

# I·N·F·O·M·A·T

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

Friday, September 9, 1988

### OVERVIEW

#### ■ Leading Indicator Registers Steady Growth

The composite leading indicator rose 0.8% in June, similar to the increases recorded in the previous few months.

#### ■ Raw Material Prices Edge Down

In July, the raw materials price index was down 0.2%, following three consecutive monthly increases.

#### ■ Industrial Product Prices Resume Upward Trend

The industrial product price index registered a marginal gain of 0.2% in July, resuming the gentle rising trend evident from January to May.

#### ■ Postsecondary School Enrolment Growing Slowly

The decreasing number of Canadians in the 18 to 21 year old age group will continue to have a restraining effect on the growth of college and university enrolment in 1988-89.

#### ■ Large Jump in Help-wanted Index

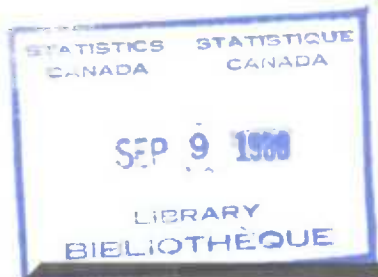
In August, the help-wanted index rose sharply to 163 from 146, the largest monthly change since the early 1980s.

This issue also includes articles on **Financial Flows, Second Language Programs and Income Estimates for Subprovincial Areas.**

### Leading Indicator Registers Steady Growth

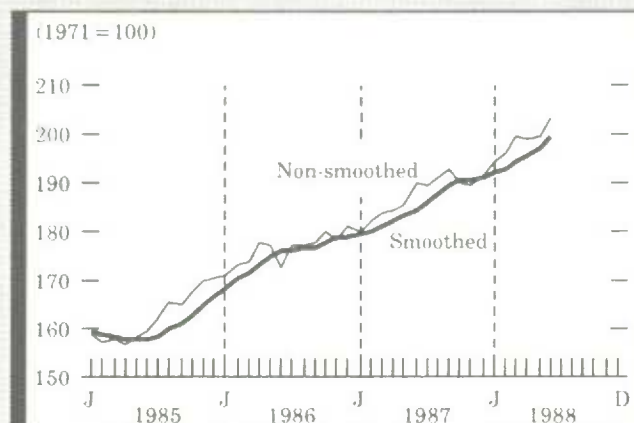
The composite leading indicator continues to register steady growth. The 0.8% rise in June was similar to increases recorded in the previous few months. Manufacturing industries continued to be the main source of strength. However, an increasing number of final demand indicators were also up.

New orders for durable goods grew by over 1.0% for the third consecutive month, with the highest rates of increase in the investment and export related industries. This rapid growth combined with only moderate advances in shipments has produced steady increases in the level of unfilled orders. The ratio of shipments to inventories of finished goods was little changed. The average work week declined slightly for the second month in a row.



(continued on page 2)

### Composite Leading Indicator



### ... Leading Indicator

The residential construction index increased 1.2% in June, similar to the gain in May. Sales of furniture and appliances firmed after five consecutive monthly declines. Coinciding with rising interest rates, house sales declined for the second consecutive month and housing starts sagged.

The stock market indicator rose 1.0%, its first gain in seven months.

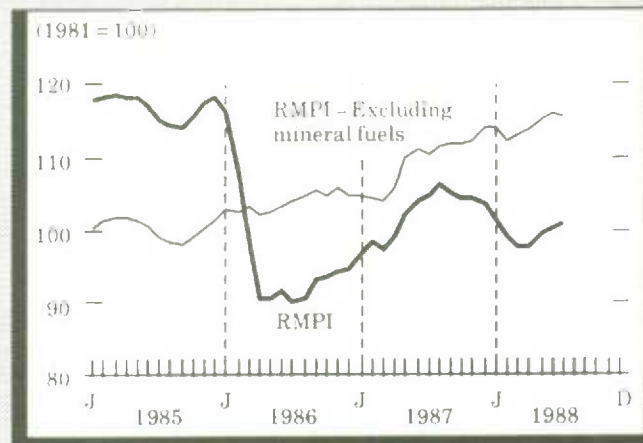
For further information, order the *Canadian Economic Observer* (catalogue number 11-010) or contact International and Financial Economics Division at (613) 951-3627.

## Raw Material Prices Edge Down

- The raw materials price index (1981=100) was down 0.2% in July, following three consecutive monthly advances.
- The animal and animal products component dropped 2.2%, the second consecutive decrease.
- The non-ferrous metals component decreased for the first time since February 1988.
- The vegetable products component rose 7.2%, the fourth consecutive monthly increase.

Further information, order *Industry Price Indexes* (catalogue number 62-011) or contact Prices Division at (613) 951-9606.

