

I·N·F·O·M·A·T

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

Friday, August 7, 1987

Aug 7 1987

OVERVIEW

■ Canada Continues to Attract International Travellers

Overnight trips to Canada by residents of countries other than the U.S. were up 13% in the first six months of 1987, continuing the trend to higher tourism evident since May 1986.

■ Industrial Product Price Index Edging Up

For the second consecutive month, primary metal products and meat products were mainly responsible for the increase in the IPPI (0.2%) in June.

■ Enrolment in Canadian Schools Stabilising

Recent statistics indicate that the period of rapid adjustments required of Canada's education system has passed.

■ Raw Material Prices Register Third Substantial Gain

In June, the month-over-month advance in the RMPI was 1.9%. The combination of price increases for mineral fuels, animals and animal products, and non-ferrous metals pushed the index up sharply for the third month in a row.

■ Domestic Borrowing Steady

In the first quarter of 1987, non-financial sectors raised \$22.5 billion on conventional credit markets, similar to the levels recorded since 1985.

■ Growth in the Education Price Index Accelerates Slightly

The EPI rose 3.6% in 1986, slightly higher than its advance in 1985, but lower than the 1986 increase in the Consumer Price Index (4.1%).

Canada Continues to Attract International Travellers

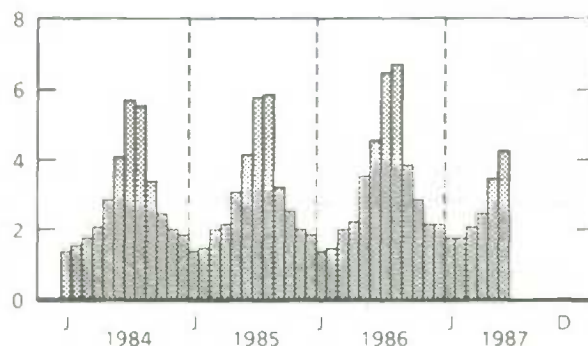
Over 850,300 trips of one or more nights by residents of countries other than the United States were recorded for the first six months of 1987. This represented an increase of 13% over the same period a year earlier and a continuation of the record-setting trend that began in May 1986. The depreciation of the Canadian dollar against most European currencies has contributed to the attractiveness of a vacation in Canada.

During the first two quarters of 1987, the number of overnight trips to Canada by United States residents decreased by 3%, to 4.7 million. While this volume was down slightly compared to last year (Expo 86 began on May 2), the level remained above the half-year volumes recorded since 1972, the year present statistical methodologies were introduced.

Total trips to Canada by United States residents, which includes trips of one or more nights, decreased marginally (-0.4%) in the January to June period. However, most of this decrease was in the number of tourist trips lasting one or more nights. The number of

(continued on page 2)

Foreign Visitors
(millions)



Statistics
Canada

Statistique
Canada

Canada

... Canada Continues

same day return trips was up 0.7% over the same period last year. Total trips to Canada by residents of countries other than the United States increased by 18% to 968,900 during the six-month period.

Overnight trips to the United States by Canadian residents reached 5.4 million during the first half of 1987, 12% above the same period in 1986 and the largest half-year volume recorded since 1972. Trips of one or more nights to countries other than the United States numbered 1.4 million, 16% above the level of 1986.

Total international trips to all foreign destinations by Canadian residents reached 21.7 million during the six-month period, 14% above 1986. Total trips to the United States by Canadian residents reached 20.3 million (an increase of 14% from the first six months of 1986), while trips to all other countries numbered 1.4 million, up 16%.

For further information, contact Education, Culture and Tourism Division at (613) 990-8933 or order International Travel - Advance Information (catalogue number 66-001P).

