

I·N·F·O·M·A·T

A W E E K L Y R E V I E W

Friday, August 1, 1986

OVERVIEW

■ Real Gross Domestic Product Declines

Real GDP was down 1.0% in May, the second substantial monthly decrease in three months.

■ Census of Manufactures: 1984

The value added to the economy by manufacturing activity increased by 15.3%, to \$88.7 billion.

■ Labour Income Advances by 5.6%

In March, the year-over-year increase in labour income was the smallest recorded since July 1983.

■ Average Weekly Earnings Increase

Estimates of average weekly earnings in Canadian industries rose slightly in May, following three consecutive monthly declines.

■ Public and Private Investment

Capital spending intentions for 1986 have been revised, resulting in a year-over-year increase of 5.6% instead of the 4.6% rise announced in March.

■ Wholesale Trade Up 7.3%

Wholesalers of other machinery, equipment and supplies made the largest contribution to the overall increase in wholesale trade in May.

- This issue also includes articles on Educators in Public Schools, Unemployment Insurance, and Paper and Allied Products Industries.

Real Gross Domestic Product Declines

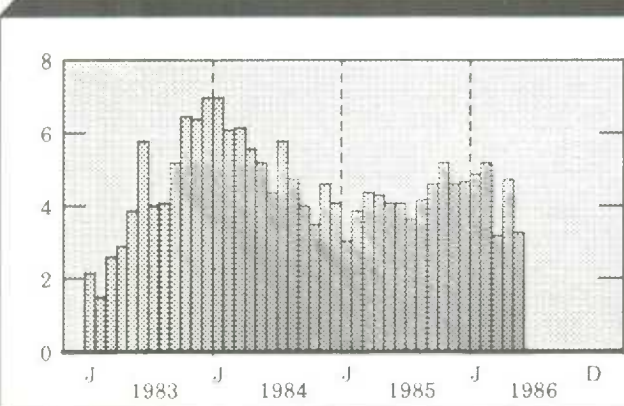
Following an increase of 1.7% in April, real Gross Domestic Product (in 1971 dollars) declined 1.0% in May. This was the second substantial monthly decrease in economic activity in three months. GDP now stands at about the same level recorded in December 1985.

Output from the goods-producing industries fell 1.3%, primarily due to production cutbacks in manufacturing and mining. Manufacturing accounted for about 44% of the drop in overall GDP. The largest declines were reported by manufacturers of automotive products whose production fell 5.3% during the month. Exports of motor vehicles, and motor vehicle parts and accessories were also down substantially in May. Other goods-producing industries posting large output declines were manufacturers of textiles, paper and allied products, primary metals, wood products, non-metallic mineral products, and chemicals. The weakness in mining over the last four months was

(continued on page 2)

Real Gross Domestic Product

(% change, previous year)



Statistics
Canada

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Canada

... Real Gross Domestic Product

mainly due to a substantial decrease in mineral fuels exploration and drilling activity. In May, mining activity fell 5.8%, the largest output decline since July 1978.

Output of the service-producing industries was off 0.8% in May, the sharpest monthly decline since January 1982. Almost 70% of this decline was attributed to drops in transportation and communications industries. A sharp decrease in railway transport was due to widespread declines in carloadings of agricultural, forestry, mining and manufactured products. Water, truck and pipeline transport was also down in May. In communications, output of telephone systems dropped sharply, following a substantial gain in April.

Real Gross Domestic Product

| | Jan. | Feb. | Mar. | Apr. | May |
|-----------------------------|--------------------------|------|------|------|------|
| | % change, previous month | | | | |
| Real Gross Domestic Product | -0.1 | 0.5 | -1.2 | 1.7 | -1.0 |
| Goods industries | -0.2 | 0.8 | -2.6 | 2.0 | -1.3 |
| Service industries | -0.1 | 0.4 | -0.4 | 1.6 | -0.8 |
| Commercial industries | -0.1 | 0.6 | -1.4 | 2.0 | -1.1 |
| Industrial production | -0.1 | 1.0 | -3.1 | 3.1 | -2.0 |

For further information, contact Industry Measures and Analysis Division (613) 991-3673.