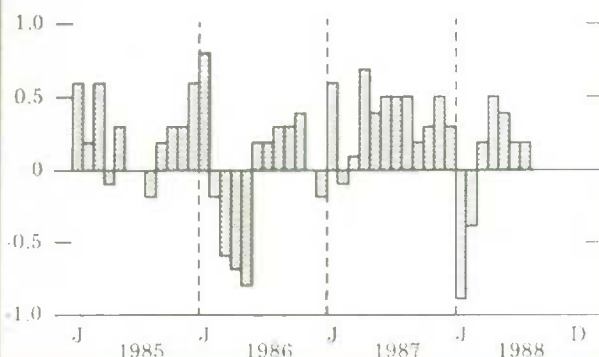
### Raw Materials Price Index



## Industrial Product Prices Resume Upward Trend

### Industrial Product Price Index

(% change, previous month)



- The industrial product price index (IPPI, 1981=100), which measures the price change of commodities sold by Canadian industries, rose 0.2% in July, returning to the gently rising trend evident since the start of the year.
- On a year-over-year basis, the index was up 3.7%, continuing the trend of more moderate advances noted in recent months.
- The petroleum and coal products component showed an increase of 0.3% in July. This component had declined in each of the nine preceding months.
- Primary metal products prices were down (-1.7%) for the second consecutive month, reflecting a sharp decline in copper and nickel prices.
- Paper and paper products prices advanced strongly again in July, mainly as a result of significantly higher pulp prices.

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

## Postsecondary School Enrolment Growing Slowly

The decreasing numbers of Canadians in the 18 to 21 year old age group will continue to have a restraining affect on the growth of college and university enrolment in 1988-89, partially offsetting increases in participation rates. Early estimates indicate that this year's enrolment in community colleges will level off at 321,400 after many years of steady increase. Full-time enrolment at universities is expected to rise by only 2%.

Elementary school enrolment, on the other hand, is expected to increase slightly in 1988-89, reflecting the growth in the 6 to 13 year old population. However, enrolment in grades 9 to 13 is expected to decrease slightly in the upcoming school year.

Tuition fees at most Canadian universities have risen faster than inflation. For example, increases tuition fees for undergraduate arts and science programs ranged from 4 to 8% between July 1987 and July 1988, while the consumer price index rose 3.8%. There are a number of significant exceptions, notably Quebec where fees have not changed in more than 10 years.

Students choosing to live on campus (room and board) should generally expect to pay between 2.5% and 8% more for accommodation than in the previous academic year. The cost of room and board in university-administered residences ranges from \$2,500 to \$4,300.

*For further information, contact Education, Culture and Tourism Division at (613) 951-1967 or 951-1526.*

## Large Jump in Help-wanted Index

- After advancing slowly from January to July, the seasonally adjusted help-wanted index (1981=100) jumped to 163 in August from 146. This was the largest monthly change since the recession of the early 1980s.
- All regions contributed to the change.
- In the Atlantic region, the index rose during the month, but remained below the level recorded in April.
- The Quebec help-wanted index reached a record level of 196, jumping from 173 a month earlier.
- In Ontario, the index also reached a record level (209), after easing for three months.
- Following three consecutive declines, the index for the Prairie region increased to 66, returning to the level registered in May.

### Help-wanted Index (1981 = 100)

	Apr.	May	June	July	Aug.
	seasonally adjusted				
<b>Canada</b>	<b>149</b>	<b>144</b>	<b>150</b>	<b>146</b>	<b>163</b>
Atlantic Region	209	189	183	191	195
Quebec	155	153	172	173	196
Ontario	201	198	196	190	209
Prairie Region	70	66	64	61	66
British Columbia	60	56	60	59	68

- In British Columbia, the index advanced to 68, its highest level since February 1982 when the index was 71.

*For further information, contact Labour Division at (613) 951-4045.*

## Slower Growth in Household Borrowing

During the second quarter of 1988, the non-financial sectors of the Canadian economy borrowed an additional \$32.6 billion on credit markets. This represented a year-to-year increase of 11.9%, somewhat higher than the recently published 8.7% increase in gross domestic product. Household demand for credit eased in the quarter, while higher growth was reported for all other sectors.

Net new borrowing by households, in the form of consumer credit, decreased from a year earlier for the second consecutive quarter, while mortgage borrowing declined for a third consecutive quarter. Total debt outstanding on these two instruments represented 73.7% of personal disposable income in the second quarter, similar to a level reached at the end of 1987 and below a peak of about 75% reached in 1979.

