

I·N·F·O·M·A·T

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

Friday, June 16, 1989

OVERVIEW

■ Growth in the Composite Leading Indicator Slows

In March, the composite leading indicator rose 0.3% from February, the lowest increase since July 1988.

■ Employment Jumps in May

In May, the employment level rose by 62,000, offsetting a decline of similar magnitude in April.

■ New Housing Price Index Shows Advance

In April, growth in British Columbia and Southern Ontario pushed up the index, but growth in Toronto appears to be moderating.

■ Farm Product Price Index Down

In April, declines in crops and livestock pushed the index down 0.4%.

■ Moderate Rise in International Travel

The volume of international trips by Canadian residents rose only 1.5% in April, consistent with a slowdown in recent months.

■ Canadians Study Longer

A new Focus on Canada Series study reports that between 1961 and 1986, there was a five-fold increase in the number of Canadians with a university degree.

Growth in Composite Leading Indicator Slows

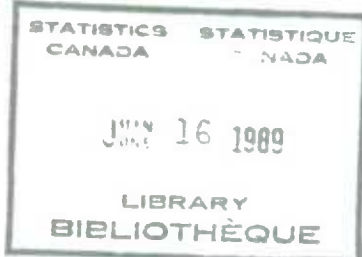
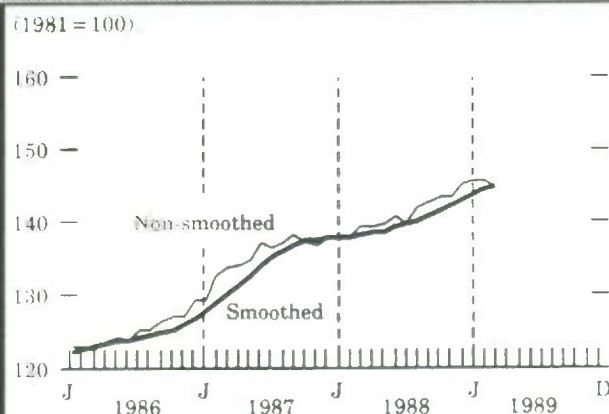
In March, the composite leading indicator rose 0.3% over the previous month, the lowest increase since July 1988. Three of the ten components declined, with most of the slowdown stemming from lower car sales.

Consumer demand remained mixed. Sales of durable goods dropped as higher interest rates coincided with lower car sales. However, furniture and appliance sales continued to grow at rates similar to the past three months. The house spending index also rose, although at a slower rate.

Manufacturing activity eased slightly as new orders for durable goods were sluggish and the average workweek was down. However the ratio of shipments to stocks moved higher in response to stronger demand for capital goods.

(continued on page 2)

Composite Leading Indicator



Statistics Canada
Statistique Canada

Canada

... Growth in Composite Leading Indicator Slows

Employment in business and personal services moderated in March, reflecting weakness in the personal services component.

The U.S. leading indicator, a barometer of Canadian export demand, continued to move higher, largely due to demand for capital goods

The stock market maintained strong growth, while the real money supply rose slightly.

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

Employment Jumps in May

In May, the seasonally-adjusted employment level rose by 62,000, offsetting a decline of similar magnitude in April. Employment has been uneven, posting increases in four of the last six months, and decreases in two. Overall, employment has increased by 96,000 over the last six months.

The increase in May was concentrated mainly in full-time adult employment (age 25 and over). Total full-time employment experienced its largest increase in ten months.

Student employment increased significantly from the same month a year earlier, swelling the labour force, and continuing the trend since 1984 of improvements in employment for students in the summer.

Growth in the labour force absorbed most of the increase in employment, thus the unemployment rate

Labour Force

	Jan.	Feb.	Mar.	Apr.	May
	Change, previous month				
Labour force ('000)	90	-23	13	-18	53
Employment ('000)	89	-28	25	-54	62
15-24 years ('000)	42	-35	25	-29	10
25 years & over ('000)	47	7	0	-25	52
Unemployment ('000)	1	5	-12	36	-9
Unemployment rate	7.6	7.6	7.5	7.8	7.7

was reduced by only -0.1%. The unemployment rate had taken a sharp jump (to 7.8%) in April, following five months of relative stability

For further information, order *The Labour Force* (catalogue number 71-001) or contact Labour Division at (613) 951-9448.

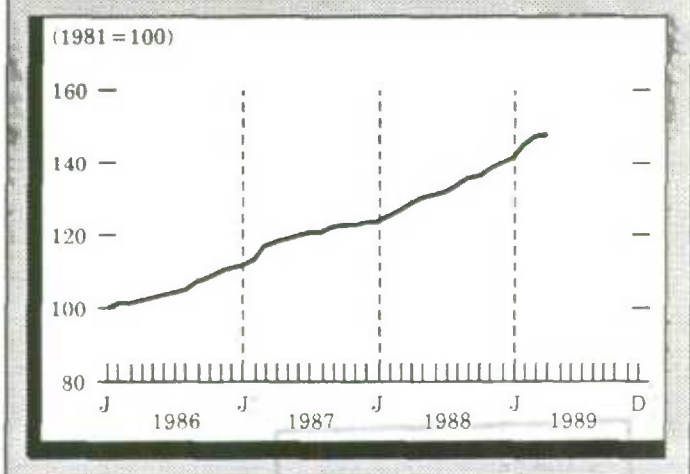
New Housing Price Index Shows Advance

The new housing price index (1981=100) stood at 148.4 in April, up 0.9% from March. This index of housing contractors' selling prices now stands 15.7% higher than the year-earlier level. Vancouver, Windsor, London, Victoria and Toronto registered monthly increases which impacted significantly on the Canada total index.

Vancouver experienced its second highest monthly jump (2.2%) since the inception of this survey in 1981. Windsor posted its largest gain in 11 months. London registered an increase for the fourth consecutive month after eight months of zero growth. Victoria continued to post growth rates similar to those experienced since October 1988.

The Toronto market appears to be moderating, with a monthly increase of 1.0% and lower increases since January. The April gain was the smallest in nine months.

New Housing Price Index



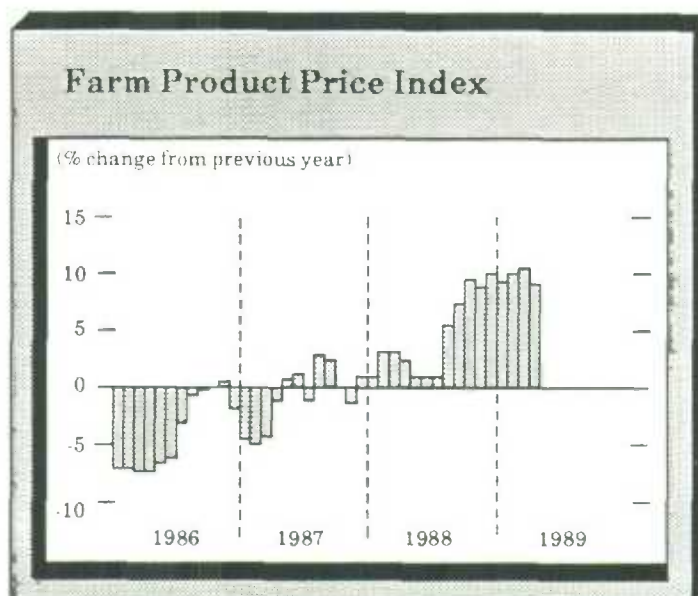
For further information, order *Construction Price Statistics* (catalogue number 62-007) or contact the Prices Division at (613) 951-9607.

Farm Product Price Index Down

The farm product price index (1981=100) was 101.2 in April, down slightly (0.4%) from March. Overall, the index was 9.2% above year-earlier levels. Declines were registered in both the crops and livestock indexes.

The crops index decreased 0.8% in April as both cereal and oilseed prices fell. The prospect of a larger Brazilian soybean crop led the downward pressure. The index continued to display month-to-month volatility, although compared to a year ago the index was up 26.0%.

Prices for hogs and eggs led the livestock and animal products index decline of 0.1%. Hog prices have fallen (42.4% from the last peak recorded in August 1987) to their lowest level in almost nine years. Cattle and poultry prices increased slightly to moderate the drop in the index. The livestock and animal products index stood 0.1% lower than a year earlier.



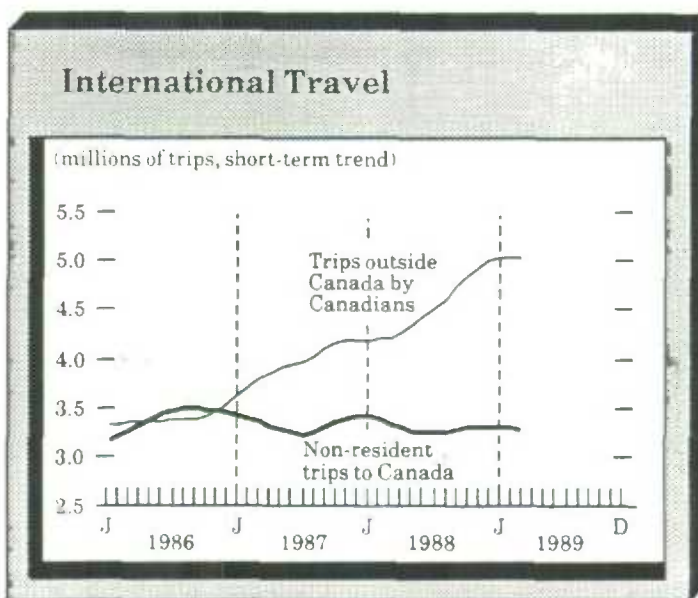
For further information, order *Farm Product Price Index* (catalogue number 62-003) or contact Agriculture Division at (613) 951-2437.

Moderate Rise in International Travel

The seasonally adjusted volume of international trips by Canadian residents in April rose 1.5% from March, continuing a slowdown evident this year. Travel by Canadians to the U.S. has been steady for the last six months. Trips to other destinations have remained stable this year.

Overnight trips by Canadians (unadjusted for seasonal variation) rose 7.5% to the U.S. and 8.9% to other countries. The number of travellers returning to Canada after less than 24 hours jumped 12.1% from last year. Easter occurring in March this year instead of April may account for some of the changes.

The seasonally adjusted volume of foreign travellers to Canada rose 1.5% in April, the first increase in six months. The volume has been relatively steady over the last two years. The increase came mostly from the U.S., while travel by other foreigners continued to decline. Revised numbers indicate that the upward trend noted since mid-1988 was brought to a stop at the end of the year.



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

Canadians Study Longer

Between 1961 and 1986, there was a five-fold increase in the number of Canadians with a university degree. In 1986, 1.9 million had degrees, while a further 4 million held other post-secondary qualifications. In addition, more Canadians have graduated from high schools and fewer persons have less than a Grade 9 education.

Results of the *Educational Attainment of Canadians* study indicate that the best income opportunities for university graduates were in the fields of chemical and biological engineering (males) and pharmaceutical sciences (females). Graduates of trade school and college

programs in criminology (male) and x-ray technology (females) reported higher income and more stable employment.

This Focus on Canada Series report is one of 16 publications which combine census, survey and institutional data and is illustrated with a series of tables and charts. *Educational Attainment of Canadians* relates fields of study to selected economic indicators such as labour force activity and employment income.

For further information, order *Educational Attainment of Canadians* (catalogue number 98-134) or for more information on the Focus on Canada Series, contact the nearest Regional Reference Centre

PUBLICATIONS RELEASED FROM JUNE 9 TO JUNE 15

AGRICULTURE

The Dairy Review, March 1989. Catalogue number 23-001 (Canada: \$11.60/\$116; Other Countries: \$13.90/\$139).

Production of Poultry and Eggs, 1988. Catalogue number 23-202 (Canada: \$32; Other Countries: \$38).

CENSUS

Focus on Canada - Educational Attainment of Canadians, Census 1986. Catalogue number 98-134 (Canada: \$10; Other Countries: \$11).

EDUCATION, CULTURE AND TOURISM

Culture Statistics - Heritage Institutions - Preliminary Statistics, 1985-86. Catalogue number 87-207 (Canada: \$37; Other Countries: \$44).

Touriscope, International Travel-Advance Information, April 1989. Catalogue number 66-001 (Canada: \$5.80/\$58; Other Countries: 6.40/\$64).

INDUSTRY

Consumption of Containers and Other Packaging Supplies by the Manufacturing Industries, 1986. Catalogue number 31-212 (Canada: \$25; Other Countries: \$30).

Electrical and Electronic Products Industries, 1986. Catalogue number 43-250 (Canada: \$32; Other Countries: \$38).

Electric Power Statistics, March 1989. Catalogue number 57-001 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Footwear Statistics, April 1989. Catalogue number 33-002 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Industrial Chemicals and Synthetic Resins, April 1989. Catalogue number 46-002 (Canada: \$5.30/\$53; Other Countries: \$6.40/\$64).

New Motor Vehicle Sales, February 1989. Catalogue number 63-007 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

Oil Pipe Line Transport, March 1989. Catalogue number 55-001 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Other Manufacturing Industries, 1986. Catalogue number 47-250 (Canada: \$32; Other Countries: \$38).

Particleboard, Waferboard and Hardboard, April 1989. Catalogue number 36-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Production and Shipments of Steel Pipe and Tubing, April 1989. Catalogue number 41-011 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Pulpwood and Wood Residue Statistics, April 1989. Catalogue number 25-001 (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

Retail Trade, February 1989. Catalogue number 63-005 (Canada: \$16.80/\$168; Other Countries: \$20.20/\$202).

Specified Domestic Electrical Appliances, April 1989. Catalogue number 43-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Steel Wire and Specified Wire Products, April 1989. Catalogue number 41-006 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

SERVICES

Communications Service Bulletin, Vol. 19, no 4, Telecommunication Statistics, First Quarter, 1989. Catalogue number 56-001 (Canada: \$7.80/\$47; Other Countries: \$9.30/\$56).

Radio and Television Broadcasting, 1987. Catalogue number 56-204 (Canada: \$25; Other Countries: \$30).

TRANSPORT

Passenger Bus and Urban Transit Statistics, March 1989. Catalogue number 53-003 (Canada: \$6.80/\$68; