

I·N·F·O·M·A·T

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

Friday, July 8, 1988



OVERVIEW

■ Steady Growth in Composite Leading Indicator

In April, the leading indicator advanced 0.7%, the same rate as in March. One of the main contributors to this advance was the continued growth in the manufacturing indicators.

■ Raw Material Prices Rebound

The 2.3% increase in the raw materials price index in May was the first advance in six months.

■ Housing Starts Rise for the Fourth Consecutive Month

In May, housing starts in urban centres reached 204,000 units on an annual basis, rising 4.1% over April.

■ Increase in Industrial Prices Under 4.0%

The industrial product price index rose 3.9% on a year-over-year basis, the lowest increase registered since October 1987.

■ Moderate Decline in Foreign Travellers

The seasonally adjusted number of foreign travellers to Canada has been following a downward trend in 1988, dropping 5.9% from January to April.

This issue also includes articles on Education in Canada, Canadian Social Trends, Profiles of Federal Electoral Districts and Income of Immigrants in Canada.

Steady Growth in Composite Leading Indicator

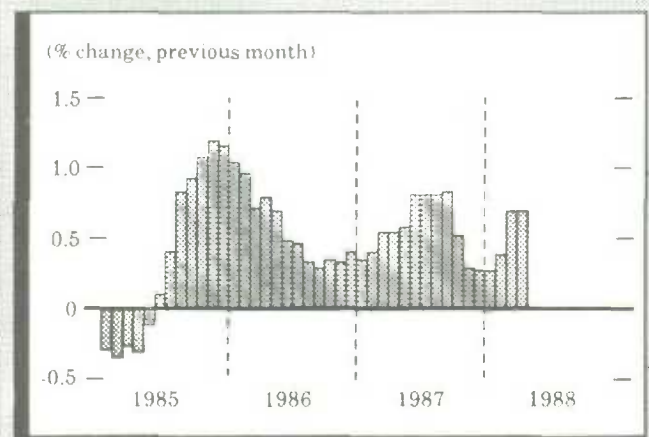
In April, the Canadian composite leading indicator advanced 0.7%, the same rate as in March and up from the 0.4% growth recorded in February. Contributing to the April increase were continued growth in the manufacturing indicators, a levelling off in the stock market index, and an increase in the United States leading indicator.

Among the components comprising the composite leading indicator, those related to business and export demand continue to outpace those related to household spending. New orders for durable goods continued to grow in April, mainly in the investment goods industries. Most of this increase in new orders has not yet been reflected in production due to the long time lags involved in producing investment goods. The slowing of total manufacturing shipments in April combined with a marginal increase in finished goods inventories has left the ratio of shipments to inventories unchanged for the second consecutive month.

The United States leading indicator turned up in April after four consecutive monthly declines. The manufacturing-related indicators were largely responsible for this reversal, while the stock index continued to register smaller declines.

(continued on page 2)

Composite Leading Indicator



... Steady Growth in Composite Leading Indicator

The Canadian composite leading indicator is made up of 10 components, selected to give broad coverage to the principal sectors of demand in the economy: namely, consumer expenditure, housing, business investment and exports. The components are selected for their sensitivity as indicators of turning points in the economy. The average work week, for example, would lead manufacturing production because manufacturers will

make marginal adjustments to the work week before altering employment levels or adding to productive capacity. A building permit leads construction activity since one must be issued before construction can actually begin. The lead time of the individual components is variable ranging from two months up to one year.

For further information, order the *Canadian Economic Observer* (catalogue number 11-010) or contact the *International and Financial Economics Division* at (613) 951-3627.

Raw Material Prices Rebound

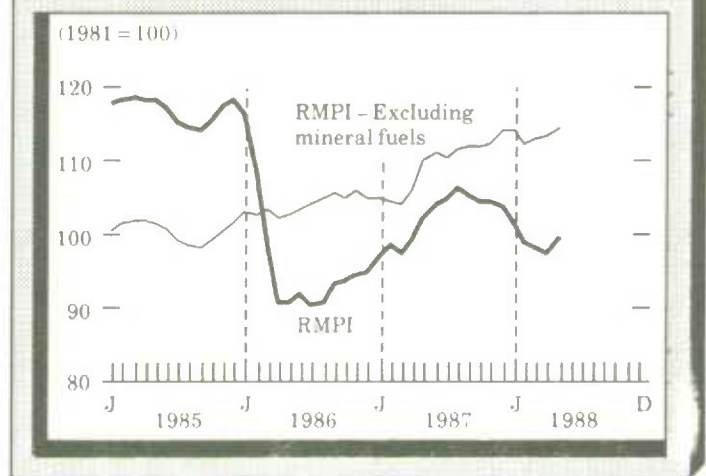
The raw materials price index (RMPI) increased 2.3% in May from April to a level of 99.5 (1981=100). This was the first increase in the RMPI in six months. From December to April, the index registered a cumulative decline of 6.1%. Excluding the mineral fuels component, which has a 45% weight in the overall index, the RMPI rose 1.1%.

Notable commodity price movements included mineral fuels, up 4.1% in May, reflecting a 5.6% increase for crude mineral oils. Vegetable products were up 2.6% from April, mainly the result of increased prices for unrefined sugar and oilseeds. Among non-ferrous metals, up 2.2%, price increases for copper and zinc were partially offset by a 4.3% decrease in the price of nickel.

On a year-over-year basis, the RMPI fell 2.7% in May. With the mineral fuels component excluded, there was an annual advance of 4.2%.

For further information order *Industry Price Indexes* (catalogue number 62-011) or contact *Prices Division* at (613) 951-9607.

Raw Materials Price Index

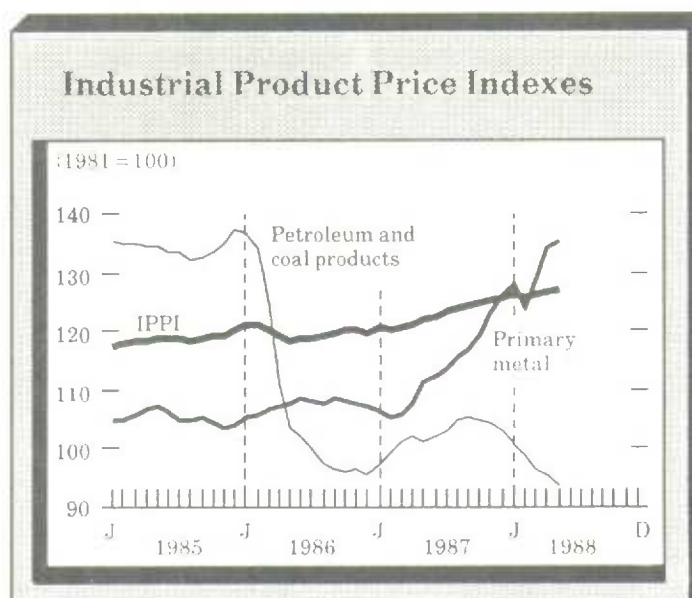


Increase in Industrial Prices Under 4.0%

The industrial product price index (IPPI) rose 0.2% in May over April, to a level of 126.9 (1981=100). The index was up 3.9% on a year-over-year basis in May, the smallest increase since October of last year. With the petroleum and coal products component excluded, the yearly increase was 5.1%.

The IPPI is sub-divided into two components, intermediate goods and finished products. Intermediate goods account for slightly over 60% of the total index. Intermediate goods are manufacturing outputs purchased by other manufacturing industries, whereas finished goods are sold outside the sector. The May increase in the overall IPPI was entirely due to increased prices for intermediate goods, rising 0.2% from April and 6.5% from a year earlier. By comparison, the finished goods index was unchanged from April and only 0.3% higher than in May 1987.