*(continued on page 4)*



### ... Growth in Household Borrowing Eases

The higher borrowing by non-financial private corporations reflected the strength in capital investment in plant and equipment. The sector's financing continued to be characterized by a reliance on debt instruments, as net new issues of shares remained well below pre-crash volumes. Debt financing showed some shift to bonds from short-term paper as yield differentials narrowed.

Federal government borrowing during the quarter showed a marked increase to \$8.7 billion from the \$2.4

billion of a year earlier, although its financing requirement was actually reduced. This year, part of the proceeds of the increased net new issues of bonds and Treasury bills augmented cash reserves by \$3.2 billion, while a year earlier a reduction in cash reserves of \$2.7 billion had supplemented borrowing. The decrease in provincial government borrowing was in line with a continued reduction in deficit financing requirements.

*For further information, order Financial Flow Accounts (catalogue number 13-002P) or contact International and Financial Economics Division at (613) 951-9043.*

### Continued Popularity of Second Language Programs

In 1986-87, more than one-half of all students attending English schools outside Quebec were enrolled in second language programs. This was up from one-third in 1970-71. Of these 1.8 million students, 10% were enrolled in French immersion programs, an increase of 14% over the previous year.

Since 1970-71, participation at the elementary level has been increasing steadily, so that by 1986-87 the rate had nearly doubled (to 56% from 29%). Participation rates at the secondary level, after declining in nearly every year between 1970-71 and 1983-84, have increased slowly, reaching 47% in 1986-87.

In Quebec, English is compulsory for all students in the French school system from grade 4 through to graduation. A number of school boards in the French system offer English before grade 4, but data for these boards is not available. Quebec has virtually no English immersion programs.

*For further information, order Minority and Second Language Education, Elementary and Secondary Levels, 1986-87 (catalogue number 81-257) or contact Education, Culture and Tourism Division at (613) 951-1498.*

### Income Estimates for Subprovincial Areas

*Income Estimates for Subprovincial Areas, 1986* presents money income and personal income data on an aggregate and per capita basis for 260 counties or census divisions, for 61 subprovincial regions and for Canada's 25 census metropolitan areas (CMAs). Income is measured before and after tax.

The report shows that:

- The CMAs with the highest per capita personal disposable income in 1986 were Toronto, Calgary and Kitchener, while Chicoutimi-Jonquière, Saint John, New Brunswick and St. John's, Newfoundland were the CMAs with the lowest personal disposable income.

- The five leading census divisions in per capita money income after tax were all in Ontario: the regional municipalities of York, Halton, Ottawa-Carleton, Toronto and Peel. Of the five census divisions with the lowest per capita money income after tax, four were in Newfoundland and one was in British Columbia.
- The direct tax rate for personal income, namely the direct taxes and other transfers from persons to governments as a proportion of personal income, was 20.6% for Canada. Among the CMAs, the direct tax rate was highest in Chicoutimi-Jonquière and Québec City and lowest in Winnipeg and Saskatoon.
- From 1985 to 1986, per capita personal disposable income grew 4.6%.

*For further information, order Income Estimates for Subprovincial Areas, 1986 (catalogue number 13-216) or contact Labour and Household Surveys Analysis Division at (613) 951-6900.*

## PUBLICATIONS RELEASED FROM SEPTEMBER 2 - 8

### AGRICULTURE

**August Estimate of Production of Principal Field Crops, Canada - Field Crop Reporting Series, 1988.** Catalogue number 22-002 (Canada: \$7.50/\$52; Other Countries: \$8.50/\$58).

**Farm Cash Receipts, January-June 1988.** Catalogue number 21-001 (Canada: \$10/\$40; Other Countries: \$11/\$44).

**The Dairy Review, June 1988.** Catalogue number 23-001 (Canada: \$11/\$110; Other Countries: \$12/\$120).

### EDUCATION, CULTURE AND TOURISM

**Advance Statistics of Education, 1988-89.** Catalogue number 81-220 (Canada: \$20; Other Countries: \$21).

**Travel-log, Vol. 7, No. 2, Touriscope, August 1988.** Catalogue number 87-003 (Canada: \$10/\$40; Other Countries: \$11/\$44).

**Tuition and Living Accommodation Costs at Canadian Universities, 1987-1988 and 1988-1989.** Catalogue number 81-219 (Canada: \$20; Other Countries: \$21).

### GEOGRAPHY

**Population Place Name Reference Lists - Atlantic Provinces, 1986.** Catalogue number 92-121 (Canada: \$37; Other Countries: \$38.50).

**Population Place Name Reference Lists - Western Provinces and the Territories, 1986.** Catalogue number 92-123 (Canada: \$34; Other Countries: \$35.50).

