (not adjusted for inflation). Sales were higher in 30 of the 40 departments for which data are collected, with the major gains in millinery (+23.3%), toys and games (+20.7%) and all other departments (+16.9%). The largest decreases were reported in plumbing, heating and building materials (-14.3%), piece goods (-8.3%), and major appliances (-5.9%).

With the exception of Saskatchewan which recorded a drop in sales of 1.6% over the same month a year ago, all the remaining regions showed increases ranging from 2.3% in Alberta to 17.7% in Nova Scotia. The 10 metropolitan areas surveyed reported sales increases in October 1984, with gains ranging from 1.0% in Hamilton to 19.8% in Halifax-Dartmouth.

Cumulative unadjusted sales for all department stores for the first 10 months of 1984 reached \$8,411.9 million, an increase of 4.4% over the \$8,060.6 million reported for the same period in 1983.

Department store sales constituted 9.7% of total retail trade in Canada in October 1984, a notable decline from the 10.2% share held in October 1983.

Adjusted for seasonal fluctuations, holidays and the number of trading days, total department store sales in October 1984 decreased 1.4% to \$947.2 million from the previous month's sales.

Order the October 1984 issue of Department Store Sales and Stocks (63-002, \$3.33/\$33), or contact Jean-Pierre Simard (613-990-9665), Retail Trade Section, Merchandising and Services Division.

Corporation Taxation Statistics

Corporations in Canada excluding insurance carriers and credit unions declared income taxes of \$9,629 million in 1982, 15% less than reported in 1981. During that year, corporate taxes were down fractionally from 1980, following three consecutive years of substantial increases.

The decrease in corporate taxes was much more moderate than the 44% drop in corporate book profits but steeper than the 12% decrease in the corporate tax base. Book losses of \$17,471 million in 1982 (which are deducted deducted to arrive at net book profit) were almost doubled from 1981, and combined with sharply lower book capital gains accounted for the major portion of the difference between the rates of decline in tax base and corporate book profits. The divergence between the rates of decline in tax base and income taxes is due almost entirely to reductions in the provincial tax rates in Ontario and Quebec.

The severity of the recession in 1982 is reflected in the extent of decreases in income taxes and taxable income which occurred in almost all industry sectors and in almost all regions of the country.

The largest year-over-year decline in income taxes occurred in petroleum and coal products, where profits fell 45%. Taxes were down even more sharply (81%) due to higher non-taxable dividends and a larger net difference between book depreciation and capital cost allowance claims. In 1982, petroleum and gas revenue tax and incremental oil revenue tax payments amounted to \$1,867 million, more than double the 1981 level.

Significant increases in income taxes occurred in public utilities where taxes more than doubled due to increased profits and lower non-taxable dividends, capital gains and capital cost allowance claims. In mineral fuels, increased profits led to higher taxable income, and a narrowing of the difference between the resource allowance and government royalties resulted in an even larger increase in income taxes (+36%).

Two budgetary measures introduced in November 1981 had an impact on the 1982 tax liabilities of small businesses in particular. The annual limit on income subject to the small business deduction was raised to \$200,000 and such income was exempted from the 5% surtax. A third measure affecting all corporations was the introduction of the half-year rule restricting the allowable claim for capital cost allowance in the year of acquisition to one-half the otherwise prescribed rate.

Taxable income (the tax base) of corporations was \$25,928 million in 1982, a 12% decrease from 1981 which in turn was down fractionally from 1980. Taxable income fell in all jurisdictions except "other" (+47%) and Alberta (+3%).

Order the 1982 edition of Corporation Taxation Statistics (61-208). Contact the Business Finance Division (613-990-9855).

Outstanding Farm Debt

At the close of 1983, outstanding farm debt in Canada registered a 7.3% increase over the revised 1982 level of \$19.82 billion, totalling \$21.27 billion. Increases by province ranged from 0.1% for New Brunswick to 14.8% for Saskatchewan.