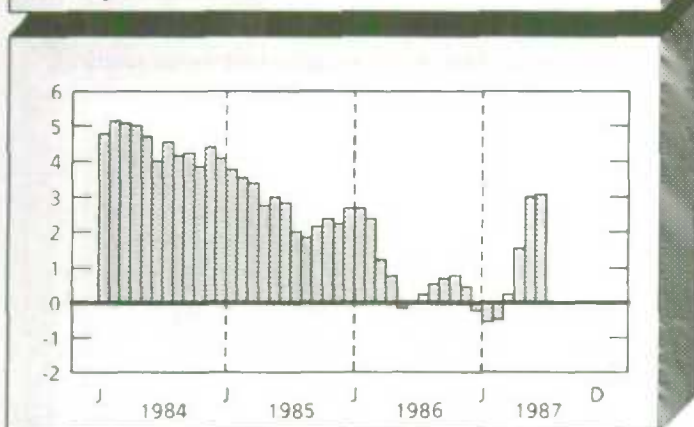
Industrial Product Price Index Edging Up

In June, the Industrial Product Price Index (IPPI, 1981=100) registered a year-over-year increase for the fourth consecutive month. The 3.1% advance was the largest 12-month increase recorded since March 1985. Rising prices have finally offset the decline in this index last year that was caused by falling petroleum prices.

Compared to the previous month, the IPPI was up 0.2% in June, rising for the fourth month in a row. For the second consecutive month, the indexes for primary metal products and meat products were mainly responsible for the increase.

Industrial Product Price Index

(% change, previous year)



Industrial Product Price Index

| | Feb. | Mar. | Apr. | May | June |
|---------------------------------------|--------------------------|------|------|------|------|
| | % change, previous month | | | | |
| Total | -0.1 | 0.2 | 0.6 | 0.7 | 0.2 |
| Petroleum and coal products | 2.0 | 1.9 | 0.7 | -0.9 | 0.2 |
| Excluding coal and petroleum products | -0.2 | -0.1 | 0.7 | 0.8 | 0.2 |

In the primary metal sector, prices for copper and copper alloy products rose for the fourth consecutive month. Prices for lead primary forms and zinc refinery shapes, which were down sharply in the first quarter, continued to rally, rising 5.4% in June. The index for precious metals fell, as silver dropped 16.8% during the month. However, on a year-over-year basis, silver prices were still 42.5% higher than in June 1986.

Despite the moderating effect of a decrease for beef products, price increases of 6.6% for pork sold on the domestic market, 2.9% for cured meats, and 2.6% for meat by-products resulted in a rise of 1.2% in the price index for meat products in June.

For further information, contact Prices Division at (613) 990-9607 or order Industry Price Indexes (catalogue number 62-011).

Enrolment in Canadian Schools Stabilising

Education in Canada. A statistical review for 1985-86 indicates that the period of rapid adjustments required of Canada's education system has passed. The phenomenal growth in enrolment and capital additions to the systems infrastructure that were needed to educate the postwar baby boom was followed by a sharp decline in enrolment at the elementary-secondary level and slower growth at the post-secondary level.

The following highlights outline the changes in enrolment as the baby boom passed through each level in the education system.

- Reflecting a drop in the number of children aged 6 to 13, enrolment in grades 1 to 8 has been falling since 1968-69. In 1985-86, 3.0 million students were enrolled, 855,000 fewer than the 1968-69 peak. Most of this decline occurred in the 1970s. Since 1980-81, the annual rate of decline in these grades has levelled off to less than 1%.
- The first decrease in enrolment for grade 9 and above occurred in 1976-77 and corresponded to the reduction in the 14-17-year-old population. However, the decline in enrolment has been lower than the decrease in the size of this age group. This was the result of two developments: more students have stayed in school beyond compulsory age and former dropouts have

