Catalogue 11-002E (Français 11-002F) ISSN 0380-0547 Price: Canada, $27.75 a year/Other Countries, $33.30 a year

Statistics Canada Statistique Canada

informat Weekly Bulletin

May 3, 1985

Leading Indicator

The leading indicator declined 0.5% in January, its sixth straight monthly decrease since reaching a peak last July. Six of the indicator's 10 components were down in January, although only marginally in three cases. The non-filtered index was practically unchanged in December and January (-0.3% and +0.1% respectively), signalling little change in the prospects for moderate rates of economic growth.

The size of the drop in the filtered data was more modest in January because of a slower decline in the housing component which, together with the proxy of profit margins had led the reduction of the indicator in November and December. Motor vehicle sales and orders for durable goods, as well as the Toronto Stock Exchange index, maintained their upward trend.

Sales of new motor vehicles continued to firm in January (+2.6%). Preliminary data indicate a stabilization of sales at these higher levels in February and March, which will help to maintain the growth of outlays on durable goods into the first quarter of 1985. In contrast to sales of cars, sales of furniture and appliances were reversed in January (-0.8%), when the incentive program that allowed RHOSP funds to be used to purchase these items expired. The composite index of residential construction, which has been weakening gradually since mid-1983, followed a similar trend (-1.3%). A cautious response of service-producing firms in the first quarter was consistent with this hesitancy of demand, as there was a movement from full-time employment to part-time employment throughout the quarter in these industries.

Another increase in shipments pushed up the ratio of shipments to stocks of finished goods for the second month in a row (+0.01), as stock accumulation continued to be cut back. The steady growth in shipments paralleled firming of new orders for durable goods (+1.3%), which in turn followed an increase in demand in a number of categories of durable goods in the fourth quarter. The average workweek in manufacturing declined marginally again in January (-0.1%). The reduction in inventory accumulation in December and January followed a six-month downturn in the proxy of profit margins (-0.2% in January), which

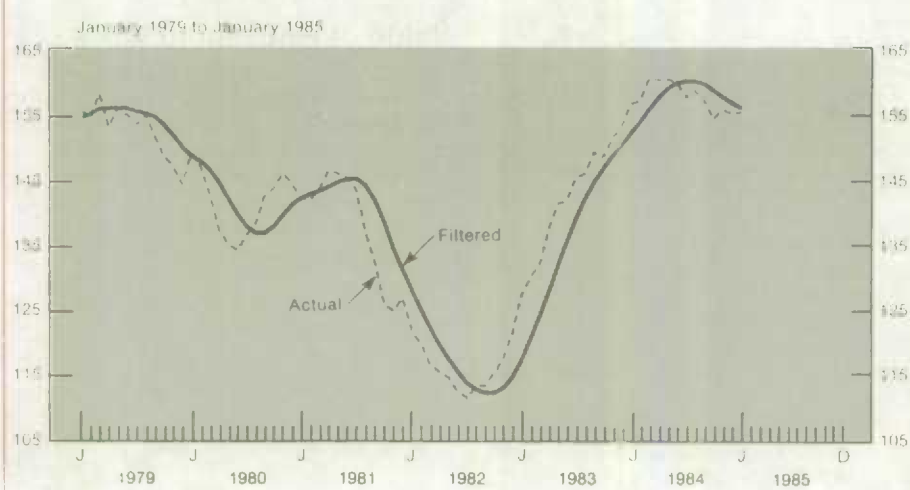
(continued on page 2, col. 1)

LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings ($)	Feb.*	412.87	411.53	3.6
Labour Income ($ million)	Jan.	19,569.8	19,716.7	6.5
Persons with Jobs (million)	Mar.	10.86	10.77	2.5
Unemployed	Mar.	1,546,000	1,455,000	0.3
INVENTORIES				
Department Store ($ million)	Feb.	2,970.2	3,014.1	-5.6
Manufacturers' Owned ($ million)	Feb.	33,647.5	33,625.4	5.7
ORDERS				
Manufacturers' New Orders ($ million)	Feb.	18,247.1	18,650.0	0.6
Manufacturers' Unfilled Orders ($ million)	Feb.	22,156.0	22,190.3	4.5
PRICES				
Consumer Price Index (1981=100)	Mar.	125.7	125.4	3.7
New House Price Index (1981=100)	Mar.*	95.2	95.0	-0.1
Raw Materials Price Index (1977=100)	Mar.*	222.9	222.4	2.2
Excl. coal, crude oil, nat. gas	Mar.*	158.2	157.6	-3.8
Industry Selling Price Index (1971=100)	Mar.*	317.5	316.4	2.9
CONSTRUCTION			**Year-to-date**	
Building Permits ($ million)	Feb.*	779.1	*1,553.8*	*3.0*
Housing Starts — Urban Centres (units)	Feb.	6,262	*13,924*	*-9.3*
ENERGY				
Coal Production (thousand tonnes)	Dec.	5,008	*57,428*	*28.2*
Electricity Generation (terawatt hours)	Dec.	40.9	*424.6*	*7.4*
Natural Gas Production (million cubic metres)	Dec.	9,772	*89,865*	*7.9*
Petroleum Refining (million cubic metres)	Dec.	7.7	*87.6*	*1.5*
FOREIGN TRADE				
Exports — Balance of Payments Basis ($ million)	Feb.	9,073	*18,171*	*9.1*
Imports — Balance of Payments Basis ($ million)	Feb.	7,637	*15,321*	*11.2*
PRODUCTION				
Railway Carloadings (million tonnes)	Feb.*	17.2	*35.6*	*0.1*
Steel Ingots — thousand tonnes)	Feb.	1,150	*2,298*	*-5.6*
SALES				
Department Store Sales ($ million)	Feb.	647.1	*1,339.7*	*2.4*
Manufacturers' Shipments ($ million)	Feb.	18,281.4	*36,538.4*	*5.2*
New Motor Vehicle Sales ($ million)	Feb.	1,214.7	*2,355.4*	*15.2*
Retail Sales ($ million)	Feb.	8,291.0	*16,815.9*	*8.5*

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 Indicators (13-005)

Canada

. . . Leading Indicator

persisted despite a deceleration of unit labour costs since December, as price increases have been restrained

The leading indicator for the United States was little changed in January (-0.04%), after posting six consecutive monthly declines. This levelling-off reflects a balance between the number of components posting increases and decreases, which in many cases were marginal. The more substantial gains recorded by the financial market indicators (the money supply and the stock exchange index) were offset by decreases in orders for investment goods and the change in manufacturing inventories. The indicators of household demand (the index of building permits and new orders for consumer goods), which had been falling in tandem for six months, turned upward for the first time in January in the filtered version; the non-filtered version has pointed to a firming since November.

Financial market indicators continued to firm in January: the Toronto Stock Exchange index posted its fifth consecutive gain (3.4%), while the decline in the real money supply (M1) continued to ease (-0.1%). This firming accompanied a further drop in interest rates in the month, which was subsequently reversed in February and March.

Order the April 1985 issue of Current Economic Indicators *(13-005, $10/$100), or contact D. Rhoades (613-990-9161), Econometric Analysis Division.*

Employment and Earnings

The preliminary estimates of employment for the Canada industrial aggregate increased by 0.5% from January to February 1985. All industry divisions contributed to the increase except forestry, transportation, communication and other utilities and trade. All provinces and territories reported increases, with the exception of Manitoba which recorded a small decrease.

Average weekly earnings at the Canada, industrial aggregate level, showed a small increase (0.3%) rising from $411.53 in January to $412.87 in February. All industry divisions increased except trade. The provinces having the greatest impact on the average weekly earnings were Quebec and Ontario. Small decreases were registered in Saskatchewan, Alberta and British Columbia.