Among the various commodity groups, the paper and paper products index increased 1.2% in May from the previous month, reflecting higher prices for newsprint and sulphite woodpulp. The primary metal products index rose 0.9%, mainly due to higher prices for most non-ferrous metals. Significant price decreases



posted for gasoline and fuel oils in May resulted in a 1.9% drop in the petroleum and coal products index from a month earlier.

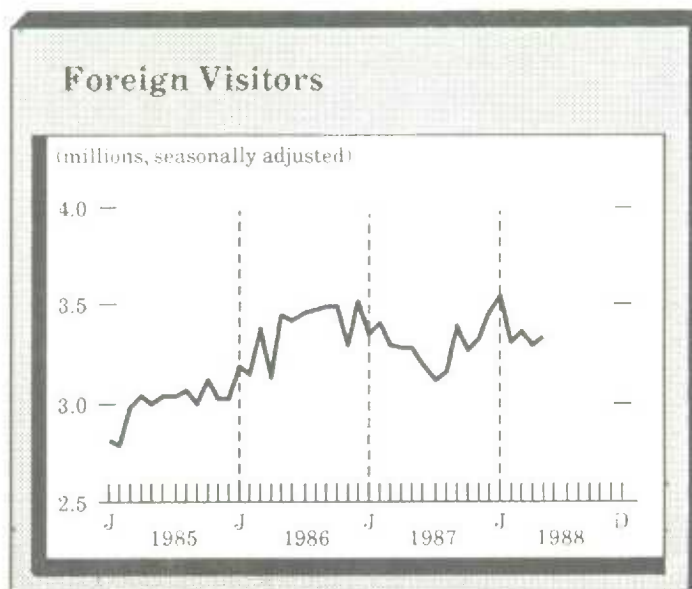
For further information order *Industry Price Indexes* (catalogue number 62-011) or contact Prices Division at (613) 951-9607.

Moderate Decline in Foreign Travellers

The seasonally adjusted number of foreign travellers to Canada has been following a downward trend in 1988. In May, it was 5.9% below the level recorded in January. This decline stems from a reduction in the volume of U.S. residents visiting Canada, which was down by 7.1% from January to May. On the other hand, the number of visitors from overseas countries continues to follow the upward trend evident since March 1987. The number of total foreigners visiting Canada includes person staying less than 24 hours and longer-term tourists.

The number of residents returning to Canada from abroad continues to follow a gently rising trend. The main support for this trend is the level of travel by Canadians to the United States, as the number of residents returning from overseas has registered a moderate decrease since January (-4.4%).

In addition to very strong seasonal characteristics, travel flows are affected by varying daily volumes. For example, the occurrence of one additional Wednesday and one less Sunday in a month can account for as much as a 5% drop in a year-over-year comparison of actual data. To facilitate short term analysis, Statistics Canada has now made available data adjusted to account for these factors.



For further information, order *International Travel - Advance Information* (catalogue number 66-001P) or contact Education, Culture and Tourism Division at (613) 951-8933.

PUBLICATIONS RELEASED FROM JULY 4-7

AGRICULTURE

Cereals and Oilseeds Review, March 1988. Catalogue number 22-007 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

Fruit and Vegetable Production, May 1988. Catalogue number 22-003 (Canada: \$16.50/\$66; Other Countries: \$17.50/\$70).

Production and Stocks of Eggs and Poultry, April 1988. Catalogue number 23-003 (Canada: \$11/\$110; Other Countries: \$12/\$120).

Stocks of Frozen Meat Products, June 1988. Catalogue number 32-012 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

EDUCATION, CULTURE AND TOURISM

Education in Canada, 1987. Catalogue number 81-229 (Canada: \$46; Other Countries: \$48).

INDUSTRIAL ORGANIZATION AND FINANCE

Industrial Corporations Financial Statistics, First Quarter 1988. Catalogue number 61-003P (Canada: \$15/\$60; Other Countries: \$16/\$64).

