

I·N·F·O·M·A·T

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

Friday, October 17, 1986

OVERVIEW

■ Leading Indicator Continues to Advance

The July increase in the filtered leading indicator was the smallest monthly advance since June 1985. However, the number of components that rose indicate that recent rates of economic growth will continue.

■ Second Consecutive Drop in Unemployment Rate

Despite the return in the unemployment rate to 9.5% in September, overall labour market conditions appear to be little changed from the start of the year.

■ Tourism Up 17.4%

Expo 86 continued to draw an exceptional number of foreign travellers to British Columbia in August.

■ Department Store Sales in August

Stores in Ontario, Nova Scotia and Québec registered year-over-year sales increases, all other provinces but particularly the western provinces reported lower sales.

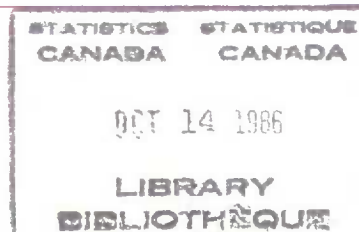
■ Labour Income up 4.7% in July

The year-over-year increase in labour income in July was lower than the average increase for the first six months of 1986.

■ Farm Cash Receipts

Farm cash receipts were up slightly in the first eight months of 1986, due primarily to higher livestock and livestock product receipts.

■ This issue also includes information on Farm Prices, Canadian Social Trends and Science and Technology Indicators.

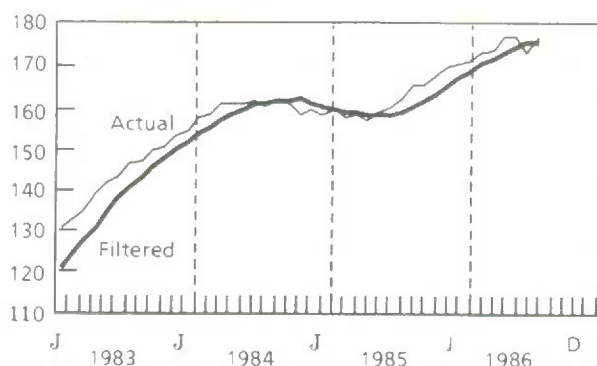


Leading Indicator Continues to Advance

- The filtered composite leading indicator posted its fourteenth straight increase in July, but the 0.4% rise was the smallest monthly advance since June 1985.
- The unfiltered leading indicator rose 1.8%, following two consecutive monthly declines.
- Retail trade has risen each month since March 1985, the increase in July was 0.9%. This was the largest increase in this indicator since December 1985.
- Residential construction advanced 0.4%, following three months of relatively strong growth.

(continued on page 2)

The Canadian Composite Leading Index
(1971 = 100)



Statistics
Canada Statistique
Canada

Canada

... Leading Indicator

- The United States leading indicator continued to advance, increasing 0.5% in July. The average monthly increase in the first half of the year was 0.6%.
- The Toronto Stock Exchange price index registered a gain of 1.5%, its eighth month of strong growth.
- The money supply decreased for a sixth month, dropping to \$10.2 billion in 1971 dollars.
- New orders for durable goods registered an increase for the first time in five months.

For further information, contact International and Financial Economics Division (613) 991-1789.

Second Consecutive Drop in Unemployment Rate

The Labour Force Survey for September showed that seasonally adjusted employment rose by 32,000, while unemployment declined by 29,000. As a result, the unemployment rate dropped 0.2 percentage points, to 9.5% in September. There have been fluctuations in employment and unemployment levels since the start of the year but overall labour market conditions appear to be little changed.

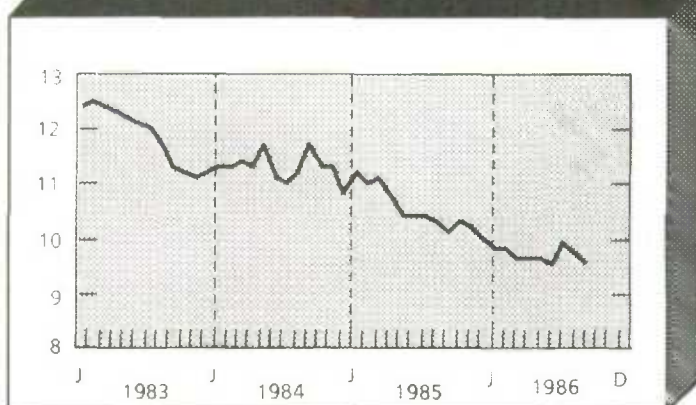
Employment gains were concentrated in part-time employment which was up by 57,000, while full time employment decreased slightly (-17,000). Among persons aged 25 and over, employment for men rose by 28,000 while females gained 27,000. Employment rose by 29,000 in Québec. Little or no change was noted in the other provinces.

Labour Force

	May	June	July	Aug.	Sept.
	Change, previous month				
Labour force ('000)	-79	52	-60	31	3
Employment ('000)	-68	49	-96	48	32
15-24 years ('000)	-41	49	-62	8	-23
25 years & over ('000)	-27	0	-34	40	55
Unemployment ('000)	-11	3	36	-17	-29
Unemployment rate	9.6	9.5	9.9	9.7	9.5

Unemployment Rate

(% seasonally adjusted)



Unemployment declined by 29,000 in September. There was little change in the unemployment level for persons aged 15 to 24 years. However, the number of unemployed persons 25 or older decreased by 26,000.

The unemployment rate declined by 0.2 percentage points for the second consecutive month, returning to the rate recorded in June. The rate for persons aged 15 to 24 stood at 15%, unchanged from August. For persons age 25 or older, the rate decreased 0.3 percentage points from the previous month, to 7.9%.

For further information, contact Household Surveys Division (613) 991-4720.

Tourism Up 17.4%

In the first eight months of 1986, the number of foreign travellers entering Canada for one or more nights was 17.4% greater than in the same period of 1985, reaching a record level of 12.2 million. In August, the number of United States residents increased by 16.0%, to reach the highest August level since 1975. Visitors from countries other than the U.S. totalled 370,754 (+33.3%), the largest number of visitors in August since 1972. Large increases in the number of foreign tourists have been evident since January but exceptional levels have been common since the opening of Expo 86 in May.

Expo 86 has drawn a phenomenal number of foreign visitors to British Columbia. United States residents entering the province for one or more nights was up 87.7% in August from the level a year earlier. Day trips by U.S. residents showed similar advances:

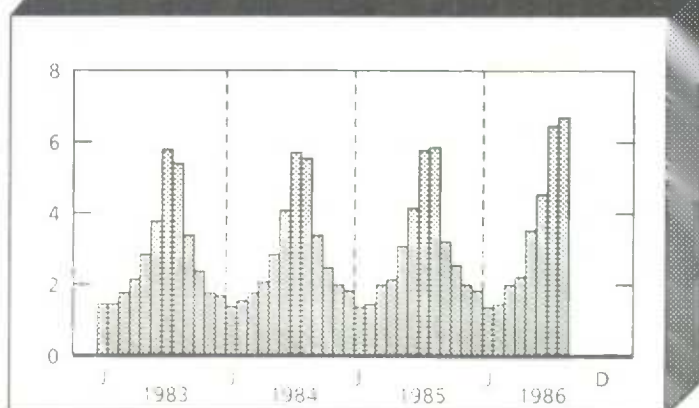
Tourist Entries by Province*

	Apr.	May	June	July	Aug.
	% change, previous year				
New Brunswick	0.9	3.7	5.1	2.0	6.7
Québec	4.1	8.2	5.3	-1.1	13.7
Ontario	2.5	4.7	-1.5	5.1	3.2
Manitoba	0.7	-10.9	-13.0	-4.6	-1.1
Saskatchewan	-14.8	6.3	2.9	4.2	16.8
Alberta	1.6	4.8	-5.1	9.5	3.5
British Columbia	4.1	89.4	91.0	73.7	80.2

*provinces directly accessible by land from the United States

Foreign Visitors

(millions)



entries by automobile increased 101.2%, to 374,716, while entries by bus totalled 17,856, almost 402% higher than in August 1985. Altogether, British Columbia entertained 1.3 million foreign visitors in August.

The number of Canadian residents travelling to the United States for one or more nights increased for the second consecutive year in August, but remained below the August 1983 figure. For Canada as a whole, the number of Canadian residents re-entering the country was up 4.3% over 1985, while the number of residents re-entering the country via British Columbia was up 8.1% from August 1985.

For more information, contact International and Financial Economics Division (613) 990-8933.

Department Store Sales in August

- In August, department stores in Canada reported sales totalling \$976 million, down 0.5% from August 1985. This was the first year-over-year decrease since June 1985.
- Cumulative sales for the January to August period amounted to \$7,261 million, up 6.0% over the corresponding period in 1985.
- Stores in Ontario, Nova Scotia and Québec registered year-over-year increases, all other provinces reported lower sales.

Department Store Sales By Province

Province	Millions of dollars	% change, previous year
Newfoundland	12.5	-1.6
Prince Edward Island	6.5	-1.1
Nova Scotia	32.6	1.2
New Brunswick	21.3	-0.4
Québec	190.9	0.3
Ontario	370.5	3.5
Manitoba	47.0	-7.8
Saskatchewan	28.9	-8.2
Alberta	121.1	-6.2
British Columbia	144.3	-2.0

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... Department Store Sales

- Sales in Ontario increased for the fourteenth consecutive month, but the increases in the last three months have been moderate.
- In Manitoba, sales were down 7.8%, the second consecutive decrease and the largest in more than 10 years. However, sales were very strong in August 1985.
- In Saskatchewan, sales were also down on a year-over-year basis for a second consecutive month. Sales in this province have fluctuated since August 1984.
- Department stores in Alberta reported the first year-over-year decrease since June 1985. Generally, the growth in sales began to slow in February 1986.

Department Store Sales By Metropolitan Area

Metropolitan Area	Millions of dollars	% change, previous year
Calgary	46.2	-6.4
Edmonton	54.6	-7.0
Halifax-Dartmouth	18.1	2.9
Hamilton	24.9	0.1
Montréal	111.0	-1.1
Ottawa-Hull	43.6	1.8
Québec	26.6	2.8
Toronto	149.0	5.2
Vancouver	85.1	0.6
Winnipeg	42.0	-8.3

For further information, contact Industry Division (613) 991-3551.

Labour Income up 4.7% in July

The preliminary estimate of labour income for July was \$22.7 billion, up 4.7% over July 1985. This year-over-year increase was lower than the average increase for the first six months of 1986 (+5.8%). The seasonally adjusted estimate of wages and salaries showed a month-over-month change of 0.7% at the all industry level for the second consecutive month. The average monthly change from January to May was 0.3%.

In July, seasonally adjusted wages and salaries in the goods-producing industries were up 0.8% from

the previous month. The manufacturing and construction industries increased by 0.9% and 1.0% respectively. The remaining industries in this industrial grouping registered little change.

Seasonally adjusted wages and salaries in the service-producing industries rose 0.6% over June. Similar monthly changes have been observed since the start of the year.

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

Farm Cash Receipts

Farm cash receipts for the first eight months of 1986 were estimated at \$13.0 billion, an increase of 2.7% from the corresponding period of 1985. Receipts from the sale of field crops totalled \$5.8 billion, down 1.4% from 1985. This decrease partially offset an increase in livestock and livestock product receipts.

Crop receipts were down despite large gains in wheat and barley receipts. Offsetting these increases were lower Canadian Wheat Board payments in 1986 for grain delivered in the 1984/5 crop year. Also, producers did not defer as much grain income into 1986 as they did into 1985.

- Canadian Wheat Board payments and deferred grain receipts were \$603 million lower than in 1985.

- Wheat and barley receipts increased 29.3%, as a 49.6% rise in marketings more than offset price declines.

Receipts from the sale of livestock from January to August 1986 were 1.5% higher than the same period a year earlier. Four consecutive months of sharp advances in hog prices were mainly responsible for the increase in livestock receipts.

- Hog prices have risen 55.3% since April and the 1986 year-to-date average was 13.9% higher than in 1985.
- Higher formula prices for industrial milk and cream contributed to a 1.8% increase in dairy receipts.

For further information, contact Agriculture/Natural Resources Division (613) 990-8706.

Index of Farm Prices for Agricultural Products

Following three consecutive monthly increases, the index of farm prices for agricultural products was down 1.2% in August from its level in July. The crops and livestock components of the index moved in opposite directions, largely offsetting one another at the Canada level.

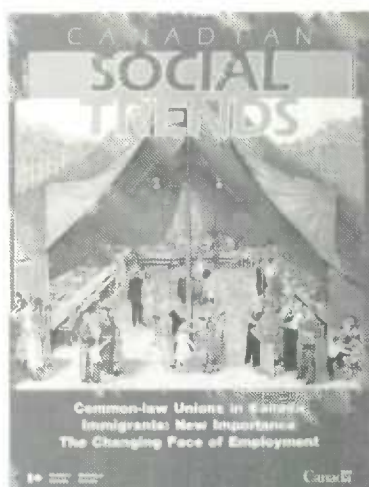
The crops index fell 12.0%, to reach its lowest level since July 1978. Lower prices for grains and oilseeds were the main source of this decrease. The effect of these lower prices was most evident in the West.

- Lower initial prices for most grades of wheat, oats and barley, which took effect on August 1, were the main reason for a 16.7% drop in the grains index.
- Prices for flaxseed and canola decreased for the seventh consecutive month, reaching the lowest level since April 1976.

The total livestock and animal products index advanced 4.4%, as prices for all commodity groups rose at the national level. Higher hog, cattle, and industrial milk and cream prices contributed to the fourth consecutive increase in this index.

For further information, contact Agricultural and Natural Resources Division (613) 990-8706.

NEW FROM STATISTICS CANADA

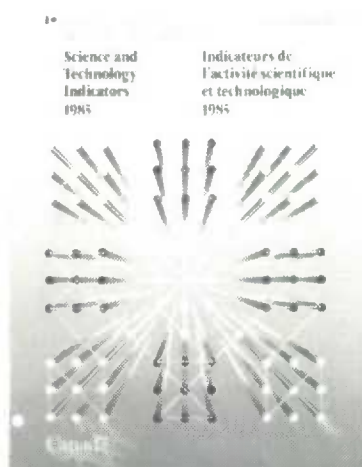


Canadian Social Trends

Canadian Social Trends is designed for both the specialist and the lay person who require timely, relevant socio-economic information on which to base decisions in their professional and personal lives. Presented in an attractive journal format, the publication presents scholarly data in readable, non-technical articles on topics of current concern.

For example the second quarterly issue features trends in crime rates in Canada, an annual review of labour force trends, the growth of part-time work, highlights of education in Canada and the consideration of common-law relationships as a non-marriage alternative.

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Science and Technology Indicators, 1985

This report contains a selection of statistics which are useful as indicators of the science and technology system in Canada. It analyses science and technology activities within Canada and to the extent possible their relationship to the efforts of other countries. The indicators presented cover: human and information resources for science and technology, expenditure on research and development, Canadian research output, application of technology and the international transfer of technology.

Order *Science and Technology Indicators, 1985* (catalogue number 88-201) from Publication Sales (613) 993-7276 or contact Science, Technology and Capital Stock Division at (613) 990-9919.

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Farm Wages in Canada, August 1986 Catalogue number 21-002 (Canada: \$7/\$28; Other Countries: \$8/\$32)

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

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System of National Accounts - Quarterly Estimates of the Canadian Balance of International Payments, Second Quarter 1986 Catalogue number 67-001 (Canada: \$25/\$100; Other Countries: \$26/\$104)

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Unemployment Insurance Statistics, July 1986 Catalogue number 73-001 (Canada: \$12/\$120; Other Countries: \$13/\$130)

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The Consumer Price Index, September 1986 Catalogue number 62-001 (Canada: \$8/\$80; Other Countries: \$9/\$90)

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Air Carrier Operations in Canada, January-March 1985 Catalogue number 51-002 (Canada: \$20/\$80; Other Countries: \$21/\$84)

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LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	July	432.17	431.50	2.9
Labour Income (\$ million)	July*	22,653	22,801	4.7
Persons with Jobs (million)	Sept.*	11.74	12.08	2.4
Unemployed	Sept.*	1,127,000	1,201,000	-4.7
INVENTORIES				
Department Store (\$ million)	July	3,937	3,644	16.0
Manufacturers' Owned (\$ million)	July	33,854	34,058	-0.5
ORDERS				
Manufacturers' New Orders (\$ million)	July	19,665	21,487	1.9
Manufacturers' Unfilled Orders (\$ million)	July	24,484	24,529	1.1
PRICES				
Consumer Price Index (1981 = 100)	Aug.	133.3	132.9	4.3
New House Price Index (1981 = 100)	Aug.	105.0	103.9	8.9
Raw Materials Price Index (1981 = 100)	Aug.	90.8	90.8	-20.7
Excl. coal, crude oil, natural gas	Aug.	105.2	104.5	6.8
Industrial Product Price Index (1981 = 100)	Aug.	119.1	118.9	0.6
CONSTRUCTION				
			Year-to-date	
Building Permits (\$ million)	June	2,095	11,629	29.2
Housing Starts - Urban Centres (units)	Aug.	14,498	108,122	26.0
ENERGY				
Coal Production (thousand tonnes)	July	3,631	233,180	-8.1
Electricity Generation (gigawatt hours)	June	32,724	230,333	2.6
Natural Gas Production (million cubic metres)	May	7,776	45,956	-4.3
Petroleum Refining (thousand cubic metres)	July	7,984	48,498	-0.5
FOREIGN TRADE				
Exports - Balance of Payments Basis (\$ million)	Aug.	8,577	78,657	0.7
Imports - Balance of Payments Basis (\$ million)	Aug.	8,565	74,774	10.5
SALES				
Department Store Sales (\$ million)	Aug.*	976	7,261	6.0
Manufacturers' Shipments (\$ million)	July	19,711	146,125	4.8
New Motor Vehicle Sales (\$ million)	Aug.	1,732	14,973	11.7
Retail Sales (\$ million)	July	11,887	77,402	8.4

Statistics are in current dollars and are not seasonally adjusted.
* new this week.

Infomat

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