Census of Manufactures: 1984

- The value added to the economy by manufacturing activity (the value of shipments minus the costs of materials, parts and purchased services) increased by 15.3%, to \$88.7 billion in 1984. This follows a rise of 11.5% in 1983.

Manufacturing Activity

| | 1982 | 1983 | 1984 |
|--------------------------|-------------------------|------|------|
| | % change, previous year | | |
| Value added | -6.7 | 11.5 | 15.3 |
| Shipments | -1.6 | 8.3 | 13.2 |
| Costs | | | |
| materials and supplies | -2.0 | 1.3 | 13.7 |
| fuel and electricity | 10.1 | 10.2 | 10.1 |
| wages | -1.1 | 6.5 | 9.8 |
| Number of workers | -9.4 | -1.0 | 3.9 |
| Number of establishments | 0.2 | 3.4 | 3.4 |

- The net selling value of goods made by reporting establishments improved for the second year in a row, rising 13.2%.
- The cost of materials and supplies used was 13.7% higher than in 1983 and amounted to \$136.1 billion.
- Wages paid totalled \$28.3 billion, up 9.8% over the previous year.
- The number of production and related workers increased 3.9%, following declines of 1.0% in 1983 and 9.4% in 1982.
- Manufacturers spent \$7.3 billion on fuel and electricity, up slightly more than 10% for the third consecutive year.
- The number of reporting establishments rose by 3.4% for the second consecutive year, to stand at 36,484.

For further information, contact Industry Division (613) 990-9496.

Labour Income Advances by 5.6%

Total labour income recorded a year-over-year increase of 5.6% in March 1986; this constituted the smallest rise since July 1983. The seasonally adjusted value of labour income was \$21.8 billion, up slightly from February. Supplementary labour income and total wages and salaries also increased slightly, after registering a 0.5% decline the previous month.

After two consecutive monthly decreases, labour income in the service producing industries rose 0.2% with respect to February. Almost all industries in this sector were up from the previous month; provincial (-0.2%) and federal (-0.1%) government administrations were the exceptions. The highest

increase was reported in the transportation and communications industry, which rose by 1.4%. Commercial services increased slightly, after registering their biggest drop (-2.8%) on a monthly basis since January 1977. The trade and finance, insurance and real estate industries were up 0.5% in March.

Manufacturing industries recorded their third consecutive monthly decrease in March, down a moderate 0.3% from February. The largest decline was reported in the construction sector (-1.2%). The highest increase was registered in the forestry industry, where labour income rose 2.7%. This upturn was in sharp contrast to a drop of 5.4% in February, the largest decrease in nine months. Mines, quarries and oil wells also rose in March, after recording four consecutive monthly decreases.

For more information, contact Labor Division (613) 990-9900.

Average Weekly Earnings Increase

Estimates of average weekly earnings in Canadian industries rose slightly in May, following three consecutive monthly declines. (Earnings represent gross pay before deductions.) The service-producing industries, which account for almost three-quarters of total industrial employment, were mainly responsible for this rise. Retail trade, community, business and personal services in particular reported strong increases. The goods-producing industries recorded a third consecu-

tive monthly decrease and the largest drop this year. All of the major industry groups in the goods-producing sector registered lower earnings in May.

Industrial employment (9.2 million) was up 1.2% over April, its third consecutive monthly increase. This rise came from increases of 0.8% in service-producing industries and 2.5% in goods-producing industries.

For further information, contact Labour Division (613) 990-9900.

Private and Public Investment

Current estimates of revised capital spending intentions for 1986 confirm the moderate year-to-year increase announced in March. In fact, the increase has been revised upwards to 5.6%, from 4.6%. If these intentions are realised, the increase in capital expenditures will be well above the gain of 2.5% recorded in 1984, but below the 8.9% reported in 1985. Experience shows that actual capital expenditures usually exceed revised intentions. The exceptions were 1982 and 1983 when realisations fell below intentions.

The growth rate of private investment was revised downwards, from 2.5% announced three months ago, to 1.7%. Cutbacks in capital spending intentions reported by the petroleum and gas wells

were the primary source of this reduction. Manufacturers' intentions were revised to almost 27%, from the 17% increase expected earlier in the year. If realised, this rate of spending would exceed the 84/85 change of 24%.

In contrast to the private sector, revisions indicate that capital spending by the public sector will be higher than anticipated. Hospitals, schools and universities, provincial and municipal governments all showed increases. The federal component showed no signs of matching the rate of expenditures in 1985.

For further information, contact Science, Technology and Capital Stock Division (613) 990-9815.

Wholesale Trade Up 7.3%

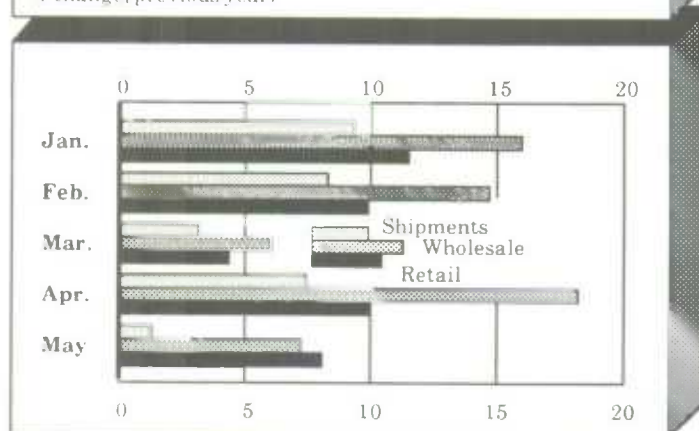
Preliminary estimates indicate that wholesale merchants' sales from May 1986 were 7.3% higher than in May 1985. Significantly higher sales in May 1985 had a moderating effect on the year-to-year change in the current month. The chart shows the year-over-year increase in manufacturers' shipments, wholesale trade and retail trade since January 1986. Each of these data series (unadjusted) display a similar pattern; the moderate increases in March coincided with Easter.

All major trade groups except metal, hardware, plumbing and heating equipment registered higher sales than last May. The trade groups making the greatest contributions to the increase in May were other machinery, equipment and supplies (+14.2%), and motor vehicles and accessories (+14.7%).

Cumulative sales for the first five months of 1986, were up 12.1% over the same period of 1985. The following major trade groups had the most notable

Sector Comparison

(% change, previous year)



impact on this overall increase: other machinery, equipment and supplies (+15.9%); motor vehicles and accessories (+18.0%); and lumber and building materials (+23.5%).

For further information, contact Industry Division (613) 991-3537.

PUBLICATIONS RELEASED

AGRICULTURE AND NATURAL RESOURCES

Cereals and Oilseeds Review, May 1986 Catalogue number 22-007 (Canada: \$10/\$100; Other Countries: \$11/\$110)

Farm Cash Receipts, January-May 1986 Catalogue number 21-001 (Canada: \$7/\$70; Other Countries: \$8/\$80)

Index Numbers of Farm Prices of Agricultural Products, May 1986 Catalogue number 62-003 (Canada: \$6/\$60; Other Countries: \$7/\$70)

The Dairy Review, May 1986 Catalogue number 23-001 (Canada: \$10/\$100; Other Countries: \$11/\$110)

CANADIAN CENTRE FOR JUSTICE STATISTICS

Homicide in Canada - A Statistical Perspective, 1984 Catalogue number 85-209 (Canada: \$25; Other Countries: \$26.50)