INDUSTRY

Asphalt Roofing, May 1988. Catalogue number 45-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Beverage and Tobacco Products Industries, Leaf Tobacco Industry, 1986 Census of Manufactures. Catalogue number 32-251B 1211 (Canada: \$4; Other Countries: \$5).

Beverage and Tobacco Products Industries, Tobacco Products Industry, 1986 Census of Manufactures. Catalogue number 32-251B 1221 (Canada: \$4; Other Countries: \$5).

Food Industries, Cereal Grain Flour Industry, 1986 Census of Manufactures. Catalogue number 32-250B 1051 (Canada: \$4; Other Countries: \$5).

Food Industries, Dry Pasta Products Industry, 1986 Census of Manufactures. Catalogue number 32-250B 1092 (Canada: \$4; Other Countries: \$5).

Gas Utilities, February 1988. Catalogue number 55-002 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

Merchandising Inventories, January 1988. Catalogue number 63-014 (Canada: \$13/\$130; Other Countries: \$14/\$140).

Primary Iron and Steel, April 1988. Catalogue number 41-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Production, Sales and Stocks of Major Appliances, May 1988. Catalogue number 43-010 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Quarries and Sand Pits, 1986. Catalogue number 26-225 (Canada: \$20; Other Countries: \$21).

Refined Petroleum Products, March 1988. Catalogue number 45-004 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

Steel Wire and Specified Wire Products, February 1988. Catalogue number 41-006 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Steel Wire and Specified Wire Products, March 1988. Catalogue number 41-006 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Transportation Equipment Industries, Railroad Rolling Stock Industry, 1986 Census of Manufactures. Catalogue number 42-251B 3261 (Canada: \$4; Other Countries: \$5).

Wood Industries, Wood Preservation Industry, 1986 Census of Manufactures. Catalogue number 35-250B 2591 (Canada: \$4; Other Countries: \$5).

INTERNATIONAL TRADE

Imports by Commodity, March 1988. Catalogue number 65-007 (Canada: \$50/\$500; Other Countries: \$60/\$600).

Summary of Canadian International Trade, (H.S. Based), April 1988. Catalogue number 65-001 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

LABOUR

Employment, Earnings and Hours, March 1988. Catalogue number 72-002 (Canada: \$38.50/\$385; Other Countries: \$40.50/\$405).

Labour Force Information, June 1988. Catalogue number 71-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

Unemployment Insurance Statistics, March 1988. Catalogue number 73-001 (Canada: \$13/\$130; Other Countries: \$14/\$140).

TRANSPORT

Air Carrier Operations in Canada, April-June 1987. Catalogue number 51-002 (Canada: \$22/\$88; Other Countries: \$23/\$92).

Education in Canada

Spending on education in Canada reached an estimated \$36.3 billion in 1986-87, up 140% (in current dollars) from 1976-77. By comparison, the Consumer Price Index went up by 117% during the same period.

These figures have been published in the latest edition of *Education in Canada*, 1987. The following are some highlights from the report:

- In 1986-87, elementary-secondary enrolment rose for the first time since 1970-71. About 4,938,000 students were enrolled in elementary-secondary schools, 10,000 more than the previous year.
- Total full-time postsecondary enrolment was 796,400 in 1986-87, which amounted to 193,700 more students than 10 years earlier, and 6,500 more than the previous year.

- In 1986, 2,200 doctorates were granted, the largest number ever awarded in a year. Women received 27% of them in 1986, up from 19% in 1976.
- The number of elementary-secondary teachers peaked at 284,900 in 1976-77. Since that year, their number has shown a downward trend until 1985-86 when the decline levelled off. In 1986-87, full-time elementary-secondary teachers totalled 269,800, 15,100 fewer than in 1976-77. Approximately 57% were women, the same as in 1976-77.
- In 1986-87, full-time university teachers numbered 35,600 – a 12% increase over 1976-77. Women made up about 17% of the faculty, a slight increase from a decade earlier when the corresponding proportion was 14%.