The amount of debt outstanding by source of lender included \$8.66 billion from chartered banks (+3.5%), \$4.70 billion from federal government agencies (+15.5%); \$2.17 billion from provincial government agencies (+9.0%); \$2.06 billion from credit unions (+6.9%); \$120 million from insurance, trust and loan companies (-32.6%); and \$3.55 billion from private individuals and other sources (+8.1%).

Users should note that the 1981 estimate has been revised from \$17.35 billion to \$18.13 billion, while the 1982 estimate was revised from \$18.84 billion to \$19.82 billion.

The publication Farm Net Income (21-202, \$6.65) will be available early in 1985. Contact May Holbein or George Beelen (613-990-8706), Agriculture Statistics Division.

Postcensal Annual Estimates of Population

This new publication updates the 1981 Census data, providing the most recent, extensive and reliable profile of the Canadian population by age, sex and marital status. It contains the estimates of population for 1982 and 1983; data on births, deaths, immigration, emigration, interprovincial migration, marriages, divorces and new widowhoods; and a description of the methodology used for estimating the population and certain components.

This publication replaces the following four annual publications on population: Estimates of Population for Canada and the Provinces (91-201); Estimates of Population by Sex and Age for Canada and the Provinces (91-202); Estimates of Population by Marital Status, Age and Sex for Canada and the Provinces (91-203, \$4.75); International and Interprovincial Migration in Canada (91-208, \$4.75).

Order Postcensal Annual Estimates of Population by Marital Status, Age, Sex and Components of Growth for Canada and the Provinces, June 1, 1982 and 1983 (91-210, Canada: \$8.85; Other Countries: \$10.60), or contact the Demography Division (613-990-9579).

Adult Education

In 1983, 3.2 million Canadians, or one in every five people aged 17 and over, took an adult education course. Participation rates ranged from 25% in Alberta to 5% in Newfoundland. Women had higher participation rates than men, and young people were more inclined to take a course than were older people.

One in Every Five: Survey on Adult Education in Canada, a joint Statistics Canada — Secretary of State report, contains the results of a Labour Force Survey Supplement. It presents a profile of the demographic and socio-economic characteristics of adult education participants and describes the types of courses in which

Direct Selling

The total direct sales to household consumers in Canada by manufacturers, primary producers and specialized direct-sellers decreased by 7.3% in 1983 to \$2,338.4 million from the revised 1982 level of \$2,522.2 million. In 1981, direct sales totalled \$2,482.6 million.

Direct sales at house parties or by person-to-person contact accounted for 33.9% (\$793.4 million) of 1983 direct sales; home delivery (door-to-door canvassing), 22.6% (\$527.3 million); counter sales at manufacturing premises, 16.3% (\$381.3 million); mail order sales, 21.6% (\$504.4 million); and direct sales by other methods, 5.6% (\$132.0 million).

Order Direct Selling in Canada, 1983 (63-218, \$4.75), or contact the Retail Trade Section (613-990 9665 — telex 053-5585), Merchandising and Services Division.

Motor Carrier Freight

During the 1983 reference period, 3,060 Canadian for-hire trucking firms (excluding household goods movers) participated in the Motor Carrier Freight (MCF) survey.

Of the carriers surveyed, 332 were not participants in the 1982 MCF survey. These carriers earned an estimated \$63.1 million in total operating revenues, incurred \$55.2 million in total operating expenses, employed 727 workers and utilized 1,247 pieces of equipment.

The remaining 2,728 carriers were represented in the 1982 MCF survey, and comprised 67.9% of all carriers surveyed at that time. A comparison of 1982 and 1983 results for these carriers shows that total operating revenues increased 9.7% to \$2,467 million, while total operating expenses rose 8.5% to \$2,341 million. During the period, the number of employees grew 3.3% to 35,945 and the total equipment inventory increased 3.7% to 58,680 items.

Among the for-hire trucking firms reporting to the 1983 Motor Carrier Freight survey, the estimated total operating revenues ranged between \$6.0 and \$6.3 billion, while the total operating expenses were between \$5.8 and \$6.0 billion. Compared to 1982 figures, this represents an increase of between 8% and 13% for revenues and 7% and 11% for expenses.