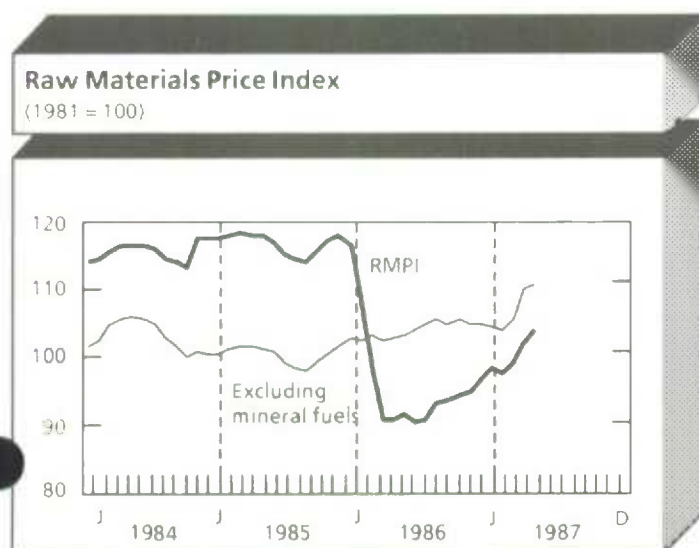
returned to complete secondary school. The average annual decline in enrolment from 1980-81 to 1985-86 was 1.5%.

- Pre-elementary enrolment has shown an upward trend since 1978-79, with an annual growth rate greater than 1%. This growth was partly due to greater participation in pre-school programs, and partly to increases in the number of four- and five-year-olds. By 1985-86, enrolment totalled 422,100 children.
- In 1985-86, there were 15,630 elementary-secondary schools in Canada, up marginally from 1980-81. However, the average size of secondary schools has dropped to 640 students in 1985-86 from 720 in 1980-81. This contrasts with the relative stability at the elementary level where the average school size has remained around 250 for the same five year period.
- Total full-time postsecondary enrolment increased steadily in the 1970s and early 1980s, reaching 789,800 in 1985-86. Expansion was rapid in the early 1970s as the first wave of the baby boom entered postsecondary institutions, but growth slowed in the second half of the decade. In the early 1980s, enrolment rose at a faster average annual rate (5%) than in the late 1970s (1%), but since 1984-85 the rate has slowed again. Between 1983-84 and 1984-85, enrolment grew about 2% and in 1985-86 around 1%.

For further information, contact Education, Culture and Tourism Division at (613) 990-9167 or order Education in Canada (catalogue number 81-229).

Raw Material Prices Register Third Substantial Gain

The Raw Materials Price Index (RMPI, 1981=100), which measures price changes in materials purchased by Canadian industry, increased 1.9% on a month-



Raw Materials Price Index

| | Feb. | Mar. | Apr. | May | June |
|--------------------------|------|------|------|-----|------|
| % change, previous month | | | | | |
| Total | 1.5 | -0.9 | 1.6 | 2.9 | 1.9 |
| Mineral fuels | 4.4 | -1.7 | 1.7 | 1.7 | 3.6 |
| Excluding mineral fuels | -0.4 | -0.5 | 1.6 | 3.9 | 0.7 |

over-month basis in June. Gains made in mineral fuels, animals and animal products and non-ferrous metals were the main contributors to this increase.

The RMPI was up 13.2% from June 1986, the third consecutive year-over-year advance. Prior to April, the RMPI had registered year-over-year declines for 15 consecutive months. The sudden swing was due principally to price increases for mineral fuels which were no longer counterbalanced in the year-to-year movement by the precipitous price decline registered in the first quarter of 1986. Excluding the mineral fuels component, the RMPI was up 7.2% in the 12-month period ending in June.

Further information, contact Prices Division at (613) 990-9606 or order Industry Price Indexes (catalogue number 62-011).

PUBLICATIONS RELEASED FROM JULY 31 TO AUGUST 6

AGRICULTURE

Canadian Potato Production, July 1987. Catalogue number 22-008 (Canada: \$7/\$21; Other Countries: \$8/\$24).

Cereals and Oilseeds Review, May 1987. Catalogue number 22-007 (Canada: \$10/\$100; Other Countries: \$11/\$110).

The Dairy Review, May 1987. Catalogue number 23-001 (Canada: \$10/\$100; Other Countries: \$11/\$110).

Survey of Canadian Nursery Trades Industry, 1985 and 1986. Catalogue number 22-203 (Canada: \$20; Other Countries: \$21).

CANSIM

Canadian Statistical Review, July Issue. Catalogue Number 11-003E. (Canada: \$20/200; Other Countries: \$21.50/215).