EDUCATION, CULTURE AND TOURISM

Characteristics of Teachers in Public Elementary and Secondary Schools, 1984-85 Catalogue number 81-202 (Canada: \$20; Other Countries: \$21)

INDUSTRY

Asphalt Roofing, May 1986 Catalogue number 45-001 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Coal and Coke Statistics, April 1986 Catalogue number 45-002 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Construction Type Plywood, May 1986 Catalogue number 35-001 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Corrugated Boxes and Wrappers, May 1986 Catalogue number 36-004 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Department Store Sales and Stocks, March 1986 Catalogue number 63-002 (Canada: \$13/\$130; Other Countries: \$14/\$140)

Electric Lamps (Light Bulbs and Tubes), June 1986 Catalogue number 43-009 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Electric Power Statistics, April 1986 Catalogue number 57-001 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Factory Shipments of High Pressure Decorative Laminate Sheet, Quarter Ended June 1986 Catalogue number 47-005 (Canada: \$3/\$12; Other Countries: \$4/\$16)

Gas Utilities, March 1986 Catalogue number 55-002 (Canada: \$10/\$100; Other Countries: \$11/\$110)

Inventories, Shipments and Orders in Manufacturing Industries, April 1986 Catalogue number 31-001 (Canada: \$15/\$150; Other Countries: \$16/\$160)

Merchandising Inventories, March 1986 Catalogue number 63-014 (Canada: \$12/\$120; Other Countries: \$13/\$130)

Mineral Wool Including Fibrous Glass Insulation, June 1986 Catalogue number 44-004 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Monthly Production of Soft Drinks, June 1986 Catalogue number 32-001 (Canada: \$2/\$20; Other Countries: \$3/\$30)

Oils and Fats, March 1986 Catalogue number 32-006 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Oils and Fats, April 1986 Catalogue number 32-006 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Oil Pipe Line Transport, April 1986 Catalogue number 55-001 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Production and Disposition of Tobacco Products, June 1986 Catalogue number 32-022 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production and Sales of Phonograph Records and Pre-recorded Tapes in Canada, May 1986 Catalogue number 47-004 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production and Stocks of Eggs and Poultry, May 1986 Catalogue number 23-003 (Canada: \$10/\$100; Other Countries: \$11/\$110)

JULY 25 - 31

INDUSTRY - Concluded

Production, Shipments and Stocks on Hand of Sawmills East of the Rockies, April 1986 Catalogue number 35-002 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Pulpwood and Wood Residue Statistics, May 1986 Catalogue number 25-001 (Canada: \$5/\$50; Other Countries: \$6/\$60)

Refined Petroleum Products, April 1986 Catalogue number 45-004 (Canada: \$15/\$150; Other Countries: \$16/\$160)

Rigid Insulating Board, May 1986 Catalogue number 36-002 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Steel Wire and Specified Wire Products, May 1986 Catalogue number 41-006 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Wholesale Trade, April 1986 Catalogue number 63-008 (Canada: \$5/\$50; Other Countries: \$6/\$60)

INTERNATIONAL TRADE

Exports by Commodities, May 1986 Catalogue number 65-004 (Canada: \$50/\$500; Other Countries: \$60/\$600)

Imports by Commodities, May 1986 Catalogue number 65-007 (Canada: \$50/\$500; Other Countries: \$60/\$600)

Summary of Canadian International Trade, May 1986 Catalogue number 65-001 (Canada: \$15/\$150; Other Countries: \$16/\$160)

LABOUR

Employment, Earnings and Hours, April 1986 Catalogue number 72-002 (Canada: \$35/\$350; Other Countries: \$36.50/\$365)

PUBLIC INSTITUTIONS

Consolidated Government Finance, Fiscal Years Ended Nearest to December 31, 1982 Catalogue number 68-202 (Canada: \$20; Other Countries: \$21)

Federal Government Employment, January-March 1986 Catalogue number 72-004 (Canada: \$20/\$80; Other Countries: \$21/\$84)

Provincial and Territorial Government, October-December 1985 Catalogue number 72-007 (Canada: \$15/\$60; Other Countries: \$16/\$64)

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Capacity Utilization Rates in Canadian Manufacturing, First Quarter 1986 (Catalogue number 31-003 (Canada: \$20/\$80; Other Countries: \$21/\$84)

Housing Starts and Completions, May 1986 Catalogue number 64-002 (Canada: \$15/\$150; Other Countries: \$16/\$160)

TRANSPORTATION

Preliminary Marine Transport Statistics, 1985 Catalogue number 50-002 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85)

Railway Carloadings, May 1986 Catalogue number 52-001 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85)

Railway Carloadings, 7-day Period Ending July 7, 1986 Catalogue number 52-005 (Canada: \$75; Other Countries: \$100)

Railway Operating Statistics, December 1985 Catalogue number 52-003 (Canada: \$9.50/\$95; Other Countries: \$10.50/\$105)

Railway Operating Statistics, January 1986 Catalogue number 52-003 (Canada: \$9.50/\$95; Other Countries: \$10.50/\$105)

Railway Operating Statistics, February 1986 Catalogue number 52-003 (Canada: \$9.50/\$95; Other Countries: \$10.50/\$105)

Railway Operating Statistics, March 1986 Catalogue number 52-003 (Canada: \$9.50/\$95; Other Countries: \$10.50/\$105)

Telephone Statistics, April 1986 Catalogue number 56-002 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85)

Educators in Public Elementary and Secondary Schools

Public school teachers are more experienced, older and better educated than the teaching staff in 1974-75. For example, 80% of the teachers had degrees in 1984-85, compared to 60% ten years earlier.

Because teacher salaries are determined by these three variables, their salaries are proportionately higher than they were: the average salary was \$36,100 in 1984-85, up 283% from 1974-75. During the same period the Consumer Price Index increased by 226% and average weekly earnings in Canadian industries increased 222%.

The average age of educators was 40 in 1984-85 and on average they had 14 years of teaching experience.

The proportion of teachers under 25 years of age has declined sharply from 12% in 1974-75, to 2% in 1984-85.

Elementary-secondary school enrolment has decreased by 10% or 400,000 students but the teaching force was virtually the same size as 10 years earlier.

At the elementary level females represent 66% of the teaching force, 24% of the vice principals and 17% of the principals.

For further information, contact Education, Culture and Tourism Division (613) 991-1500.

Unemployment Insurance Payments Drop

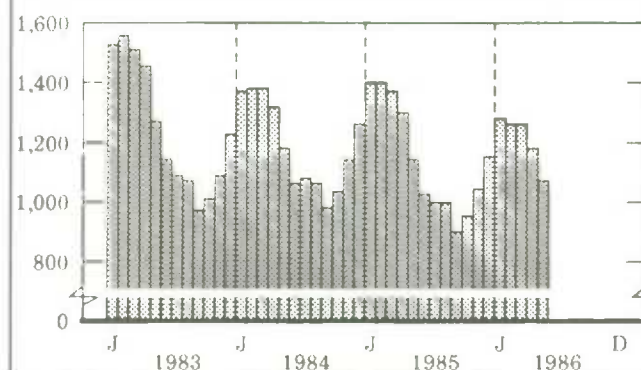
In May, total unemployment insurance payments dropped to \$849 million, down 21.9% from April and 5.8% from May 1985. On a year-to-date basis, payments totalled \$5.0 billion, a decrease of 1.9% from 1985. An increase of 5.5% in the average weekly benefit has partially offset a decrease (7.1%) in the number of benefit weeks paid.

The number of beneficiaries stood at 1.1 million, down 9.5% from the previous month and 6.0% from May 1985. The number of males receiving benefits dropped 13.2% from April and accounted for 57.1% of the total beneficiaries.

For further information, contact Labour Division (613) 990-9900.

Beneficiaries

(thousands)



Paper and Allied Products Industries: 1984

The value of manufacturing shipments from paper and allied products industries was \$17.5 billion in 1984; these shipments accounted for 7.6% of total manufacturing shipments in Canada. Establishments in Quebec and Ontario shipped 67.1% of these products in 1984. British Columbia ranked third with 18%.

Paper and allied products industries generated \$3.5 billion in wages and salaries in 1984. The number of employees was 115,799. Of this total, 69% worked in

the pulp and paper industries, 16% in the paper box and bag sector and 14% were employed in the other converted paper products industries.

In 1984, Canada exported a total of \$3.9 billion in wood pulp and \$6.1 billion in paper. Exports of newsprint, 85% of which were shipped to the United States, were valued at \$4.8 billion.

For more information, contact Industry Division (613) 990-9496.



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LATEST MONTHLY STATISTICS

| | | | Previous Month | % Change From Year Ago |
|--|-------|-----------|---------------------|------------------------------|
| EMPLOYMENT, INCOME | | | | |
| Average Weekly Earnings (\$) | May* | 429.34 | 428.23 | 2.9 |
| Labour Income (\$ million) | Mar.* | 21,286.7 | 21,143.3 | 5.6 |
| Persons with Jobs (million) | June | 12.00 | 11.70 | 3.2 |
| Unemployed | June | 1,205,000 | 1,227,000 | -6.8 |
| INVENTORIES | | | | |
| Department Store (\$ million) | May | 4,373 | 4,506 | 24.3 |
| Manufacturers' Owned (\$ million) | Apr. | 34,491.7 | 34,591.0 | 5.0 |
| ORDERS | | | | |
| Manufacturers' New Orders (\$ million) | May | 21,788.9 | 21,640.4 | 8.2 |
| Manufacturers' Unfilled Orders (\$ million) | May | 24,856.2 | 24,796.4 | 2.6 |
| PRICES | | | | |
| Consumer Price Index (1981 = 100) | June | 131.9 | 131.7 | 3.7 |
| New House Price Index (1981 = 100) | May | 102.6 | 101.9 | 7.8 |
| Raw Materials Price Index (1981 = 100) | June* | 92.4 | 90.9 | -21.0 |
| Excl. coal, crude oil, natural gas | June* | 102.9 | 102.7 | 2.1 |
| Industrial Product Price Index (1981 = 100) | June* | 118.9 | 119.0 | 0.3 |
| CONSTRUCTION | | | | |
| | | | Year-to-date | |
| Building Permits (\$ million) | Apr. | 2,105.2 | 6,184.1 | 28.2 |
| Housing Starts - Urban Centres (units) | May | 18,396 | 60,574 | 28.7 |
| ENERGY | | | | |
| Coal Production (thousand tonnes) | Apr. | 4,553 | 19,861 | -5.4 |
| Electricity Generation (gigawatt hours) | May* | 34,727 | 197,599 | 2.7 |
| Natural Gas Production (million cubic metres) | Mar. | 9,258 | 30,132 | -0.3 |
| Petroleum Refining (thousand cubic metres) | May | 5,977.2 | 32,882.5 | -1.8 |
| FOREIGN TRADE | | | | |
| Exports - Balance of Payments Basis (\$ million) | May | 10,247 | 50,209 | -0.1 |
| Imports - Balance of Payments Basis (\$ million) | May | 9,322 | 46,580 | 11.3 |
| SALES | | | | |
| Department Store Sales (\$ million) | May | 1,084 | 4,419 | 8.2 |
| Manufacturers' Shipments (\$ million) | May | 21,729.2 | 104,630 | 5.7 |
| New Motor Vehicle Sales (\$ million) | May | 2,216 | 9,227 | 13.4 |
| Retail Sales (\$ million) | May | 12,712.9 | 53,755 | 8.6 |

Statistics are in current dollars and are not seasonally adjusted.

* new this week.

Infomat**A Weekly Review**

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