The operating ratio is estimated at 0.96. This represents an improvement of 0.975 over the 1982 ratio and the best result under that criteria since 1979 when the ratio stood at 0.958.

Contact Yvan Deslauriers, Head, Surface Transport Unit (613-990-8700), Transportation and Communications Division.

they enrolled. Data are also given on course providers, funding, and length of course. A special section looks at official language training.

Contact the Projections and Analysis Section, Education, Culture and Tourism Division of Statistics Canada (613-990-9165) or the Education Support Branch, Department of the Secretary of State.



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PUBLICATIONS RELEASED DECEMBER 21 — JANUARY 3

	Cata- logue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
AGRICULTURE STATISTICS			
Cereals and oilseeds review, October 1984	22-007	\$2.75/\$27.50	\$3.30/\$33
Fruit and vegetable production, December 1984	22-003	\$2.75/\$27.50	\$3.30/\$33
Index numbers of farm prices of agricultural products, October 1984	62-003	\$1.60/\$16	\$1.90/\$19
BALANCE OF PAYMENTS			
Security transactions with non-residents, September 1984	67-002	\$2.75/\$27.50	\$3.30/\$33
BUSINESS FINANCE			
Cheques cashed, October 1984	61-001	\$1.60/\$16	\$1.90/\$19
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Capacity utilization rates in Canadian manufacturing, Third quarter 1984	31-003	\$5.55/\$22.20	\$6.65/\$26.60
DEMOGRAPHY			
Quarterly estimates of population for Canada, the provinces and the territories, July 1984	91-001	\$2.75/\$11	\$3.30/\$13.20
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Educational staff of community colleges and vocational schools, 1982-83	81-254	\$7.75	\$9.30
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Service Bulletin:			
Travel log, Vol. 3, No. 3, Canadian travel survey results, First quarter 1984	87-003	\$1.55/\$6.65	\$1.90/\$8
EXTERNAL TRADE			
Summary of external trade, October 1984	65-001	\$3.30/\$33	\$3.95/\$39.50
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Vital statistics — Quarterly, July-September 1984	84-001	\$2.75/\$11	\$3.30/\$13.20
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Gross domestic product by industry, September 1984	61-005	\$3.85/\$38.50	\$4.60/\$46
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International travel — Advance information, October 1984	66-002	\$1.60/\$16	\$1.90/\$19
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Homicide in Canada, 1982	85-209	\$8.85	\$10.60
LABOUR			
Quarterly estimates of trustee pension funds, Second quarter 1984	74-001	\$2.75/\$11	\$3.30/\$13.20
MANUFACTURING AND PRIMARY INDUSTRIES			
Canned and frozen fruits and vegetables, October 1984	32-011	\$1.60/\$16	\$1.90/\$19
Construction type plywood, October 1984	35-001	\$1.60/\$16	\$1.90/\$19
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Mineral wool including fibrous glass insulation, November 1984	44-004	\$1.60/\$16	\$1.90/\$19
Monthly production of soft drinks, November 1984	32-001	\$1.60/\$16	\$1.90/\$19
Particleboard, waferboard and hardboard, October 1984	36-003	\$1.60/\$16	\$1.90/\$19
Production and disposition of tobacco products, November 1984	32-022	\$1.60/\$16	\$1.90/\$19
Production and inventories of process cheese and instant skim milk powder, November 1984	32-024	\$1.60/\$16	\$1.90/\$19
Production and shipments of floor tiles, November 1984	47-001	\$1.60/\$16	\$1.90/\$19
Production and shipments of steel pipe, tubing and fittings, October 1984	41-011	\$1.60/\$16	\$1.90/\$19
Pulpwood and wood residue statistics, October 1984	25-001	\$1.60/\$16	\$1.90/\$19
Quarterly report on energy supply-demand in Canada, 1984-1	57-003	\$8.35/\$33.40	\$10/\$40.05
Refined petroleum products, September 1984	45-004	\$3.85/\$38.50	\$4.60/\$46
MERCHANDISING AND SERVICES			
New motor vehicle sales, October 1984	63-007	\$2.75/\$27.50	\$3.30/\$33
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