EDUCATION, CULTURE AND TOURISM

Education in Canada, 1985-86. Catalogue number 81-229 (Canada: \$40; Other Countries: \$41.50).

Education Price Index - Selected Inputs, Elementary and Secondary Levels, 1986, Vol. 9, No. 7. Catalogue number 81-002 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Education Statistics Bulletin, Vol. 9, No. 7. **Education Price Index**, 1986. Catalogue Number 81-002. (Canada: \$4; Other Countries: \$5)

INDUSTRY

Canned and Frozen Fruits and Vegetables, May 1987. Catalogue number 32-011 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Corrugated Boxes and Wrappers, June 1987. Catalogue number 36-004 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Department Store Monthly Sales, by Province and Metropolitan Area, May 1987. Catalogue number 63-004 (Canada: \$2/\$20; Other Countries: \$3/\$30).

Electric Lamps, June 1987. Catalogue number 43-009 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Electrical and Electronic Products Industries - Office, Store and Business Machine Industries (Electronic and Other), 1985 Census of Manufactures. Catalogue number 43-250B 3368 (Canada: \$4; Other Countries: \$5).

Food Industries, Fluid Milk Industry, 1985 Census of Manufactures. Catalogue number 32-250B 1041 (Canada: \$4; Other Countries: \$5).

Mineral Wool Including Fibrous Glass Insulation, June 1987. Catalogue number 44-004 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Monthly Production of Soft Drinks, June 1987. Catalogue number 32-001 (Canada: \$2/\$20; Other Countries: \$3/\$30).

New Motor Vehicle Sales, March 1987. Catalogue number 63-007 (Canada: \$8/\$80; Other Countries: \$9/\$90).

Printing, Publishing and Allied Industries - Other Commercial Printing Industries, 1985 Census of Manufactures. Catalogue number 36-251B 2819 (Canada: \$4; Other Countries: \$5).

Printing, Publishing and Allied Industries, Other Publishing Industries, 1985 Census of Manufactures. Catalogue number 36-251B 2839 (Canada: \$4; Other Countries: \$5).

Production and Inventories of Process Cheese and Instant Skim Milk Powder, June 1987. Catalogue number 32-024 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Production, Sales and Stocks of Major Appliances, June 1987. Catalogue number 43-010 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Production of Selected Biscuits, Quarter Ended June 1987. Catalogue number 32-026 (Canada: \$5/\$20; Other Countries: \$6/\$24).

Refined Petroleum Products, April 1987. Catalogue number 45-004 (Canada: \$15/\$150; Other Countries: \$16/\$160).

Restaurant, Caterer and Tavern Statistics, April 1987. Catalogue number 63-011 (Canada: \$5/\$50; Other Countries: \$6/\$60).

Retail Trade, March 1987. Catalogue number 63-005 (Canada: \$14/\$140; Other Countries: \$15/\$150).

Steel Wire and Specified Wire Products, May 1987. Catalogue number 41-006 (Canada: \$4/\$40; Other Countries: \$5/\$50).

The Sugar Situation, June 1987. Catalogue number 32-013 (Canada: \$4/\$40; Other Countries: \$5/\$50).

Wood Industries, Other Wood Industries n.e.c., 1985 Census of Manufactures. Catalogue number 35-250B 2599 (Canada: \$4; Other Countries: \$5).

INTERNATIONAL AND FINANCIAL ECONOMICS

System of National Accounts, Financial Flow Accounts: Preliminary Data, First Quarter 1987. Catalogue number 13-002P (Canada: \$10/\$40; Other Countries: \$11/\$44).

INTERNATIONAL TRADE

Summary of Canadian International Trade, May 1987. Catalogue number 65-001 (Canada: \$15/\$150; Other Countries: \$16/\$160).

LABOUR

Labour Force Information, July 1987. Catalogue number 71-001P (Canada: \$5/\$50; Other Countries: \$6/\$60).

PRICES

Industry Price Indexes, May 1987. Catalogue number 62-011 (Canada: \$15/\$150; Other Countries: \$16/\$160).