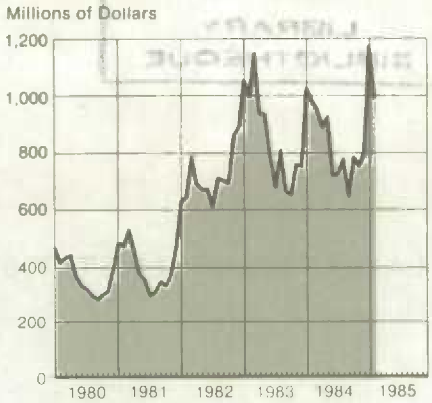
Order the February 1985 issue of Employment, Earnings and Hours *(72-002), or contact the Labour Division (613-990-9900).*

Wool Production

Wool production in Canada in 1984 is estimated at 3,055,100 pounds, virtually unchanged from the 1983 figure, of 3,042,600 pounds. Imports of wool in 1984 totalled 27,150,000 pounds, a decrease of 2% from 1983. Exports increased 5% to 2,454,000 pounds.

Order the 1984 issue of Wool Production and Supply *(23-205, $15), or contact B. Rosien (613-990-8714), Agriculture/Natural Resources Division.*

Unemployment Insurance Commission Benefit Payments



Source: **Statistics Canada,** Statistical Report on the Operation of the Unemployment Insurance Act (73-001)

Unemployment Insurance

Unemployment insurance benefits paid to claimants during February 1985 totalled $989 million, down 15.7% from a month earlier, but up 0.7% from February 1984. For the first two months of 1985, $2,162 have been disbursed, this is 7.7% more than was paid out during the same period last year.

During the month of February almost 238,000 claims for unemployment insurance benefits were received, declining by 39.4% from a month earlier and by 6.0% from February 1984. The year-to-date total of claims received for 1985 stood at 631,000, a decrease of 1.6% as compared with the same period last year.

The number of beneficiaries for the week ending February 16, 1985 stood at 1.39 million, a level that differed only slightly from the previous month (+0.3%) and February 1984 (-0.2%).

For February 1985, the number of beneficiaries receiving regular benefits, adjusted for seasonal variation, decreased by 0.9% to 1.06 million.

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

Value of Household Work

A study entitled *The Value of Household Work in Canada, 1981* released in the *Canadian Statistical Review* provides dollar estimates of the value of unpaid household work in 1981. Highlights of the 1981 study include:

- The value of non-market household work in Canada was estimated at $121 billion; and
- Compared to the 1981 Gross National Product of $339 billion, this estimate represents 35.7% of market production, down 40.9% from the figure recorded in 1971.

Order the March 1985 issue of Canadian Statistical Review *(11-003E, Canada: $30/$300) or contact Janet Swinamer (613-990-9151), Gross National Product Division.*

Building Permits

The seasonally adjusted value of building permits issued by Canadian municipalities in February decreased 5.8% to $1,220.6 million from $1,295.4 million in January. The decrease of intentions recorded in the non-residential sector is entirely responsible for the drop of the Building Permit values. Nevertheless, this sharp retreat must be interpreted as a temporary situation rather than a trend for the year 1985. Presently, building permits for major projects already publicized have been delayed or issued in part only. Consequently, intentions in the non-residential sector should intensify in the following months.

The seasonally adjusted value of residential construction was almost unchanged in February, increasing slightly (0.3%) to $669.4 million; the level of intentions in January totalled $667.7 million. The situation of levelling-off occurring in the residential sector results from a decrease in the single dwelling sector and an increase in the multi-family sector. On a seasonally adjusted basis, 10,571 units were approved in February compared to 10,357 units in January. This represented an increase of 2.1%. Translated into annual terms, these approvals represent 126,900 units in February and 124,300 units in January. The Atlantic provinces, Quebec and Ontario increased their level of residential intentions in February.

The seasonally adjusted value of non-residential building permits slipped 12.2% in February to a level of $551.2 million. The industrial sector fell 48.5% while the commercial sector decreased slightly (-1.1%). The governmental sector recorded a moderate 6.1% increase. In all provinces with the exception of British Columbia, the level of intentions dropped in February.

Order the February issue of Building Permits *(64-001, $20/$200), or contact G. Lemay (613-990-9689), Science, Technology and Capital Stock Division.*

infomat
Weekly Bulletin

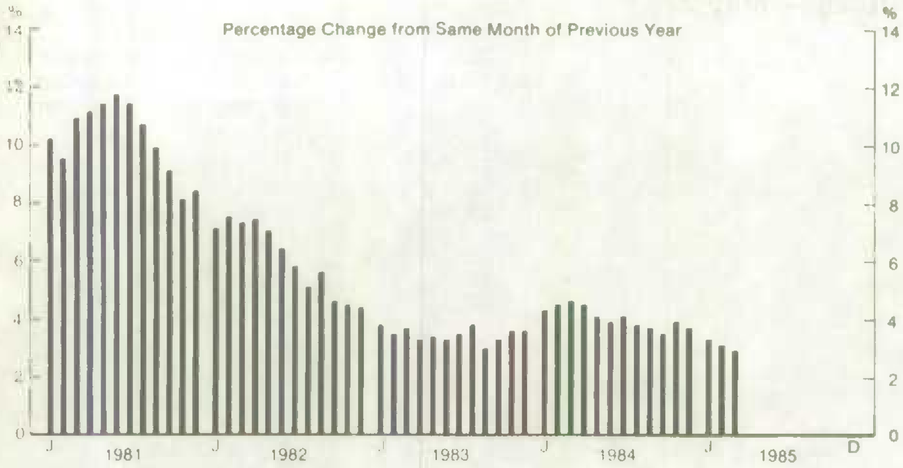
Published by the Communications Division Statistics Canada

Senior Editor: Vicki Crompton (613-993-6971)

Editor: Lyne Belanger Pare (613-993-6971), R.H. Coats Building, Tunney's Pasture, Ottawa K1A 0T6

Catalogue 11-002E. Price: Canada, $27.75 a year; other countries, $33.30 a year. To subscribe: send money order or cheque payable to the Receiver General for Canada to Publication Sales and Services, Statistics Canada, Ottawa K1A 0T6.

Industry Selling Price Index: Manufacturing (1971=100)



Source: **Statistics Canada**, Industry Price Indexes (62-011)

Industry Selling Price Index

Preliminary estimates show that the Industry Selling Price Index for manufacturing (1971=100) stood at 317.5 in March 1985, up 0.3% from the revised level of 316.4 for February. With this increase, the year-over-year advance, calculated by comparing the level for March 1985 with the level for March 1984, fell to 2.9%, maintaining the downward trend that began in December 1984. This annual rate of increase is the lowest since July 1971.

The monthly change was almost entirely due to a 3.4% drop in the value of the Canadian dollar relative to its US counterpart. In fact, when the effects of the dollar's depreciation are excluded, the ISPI shows virtually no change for the month. Any depreciation in the Canadian dollar automatically increases the Canadian-dollar value (measured by the ISPI) of goods priced in US dollars. The decline in the dollar had the greatest effect on the price indexes of the wood (1.1%), primary metals (0.8%) and paper and allied industries (1.3%). A rise in the food and beverage index (0.3%) also contributed to the movement of the overall index, while a drop in the petroleum and coal products index (-0.7%) had a moderating effect.

In March 1985, the proportion of industry indexes that posted increases (58.3%) was slightly higher than the average for the previous six months (54.5%). The proportion of indexes showing no change stood at 28.4%, up from the average of 20.3% for the preceding six months. The percentage of indexes that registered declines (13.4%) was far below the average for the preceding six months (25.2%). It is worth noting that, were it not for the effect of the Canadian dollar's depreciation, almost one-quarter of the industry indexes which posted gains would have recorded declines or no change.

Order the March 1985 issue of Industry Price Indexes *(62-011, $15/$150), or contact the Prices Division (613-990-9606).*

Raw Materials Price Index

The Raw Materials Price Index rose to a preliminary level of 222.9 (1977=100) in March 1985, up 0.2% from the revised February level of 222.4. The increase brings the index 2.2% above its level of March 1984. The Raw Materials Price Index, excluding coal, crude oil, and natural gas increased 0.4%. Compared to one year ago, the index has decreased 3.8%. The year-to-year movement for this index has generally declined since July of last year. Of the eight RMPI components for which indexes are calculated, six showed increases, one declined and one was unchanged. The main contributors to the monthly movement were vegetable products (+1.5%), wood (+1.3%) and coal, crude oil, and natural gas (+0.1%). Slightly offsetting these price increases was a decline of 0.6% in the animal and animal products component.

Order the March 1985 issue of Industry Price Indexes *(62-011, $15/$150), or contact Prices Division (613-990-9606).*

Union Wage Rate

The Canada total Union Wage Rate Index for construction trades (including supplements) registered no change between February and March 1985, remaining at a level of 127.7. On a year-over-year basis, the Canada total index rose 0.4%.

Order Construction Price Statistics *(62-007, $3.30/$33), or contact Prices Division (613-990-9601).*

An Indicator of Excellence in Canadian Science

The publication entitled ***An Indicator of Excellence in Canadian Science*** is one of a series of background papers on science and technology indicators. It presents a methodology for evaluating Canada's contribution to world science through the number and relative influence of articles written by Canadian researchers.

Order An Indicator of Excellence in Canadian Science, *(88-501E, $40), or contact Humphrey Stead (613-990-9919), Science and Technology Statistics Division.*

New Housing Price Indexes

The New Housing Index (1981=100) for Canada stood at 95.2 in March, up 0.2% from its February level of 95.0. This index of Canadian housing contractors' selling prices now stands 0.1% below the year-earlier level of 95.3. Between February 1985 and March 1985, the estimated House Only Index increased 0.2% to 97.9, and the estimated Land Only Index also increased by 0.2% to 90.8.

Order the first quarter 1985 issue of Construction Price Statistics *(62-007, $15/$60), or contact Prices Division (613-990-9601).*

Construction Building Material

Residential Construction

The price index for residential construction building materials rose to 117.9 in March, up 0.1% from the revised February level of 117.8. This index now stands 2.6% higher than its year-ago level of 114.9.

Between February and March 1985, increases were noted in three of the four components. Increases of 0.2% occurred for structural materials and mechanical materials, followed by architectural materials (+0.1%). Electrical materials were unchanged. The most significant price increases were noted for particle board and ready-mix concrete in structural materials; copper pipe and fittings in mechanical materials; and gypsum wall board and plywood in architectural materials.

Between March 1984 and March 1985, the largest year-over-year price increase was recorded for mechanical materials (+5.6%), followed by architectural materials (+4.1%) and electrical materials (+2.3%). A decrease was registered for structural materials (-2.8%).

Non-residential Construction

The Construction Building Material Price Index (non-residential) rose to 117.7 in March, up 0.1% from the revised February level of 117.6. This index of non-residential building material prices now stands 2.8% higher than its year-ago level of 114.5.

Between February and March 1985, increases were noted for two of the four components. The largest increase was reported for mechanical materials (+0.2%) followed by structural materials (+0.1%). Electrical materials were unchanged while a decrease was registered for architectural materials (-0.1%). The main contributors to price increases were air conditioning equipment in mechanical materials and ready-mix concrete in structural materials. The decline in the architectural component was mainly attributable to a price decrease for polyethylene film sheets.

Between March 1984 and March 1985, the largest year-over-year increase was recorded for mechanical materials (+5.3%), followed by architectural materials (+3.0%), electrical materials (+2.6%) and structural materials (+1.0%).

Order the first quarter 1985 issue of Construction Price Statistics *(62-007, $15/$60), or contact Prices Division (613-990-9601).*

PUBLICATIONS RELEASED APRIL 26 — May 2

	Catalogue No.	In Canada: Price per issue/year	Elsewhere: Price per issue/year
AGRICULTURE STATISTICS			
Cereals and oilseeds review. February 1985	22-007	$10/$100	$11/$110
Field crop reporting series. March 1985	22-002	$7/$48	$8/$54
Stocks of fruit and vegetables. March 1. 1985	32-010	$8/$80	$9/$90
Wool production and supply. 1984	23-205	$15	$16
BUSINESS FINANCE			
Financial institutions, Financial statistics. Fourth Quarter 1984	61-006	$40/$160	$41.50/$166
CANSIM			
Canadian statistical review. March 1985	11-003E	$30/$300	$31/$310
CONSTRUCTION			
Service bulletin:			
Construction statistiics, Vol. 8, No. 3, Building construction activity in metropolitan areas	64-003	$5/$30	$6/$36
EDUCATION, CULTURE AND TOURISM			
Salaries and salary scales of full-time teaching staff at Canadian universities, 1982-83	81-258	$15	$16
EXTERNAL TRADE			
Exports by commodities. February 1985	65-004	$50/$500	$60/$600
Summary of Canadian international trade. February 1985	65-001	$15/$150	$16/$160
INTERNATIONAL AND FINANCIAL ECONOMICS			
Security transactions with non-residents. January 1985	67-002	$15/$150	$16/$160
LABOUR			
Preliminary unemployment insurance statistics. January 1985	73-001P	free	free
MANUFACTURING AND PRIMARY INDUSTRIES			
Canned and frozen fruits and vegetables. February 1985	32-011	$4/$40	$5/$50
Capacity utilization rates in Canadian manufacturing. Fourth Quarter 1984	31-003	$20/$80	$21/$84
Electric power statistics. January 1985	57-001	$8/$80	$9/$90
Factory sales of electric storage batteries. February 1985	43-005	$4/$40	$5/$50
Factory shipments of high pressure decorative laminate sheet. Quarter ended March 1985	47-005	$10/$40	$11/$44
Footwear statistics. February 1985	33-002	$4/$40	$5/$50
Monthly production of soft drinks. March 1985	32-001	$4/$40	$5/$50
Oils and fats. February 1985	32-006	$4/$40	$5/$50
Particleboard, waferboard and hardboard. February 1985	36-003	$4/$40	$5/$50
Production and inventories of process cheese and instant skim milk powder. March 1985	32-024	$4/$40	$5/$50
Production and sales of phonograph records and pre-recorded tapes in Canada. February 1985	47-004	$4/$40	$5/$50
Production and shipments of steel pipe, tubing and fittings. February 1985	41-011	$4/$40	$5/$50
Specified domestic electrical appliances. February 1985	43-003	$4/$40	$5/$50
MERCHANDISING AND SERVICES			
Merchandising inventories. January 1985	63-014	$12/$120	$13/$130
Retail trade. February 1985	63-005	$14/$140	$15/$150
PRICES			
Construction price statistics. February 1985	62-007	$15/$60	$16/$64
SCIENCE AND TECHNOLOGY			
An indicator of excellence in Canadian science	88-501E	$40	$41.50
TRANSPORTATION AND COMMUNICATIONS			
Railway operating statistics. October 1984	52-003	$9.50/$95	$10.50/$105
Urban transit. February 1985	53-003	$6.50/$65	$7.50/$75

These publications can be purchased by writing to Publication Sales and Services, Room 1710, Main Building, Statistics Canada, Ottawa K1A 0T6. Please enclose cheque or money order payable to the Receiver General for Canada and provide full information on publications required (number, title, issue).

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.

7-1400-503