For further information, order Education in Canada, 1987 (catalogue number 81-229), or contact Education, Culture and Tourism Division at (613) 951-9167.

NEW FROM STATISTICS CANADA

Income of Immigrants in Canada

This publication is the fourth in the Current Demographic Analysis Series. Using 1980 census data, it presents a very detailed analysis of the income of Canadians not born in this country. Taken into consideration in the analysis is the duration of residence, occupation, level of education, country of origin, etc. in order to explain income differences between immigrants and the Canadian-born population, who are used as a comparison group.

Profiles – Federal Electoral Districts – 1987 Representation Order: Part 2

Part 2 of the statistical profile of the 295 new federal electoral districts (FEDs) in Canada, as defined by the 1987 Representation Order, is now available. Data for Canada, the provinces and territories are also included. The profile provides social, cultural, labour and 1985 income characteristics along with additional information on housing, households and families. The data are collected from a 20% sample of households. Included are population counts by language, ethnicity, immigration, citizenship, mobility, schooling, industry, occupation and income.

Canadian Social Trends, Summer 1988

According to this edition of *Canadian Social Trends*, the number of women teaching full-time in Canadian universities rose from fewer than 750 in 1960 to almost 6,000 in 1985 (an increase of 713%). In the same period, the number of male university teachers rose 410%, from 5,700 to 29,200. Most of the growth in the number of both male and female university teachers occurred between 1960 and 1975 when the baby boom population flooded into Canadian universities.

This issue also features articles on AIDS, trends in cancer since 1970, the film industry, travel in Canada, violent crime, employment of disabled persons, loss of prime agricultural land and an annual update of labour force trends.



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LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	Apr.	461.06	458.74	5.3
Labour Income (\$ million)	Feb.	24,221	24,217	6.6
Persons with Jobs (million)	May	12.48	12.08	3.8
Unemployed (thousand)	May	1,035	1,085	-12.1
INVENTORIES				
Department Store (\$ million)	Apr.	4,613	4,549	0.3
Manufacturers' Owned (\$ million)	Apr.	37,402	36 805	4.7
ORDERS				
Manufacturers' New Orders (\$ million)	Apr.	23,791	28,017	6.7
Manufacturers' Unfilled Orders (\$ million)	Apr.	26,746	26,508	17.4
PRICES				
Consumer Price Index (1981 = 100)	May	143.4	142.5	4.1
New House Price Index (1981 = 100)	Apr.	128.3	126.0	8.7
Raw Materials Price Index (1981 = 100)	May	99.5	97.2	-2.7
Excl. minerals fuels	May	114.6	114.1	4.2
Industrial Product Price Index (1981 = 100)	May	126.9	126.3	3.9
CONSTRUCTION				
			Year-to-date	
Building Permits (\$ million)	Feb.	1,915	3,335	15.9
Housing Starts - Urban Centres (units)	May*	21,996	72,273	-12.6
ENERGY				
Coal Production (thousand tonnes)	Apr	5,779	23,995	26.7
Electricity Generation (gigawatt hours)	Apr	38,964	179,438	3.6
Natural Gas Production (million cubic metres)	Mar.	11,184	35,009	15.8
FOREIGN TRADE				
Exports - Customs Basis (\$ million)	Apr.	11,003	44,544	11.5
Imports - Customs Basis (\$ million)	Apr.	10,312	44,973	21.0
SALES				
Department Store Sales (\$ million)	Apr.	1,003	3,379	-0.4
Manufacturers' Shipments (\$ million)	Apr.	23,553	93,504	9.3
New Motor Vehicle Sales (\$ million)	Apr.	2,695	8,383	7.7
Refined Petroleum Products (thousand cubic metres)	May	6,777	32,631	3.7
Retail Sales (\$ million)	Apr.	13,710	48,981	9.9

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

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