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Capacity Utilization Rates in Canadian Manufacturing, First Quarter 1987. Catalogue number 31-003 (Canada: \$20/\$80; Other Countries: \$21/\$84).

Housing Starts and Completions, April 1987. Catalogue number 64-002 (Canada: \$15/\$150; Other Countries: \$16/\$160).

SERVICES

Communications Service Bulletin, Vol. 17, No. 5, Telecommunication Statistics. Catalogue number 56-001 (Canada: \$6.50/\$39; Other Countries: \$7.50/\$45).

TRANSPORTATION

Passenger Bus and Urban Transit Statistics, May 1987. Catalogue number 53-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).

Railway Carloadings, May 1987. Catalogue number 52-001 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85).

Domestic Borrowing Steady

Non-financial sectors raised \$22.5 billion on conventional credit markets during the first quarter of 1987. Borrowing has flattened out around this level since 1985. Funds raised by individuals, unincorporated business and private corporations accounted for only 48% of total borrowings in the first quarter, down from an average of 62% during 1986. The proportion of borrowing by the general government sector increased to 48% from 33%.

Despite deficit reduction, government borrowing on financial markets was more than double the level of the first quarter of 1986. Most of the change occurred in federal government borrowing and was partly attributable to a reduction in cash balances carried over from the fourth quarter Canada Savings Bond campaign. Net new issues of Treasury bills reached a record \$7 billion and net bond issues provided a further \$2.3 billion in the first quarter of 1987. This contrasted to a total of only \$1 billion from both instruments a year earlier, when encashments of CSBs reached \$5.3 billion.

Personal sector mortgage borrowing remained strong, in line with continuing strength in the residential housing sector and declining interest rates for mortgages through the quarter. The high demand for consumer credit reflected increased expenditure on durable goods. The increased borrowings in the form of mortgages and consumer credit matched a decrease of \$2.4 billion in the sector's net lending. Overall, total acquisition of financial assets by the sector showed little change.

Financial Market Summary

| | 1986 | | | | 1987 |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 |
| millions of dollars | | | | | |
| Non-financial sectors | | | | | |
| Personal Sector | 2,583 | 8,981 | 7,439 | 14,425 | 5,901 |
| Private Corporations | 7,271 | 7,505 | 4,669 | 6,716 | 5,016 |
| Government Enterprises | 2,471 | -43 | 940 | 693 | 834 |
| General Government | 4,306 | 8,422 | 4,807 | 14,680 | 10,788 |
| Total Domestic | 16,631 | 24,865 | 17,855 | 36,514 | 22,539 |

Non-financial private corporations raised a total of \$5 billion in conventional credit market instruments, down 31% from a year earlier. Much of the drop was due to lower net issues of bonds. The value of gross issues of bonds was comparable to levels attained in the previous year; however, retirements during the quarter were significant. The volume of short-term borrowing (loans and short-term paper) was also lower than a year earlier. A shift from bank loans to short-term paper was likely due to an increased differential in yields on these instruments. On a very favourable market, net new issues of shares amounted to \$3 billion, similar to average quarterly issues during 1986.

For further information, contact International and Financial Economics Division at (613) 990-9043 or order Financial Flow Accounts (catalogue number 13-002P).

Growth in the Education Price Index Accelerates Slightly

The Education Price Index (EPI, 1981=100), which measures the price movement of goods and services purchased by Canadian school boards, rose 3.6% in 1986. This increase was slightly higher than the advance in 1985. Increases in the EPI had moderated from 1982 to 1985, following a trend similar to that of the Consumer Price Index.

Annual Growth Rates

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|-----------------------|-------------------------|------|------|------|------|------|------|
| | % change, previous year | | | | | | |
| Consumer Price Index | 10.2 | 12.5 | 10.8 | 5.8 | 4.4 | 4.0 | 4.1 |
| Education Price Index | 9.7 | 12.2 | 13.3 | 5.4 | 4.4 | 3.2 | 3.6 |
| Salaries and wages | 9.0 | 11.1 | 13.4 | 5.2 | 4.0 | 3.0 | 3.8 |
| Teaching | 8.7 | 10.2 | 12.5 | 4.7 | 3.9 | 2.9 | 3.9 |
| Non-teaching | 11.8 | 19.1 | 20.6 | 9.0 | 5.0 | 3.8 | 3.6 |
| Non-salary | 12.8 | 16.9 | 12.8 | 6.2 | 6.2 | 4.0 | 2.3 |

Teachers' salaries were largely responsible for the reversal of the downturn in the index. (Teachers' salaries accounted for slightly more than 72% of EPI inputs in 1985.) In 1986, growth in teachers' salaries rebounded slightly (3.9%), after recording its lowest increase since 1972 a year earlier (2.9%).

The rise in the EPI was moderated by a notable decline in the growth of the non-salary component. In the last three years, growth in this portion of the index dropped to 2.3% in 1986 from 6.2% in 1983. The growth in 1986 was the lowest rate ever recorded and reflects a 22.5% drop in fuel oil prices and stable gas prices.

For further information, contact Education, Culture and Tourism Division at (613) 991-1507 or order Education Statistics Bulletin (catalogue number 81-002).



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LATEST MONTHLY STATISTICS

| | | | Previous Month | % Change From Year Ago |
|--|-------|--------|-------------------|------------------------------|
| EMPLOYMENT, INCOME | | | | |
| Average Weekly Earnings (\$) | May | 440.24 | 437.90 | 3.5 |
| Labour Income (\$ million) | Mar. | 22,968 | 22,717 | 6.2 |
| Persons with Jobs (million) | June | 12.32 | 12.02 | 2.7 |
| Unemployed (million) | June | 1.1 | 1.2 | -5.2 |
| INVENTORIES | | | | |
| Department Store (\$ million) | May | 4,540 | 4,678 | 7.1 |
| Manufacturers' Owned (\$ million) | May | 33,811 | 33,767 | 0.3 |
| ORDERS | | | | |
| Manufacturers' New Orders (\$ million) | May | 22,147 | 21,484 | 1.8 |
| Manufacturers' Unfilled Orders (\$ million) | May | 24,319 | 23,957 | -1.8 |
| PRICES | | | | |
| Consumer Price Index (1981 = 100) | June | 138.2 | 137.8 | 4.8 |
| New House Price Index (1981 = 100) | May | 119.0 | 118.0 | 16.0 |
| Raw Materials Price Index (1981 = 100) | June* | 103.9 | 101.8 | 13.2 |
| Excl. mineral fuels | June* | 110.7 | 110.0 | 7.2 |
| Industrial Product Price Index (1981 = 100) | June* | 122.3 | 121.7 | 3.1 |
| CONSTRUCTION | | | | |
| | | | Year-to-date | |
| Building Permits (\$ million) | May | 2,907 | 12,143 | 38.0 |
| Housing Starts - Urban Centres (units) | May | 24,944 | 82,734 | 36.6 |
| ENERGY | | | | |
| Coal Production (thousand tonnes) | May* | 4,694 | 23,606 | -2.9 |
| Electricity Generation (gigawatt hours) | May* | 36,839 | 209,948 | 6.2 |
| Natural Gas Production (million cubic metres) | Apr.* | 8,912 | 39,035 | 2.0 |
| FOREIGN TRADE | | | | |
| Exports - Balance of Payments Basis (\$ million) | May | 10,501 | 50,672 | -0.6 |
| Imports - Balance of Payments Basis (\$ million) | May | 9,512 | 46,309 | 0.4 |
| SALES | | | | |
| Department Store Sales (\$ million) | May | 1,033 | 4,438 | 0.0 |
| Manufacturers' Shipments (\$ million) | May | 21,786 | 105,142 | 0.4 |
| New Motor Vehicle Sales (\$ million) | May | 2,306 | 9,912 | 7.2 |
| Refined Petroleum Products (thousand cubic metres) | May | 6,484 | 31,646 | 2.6 |
| Retail Sales (\$ million) | May | 13,469 | 58,081 | 7.6 |

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

INFOMAT

A WEEKLY REVIEW

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