### INDUSTRY

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

**Canned and Frozen Fruits and Vegetables, April 1988.** Catalogue number 32-011 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

**Fabricated Metal Products Industries - Basic Hardware Industry, 1986 Census of Manufactures.** Catalogue number 41-251B 3061 (Canada: \$4; Other Countries: \$5).

**Inventories, Shipments and Orders in Manufacturing Industries, May 1988.** Catalogue number 31-001 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

**Metal Mines, 1986.** Catalogue number 26-223 (Canada: \$24; Other Countries: \$25).

**Non-metal Mines, 1986.** Catalogue number 26-224 (Canada: \$20; Other Countries: \$21).

**Retail Trade, May 1988.** Catalogue number 63-005 (Canada: \$16/\$160; Other Countries: \$17/\$170).

**Rigid Insulating Board, July 1988.** Catalogue number 36-002 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

### INTERNATIONAL AND FINANCIAL ECONOMICS

**Financial Flow Accounts, Second Quarter 1988.** Catalogue number 13-002P (Canada: \$11.50/\$46; Other Countries: \$12.50/\$50).

### INTERNATIONAL TRADE

**Exports by Commodity (H.S. Based), May 1988.** Catalogue number 65-004 (Canada: \$50/\$500; Other Countries: \$60/\$600).

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

### LABOUR

**Labour Force Information, August 1988.** Catalogue number 71-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65). Available at 7:00 a.m. on September 9.

### PRICES

**Farm Input Price Index, Second Quarter 1988.** Catalogue number 62-004 (Canada: \$11.25/\$45; Other Countries: \$12.25/\$49).

**Industry Price Indexes, June 1988.** Catalogue number 62-011 (Canada: \$16.50/\$165; Other Countries: \$18.50/\$185).

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

**Building Permits, February 1988.** Catalogue number 64-001 (Canada: \$20/\$200; Other Countries: \$21/\$210).

### SERVICES

**Communications Service Bulletin, Telecommunications Statistics, Second Quarter 1988.** Catalogue number 56-001 (Canada: \$7.50/\$45; Other Countries: \$8.50/\$51).

# LATEST MONTHLY STATISTICS

STATISTICS CANADA LIBRARY  
BIBLIOTHEQUE STATISTIQUE CANADA



1010718069

			Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (billion 1981 dollars)	June	396	0.2%	4.9%
Composite Leading Indicator (1971 = 100)	June*	199.2	0.8%	7.9%
Profits of Industrial Corporations (\$ billion)	2Q	9.80	7.2%	20.2%
Consumer Price Index (1981 = 100)	July	144.5	0.6%	3.8%
Retail Trade (\$ billion)	June	13.6	-0.5%	4.9%
New Motor Vehicle Sales ('000 units)	June	123	9.7%	4.9%
Housing Starts ('000, annual rates)	June	218	8.0%	16.2%
<b>LABOUR</b>				
Employment (millions)	July	12.4	0.2%	3.5%
Unemployment Rate	July	7.9%	0.3	-1.0
Labour Income (\$ billion)	May	25.9	0.2%	6.8%
Average Weekly Earnings (\$)	June	464.39	0.4%	5.1%
<b>EXTERNAL TRADE</b>				
Merchandise Exports (\$ billion)	June	11.9	3.5%	15.4%
Merchandise Imports (\$ billion)	June	10.2	-5.6%	4.6%
Merchandise Trade Balance (\$ billion)	June	1.6	1.0	1.1
<b>MANUFACTURING</b>				
Shipments (\$ billion)	June	24.1	0.7%	9.2%
New Orders (\$ billion)	June	24.5	-1.5%	10.6%
Unfilled Orders (\$ billion)	June	27.8	1.2%	23.1%
Inventory/ Shipments Ratio	June	1.54	-0.01	-0.05
Capacity Utilization (%)	1Q	80.3	-0.4	1.4
<b>PRICES</b>				
Industrial Product Price Index (1981 = 100)	July*	127.8	0.2%	3.7%
Raw Materials Price Index (1981 = 100)	July*	100.1	-0.2%	-4.7%
New Housing Price Index (1981 = 100)	June	131.2	0.9%	9.7%

*Note: All series are seasonally adjusted with the exception of average weekly earnings and the price index series.*

\* New this week.

## I.N.F.O.M.A.T

### A Weekly Review

Published by the Communications Division  
Statistics Canada.

Senior Editor: Greg Thomson (613) 951-1116  
Editor: Linda M'Cormick (613) 951-1197

R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario K1A 0T6.

Catalogue: 11-002E. Price: Canada, \$2/\$100; other countries, \$3/\$150. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6 or telephone Publication Sales at 1-800-267-6677.

Published under the authority of the Minister of Supply and Services Canada. Statistics Canada should be credited when reproducing or quoting any part of this document.