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Weekly Bulletin

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Inventories, Shipments and Orders

Highlights

- Preliminary estimates show the seasonally adjusted value of shipments in all Canadian manufacturing industries increased 1.1% to \$19,960.5 million in May from the revised level of \$19,736.6 million in April.

- Seasonally adjusted inventories owned by manufacturers at the end of May were \$33,540.4 million, up 0.1% from the previous month's revised value of \$33,496.5 million.

- The ratio of seasonally adjusted total inventory owned to seasonally adjusted shipments went from 1.70:1 in April to 1.68:1 in May.

- The value of new orders received in May, seasonally adjusted, increased 3.1% to \$20,092.6 million from the revised April estimate of \$19,484.4 million.

- The seasonally adjusted unfilled orders backlog at the end of May was \$22,173.7 million, up 0.6% from the revised April estimate of \$22,041.6 million.

- Not adjusted for seasonal variation, manufacturers' shipments in May 1985 were estimated at \$21,254.8 million, 6.1% higher than the revised April value of \$20,026.8 million. Cumulative shipments for the first five months of 1985, at an estimated \$98,160.8 million, were up 6.2% from the \$92,469.0 million estimated for the same period in 1984.

Order the May 1985 issue of *Inventories, Shipments and Orders in Manufacturing Industries* (31-001, \$15/\$150), or contact J. Lepage (613-990-9832), Industry Division.

Composite Leading Indicator

The Composite Leading Index edged down by 0.2% to a level of 155.3 in April. The rate of decline was the same as in March, and brought the cumulative decline since July 1984 to 2.9%. The non-filtered index dropped by 0.7% in April. The weakness in the overall index remained concentrated in the proxy of profit margins and to a lesser extent in the real money supply. Household demand for housing and motor vehicles strengthened in April, while the indicators of manufacturing demand remained sluggish. In total, the index signals little change in the prospect for continued modest growth in the short-term.

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

LATEST MONTHLY STATISTICS

EMPLOYMENT, INCOME

			Previous Month	% Change From Year Ago
Average Weekly Earnings(\$)	Apr.	416.54	413.99	4.2
Labour Income (\$ million)	Apr.	20,026.5	19,817.9	6.8
Persons with Jobs (million)	June	11.62	11.41	2.7
Unemployed	June	1,293,000	1,329,000	-5.1

INVENTORIES

Department Store (\$ million)	May*	3,517.4	3,540.7	5.4
Manufacturers' Owned (\$ million)	May*	33,765.4	34,032.0	3.6

ORDERS

Manufacturers' New Orders (\$ million)	May*	21,439.9	19,971.0	5.4
Manufacturers' Unfilled Orders (\$ million)	May*	22,588.1	22,403.1	2.3

PRICES

Consumer Price Index (1981 = 100)	May	126.5	126.2	3.9
New House Price Index (1981 = 100)	May	95.2	95.3	-0.3
Raw Materials Price Index (1977 = 100)	May	222.5	222.7	2.1
Excl. coal, crude oil, nat. gas	May	158.0	158.5	-3.6
Industry Selling Price Index (1971 = 100)	May	318.8	318.1	2.6

CONSTRUCTION

			Year-to-date	
Building Permits (\$ million)	Apr.	1,768.6	4,646.3	12.8
Housing Starts - Urban Centres (units)	May	14,340	47,055	11.8

ENERGY

Coal Production (thousand tonnes)	Mar.	5 592	15 951	14.6
Electricity Generation (terawatt hours)	Mar.	40 766	123 353	5.9
Natural Gas Production (million cubic metres)	Mar.	8 962	28 248	12.5
Petroleum Refining (thousand cubic metres)	Mar.	6 960	20 407	-10.5

FOREIGN TRADE

Exports - Balance of Payments Basis (\$ million)	May	10,786	49,932	10.6
Imports - Balance of Payments Basis (\$ million)	May	8,955	41,673	9.2

PRODUCTION

Railway Carloadings (million tonnes)	May	22.0	98.2	1.4
Steel (ingots - thousand tonnes)	June*	1 240	7 279	-4.0

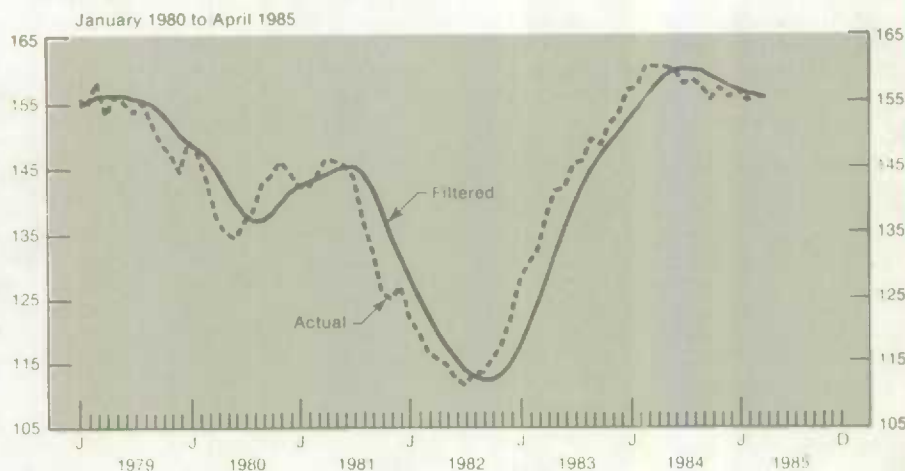
SALES

Department Store Sales (\$ million)	May*	990.6	4,080.3	4.9
Manufacturers' Shipments (\$ million)	May*	21,254.8	98,160.8	6.2
New Motor Vehicle Sales (\$ million)	May	2,007.1	8,134.6	20.9
Retail Sales (\$ million)	May*	11,565.1	48,966.9	10.2

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

Building Construction Activity

The leading indicator of building construction activity in Canada (1981=100) increased in March for a third consecutive month to 75.6, up 2.0% from the previous month. Both residential and non-residential sectors contributed to this rise.

The filtered index of residential construction bounced up 3.2% in March to 77.2, after recording a marginal increase last month. Construction of dwellings was positively influenced by the continuing decrease in interest rates. The strengthening of construction intentions occurred in both single and multi-family building sectors. The trend-cycle of residential building permits issued showed an upward movement in Ontario and the Atlantic provinces.

The filtered index of non-residential construction (excluding engineering projects) increased slightly (1.0%) in March from the previous month to 74.0. After dropping to a level of 52.5 in March 1983, this index has steadily recovered and is closely approaching pre-recession levels. Moreover, permits issued in part for several major projects, which were announced earlier this year, should maintain the upward movement of the index in the coming months. The industrial (+3.4%) and public (+3.1%) sectors registered gains in March while commercial (-0.8%) stayed almost at the same level. The trend-cycle of non-residential permits issued indicated increases in all regions except in the prairies, where the situation levelled-off.

Order the April 1985 issue of **Building Permits (64-001, \$20/\$200)**, or contact Lizette Gervais-Simard (613-990-9689), Science, Technology and Capital Stock Division.

Flows into Unemployment

Since May 1978, the Labour Force Survey has published estimates of "flows into unemployment". These estimates divide unemployed persons into groups according to their labour market situation immediately prior to becoming unemployed. Four types of unemployed persons, are distinguished: job losers, job leavers, re-entrants to the labour force and new entrants to the labour force. In addition, re-entrants are divided into those who worked in the past 12 months and those who last worked more than one year ago.

An article in the June 1985 issue of **The Labour Force**, entitled "Flows into Unemployment: Entrants and Re-entrants", examines these two components over the 1978 to 1984 period.

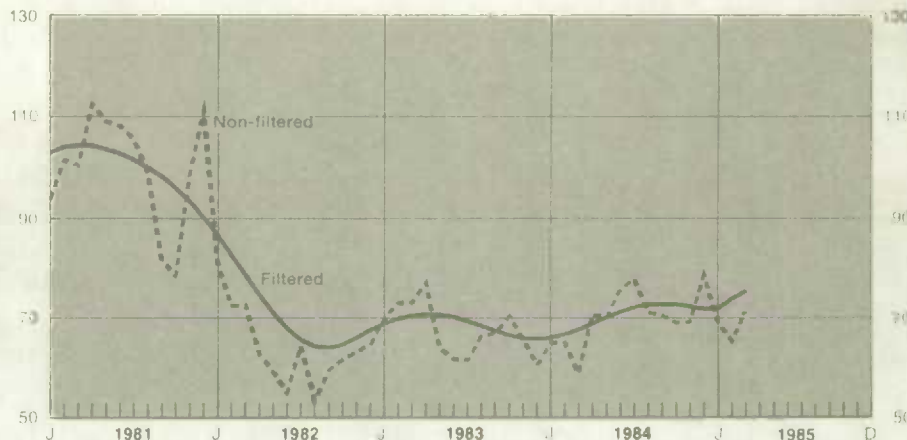
Some of the article's highlights include:

- In 1984, new entrants accounted for 4.8% of the total unemployed, compared to 5.8% in 1978, while the corresponding figures for re-entrants were 22.5% and 22.8%;
- 15 to 19-year olds accounted for the vast majority (73%) of new entrants in 1984;
- Among short-term re-entrants 25 years and over, women predominate: from 1978 to 1984, approximately 65 to 70% of short-term re-entrants in this age group were female.

Order the June 1985 issue of **The Labour Force (71-001, \$20/\$200)**, or contact Georges Lemaitre (613-990-9800), Census and Household Survey Methods Division.

Indexes of Construction Activity in Canada

1981=100



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

Department Store Sales and Stocks

Unadjusted Sales

Department stores in Canada reported sales totalling \$990.6 million in May 1985, up 6.5% from the May 1984 level. Sales were higher in 27 of the 40 departments, with the largest increases reported in women's and misses' dresses, housedresses, aprons and uniforms (+30.0%), hardware, paints and wallpaper (+24.7%) and women's and misses' sportswear (+18.9%). The most notable decreases were recorded in furs (-22.0%), lamps, pictures, mirrors and all other home furnishings (-15.0%) and gasoline, oil, auto accessories, repairs and supplies (-14.2%).

Sales by major department stores in May 1985 reached \$594.1 million, up 2.9% from the corresponding month a year earlier, while junior department stores had sales of \$396.5 million, up 12.4% over the same period in 1984.

Seasonally Adjusted Sales

Adjusted for seasonal variations and the number of trading days, total department store sales in May 1985 increased 0.8% to \$995.5 million from the revised April 1985 level of \$987.7 million. Among the 26 departments recording higher sales, the largest gains were reported in piece goods (+10.2%), women's and misses' dresses, housedresses, aprons and uniforms (+9.9%) and floor coverings (+8.1%). The most notable decreases were recorded in furs (-50.2%), television, radio and music (-12.7%) and lamps, pictures, mirrors and all other home furnishings (-10.4%).

Stocks

The unadjusted selling value of inventories held by department stores in May 1985 was \$3,517.4 million, up 5.4% from the corresponding month a year earlier. Seasonally adjusted department store stocks totalled \$3,467.5 million in May 1985, up 2.6% from the previous month's revised value of \$3,380.8 million.

Order the May 1985 issue of **Department Store Sales and Stocks (63-002, \$13/\$130)**, or contact Michael Kwilecki (613-990-9665), Industry Division.

Retail Chain and Department Stores

Retail chain organizations in Canada had sales totalling \$35.4 billion in 1983, up 8.4% over the 1982 revised figure of \$32.7 billion. Department store organizations recorded an increase of 7.0% in annual sales, totalling \$11 billion in 1983.

The number of chain organizations in Canada increased by 144 to total 1,145 in 1983. The maximum number of chain store outlets operating during the year rose by 1,108 to 28,202 stores. Department store organizations decreased by one to total 24 firms, with the maximum number of outlets operating during the year also having decreased by one to total 809 stores in 1983.

Order **Retail Chain and Department Stores, 1983 (63-210, \$25)**, or contact Gilles Couturier (613-990-9665), Industry Division.

Local Government

Employment in the local government (including hospitals, local school boards and government enterprises) numbered 859,066 as of March 1985, an overall increase of 2,366 (0.3%) from March 1984. General government employees (including hospitals and local school boards) increased by 1,953 (0.2%) from the 811,010 reported in March 1984, and those in government enterprises (including electric power, public transit, telephone and gas distribution systems) increased by 413 (0.9%) from the 45,690 reported in March 1984.

Employment in local government services totalled 288,753 in March 1985, a decrease of 3,693 (-1.3%) from March 1984. The number of employees of the newly introduced hospitals category reached 58,357 in March 1985, while local school boards recorded 465,853 employees.

Order the January-March 1985 issue of **Local Government Employment (72-009, \$12/\$48)**, or contact M. Fathy (613-990-8305), Public Institutions Division.

Retail Trade

Unadjusted Sales

Preliminary estimates of total retail trade for May 1985 show an increase of 12.6% over the same month last year, totalling \$1,565.1 million in current dollars (not adjusted for inflation). All types of businesses surveyed reported increased sales in May 1985 as compared to May 1984, with the exception of florists whose sales decreased by 1.8%. The most notable increases were reported for car dealers (+28.2%), household appliance stores (+23.6%) and motor vehicle dealers (+22.3%).

All provinces and territories reported sales increases in May 1985 over the corresponding month in 1984, with gains ranging from 6.6% in New Brunswick to 17.2% in Manitoba.

Cumulative retail sales for the first five months of 1985 totalled \$48,966.9 million, up 10.2% over the same period a year earlier.

Seasonally Adjusted Sales

Adjusted for seasonal fluctuations, holidays and the number of trading days, retail sales totalled \$10,507.4 million in current dollars in May 1985, an increase of 0.1% over the preceding month's revised total of \$10,496.5 million. The largest sales increases were recorded for: used car dealers (+3.4%); men's clothing stores (+3.3%); family shoe stores (+3.1%) and all other stores (+3.1%). The most notable decreases were reported for: florists (-4.3%); household appliance stores (-3.4%); grocery, confectionery and sundries stores (-2.4%) and motor vehicle dealers (-2.4%).

Lower sales were reported in the Yukon and Northwest Territories (-1.4%), Newfoundland (-1.0%) and in both Quebec and British Columbia (-0.2%) in May 1985 compared to April 1985; the remaining regions, except Ontario where sales remained unchanged, recorded higher sales with increases ranging from 0.2% in Prince Edward Island to 1.5% in Manitoba.

Order the May 1985 issue of *Retail Trade* (63-005, \$14/\$140), or contact Lina Di Pietro (613-990-9665), Industry Division.

Security Transactions

Foreign investment in outstanding Canadian securities produced a net capital inflow of \$337 million in May, slightly higher than in April. Net sales to non-residents of outstanding Canadian bonds amounted to \$208 million, some \$50 million less than the previous month, while net sales of Canadian equities rose by nearly \$100 million to \$129 million. The investment in Canadian bonds came principally from United States and Japanese investors. The value of gross trading activity in Canadian bonds rose by a quarter to a record \$3.0 billion in May.

Residents of Canada reduced their investments in foreign securities by \$129 million in May, largely reflecting a reduction in holdings of United States equities.

Order the May 1985 issue of *Security Transactions with Non-residents* (67-002, \$15/\$150), or contact J. Motala (613-990-9051), International and Financial Economics Division.

Farm Cash Receipts

Farm cash receipts for the period January-May 1985 reached an estimated \$8,528.6 million, up 5.0% from the revised January-May 1984 estimate of \$8,118.9 million.

Receipts from the sale of field crops were estimated at \$4,338.4 million, an increase of 8.8% over last year's estimate of \$3,986.8 million. Contributing to the increase in crop receipts were Western Grain Stabilization payments totalling \$449.7 million in April 1985. Canadian Wheat Board payments, and receipts from the sales of flaxseed and corn were also higher. Receipts from the sale of wheat, barley, rapeseed, soybeans and potatoes declined. For wheat and barley, producer deliveries were down 34% and 36% respectively. As a result, wheat receipts were lower by 34% and barley receipts were lower by 26%. Higher barley prices partially offset the lower marketings.

Cash receipts from the sale of livestock and livestock products totalled \$3,928.8 million, up 1.7% from the revised 1984 level of \$3,864.2 million. Hog receipts decreased 2.4% due to lower prices in the January-May 1985 period compared with the same period one year ago. Receipts for cattle increased 2.6% as a result of higher marketings. Dairy and poultry receipts were both higher.

Other cash receipts were down 2.4% to \$261.4 million from the year earlier total of \$267.9 million.

Order the January-May 1985 issue of *Farm Cash Receipts* (21-001, \$7/\$70), or contact Lambert Gauthier (613-990-8706), Agriculture and Natural Resources Division.

Wholesale Trade

Preliminary results indicate that the total volume of trade (net sales and receipts plus the value of goods handled on a commission basis) of the wholesale trade sector for the year 1983 amounted to \$189.9 billion, up 10.0% from the \$172.7 billion reported in 1982. Wholesale merchants accounted for \$158.7 billion, or 83.5% of the total volume of trade, while agents and brokers - the other segment of the wholesale trade sector - accounted for \$31.3 billion, or 16.5%.

Net sales and receipts totalled \$149.6 billion in 1983, an increase of 9.2% from the \$137.0 billion reported in 1982 and 6.1% higher than the 1981 level of \$141.0 billion. Year-end inventories rose to \$20.4 billion in 1983, up 4.7% from the 1982 level of \$19.5 billion, but still considerably below the \$21.8 billion reported in 1981.

The healthy increase in wholesale sales in 1983 reflected renewed demand by retailers and industrial and commercial users as well as by foreign markets for goods handled by Canadian wholesalers, following the downturn of 1982. (It should be noted that the above reported values are not adjusted for price change. Between 1983 and 1982, the Industry Selling Price Index rose by 3.5% while the Consumer Price Index for Goods advanced by 5.4%.)

Wholesale Merchants

Following a decline of 2.9% in 1982, sales and receipts for wholesale merchant establishments rose 9.2% in 1983 to a level of \$148.3 billion. The most notable sales increases in 1983 were recorded by wholesalers of electrical machinery and equipment (+32.2%), apparel and dry goods (+28.1%), metals and metal products

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Farm Prices of Agricultural Products

The May 1985 estimate of the index of farm prices of agricultural products for Canada is 293.3 (1971 = 100), 0.2% less than the April 1985 estimate of 293.8 and 7.4% less than the May 1984 estimate of 316.8.

The 0.2% decrease in the overall index was due to a 0.7% decrease in the total crops sub-index. This decrease was due to lower grain and oilseed prices. Potato prices were seasonally stronger, showing a 1.5% increase.

The total livestock and livestock products sub-index registered a 0.2% increase with higher hog prices being partially offset by decreases in cattle, poultry and egg prices. The hog component of the index in May 1985 rose 3.1%, following substantial prices decreases in March and April.

The largest increases in the total index were in Prince Edward Island and New Brunswick and were due to higher potato prices.

Order the May 1985 issue of *Index Numbers of Farm Prices of Agricultural Products* (62-003, \$6/\$60), or contact Paul Murray (613-990-8706), Agriculture/Natural Resources Division.

(+27.2%) and lumber and building materials (+25.0%). The only trade to report a decline was the farm products group (-2.3%).

Year-end inventories were \$20.4 billion in 1983 compared to \$19.5 billion in 1982, a gain of 4.7%. Increases from a year earlier were reported by 15 of the 19 trade groups.

Agents and Brokers

The volume of trade reported by agents and brokers in 1983 amounted to \$31.3 billion, an increase of 14.4% from the 1982 level of \$27.3 billion. Agents and brokers registered a higher level of commissions earned in 1983, an increase of 7.5% to \$852.5 million.

Order the 1983 issue of *Wholesale Trade Statistics* (63-226, \$25), or contact Douglas Watson (613-990-9679), Industry Division.



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CANSIM			
Canadian Statistical Review, June 1985	11-003E	\$20/\$200	\$21.50/\$215
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National Income and Expenditure Accounts, First Quarter 1985	13-001	\$15/\$60	\$16/\$64
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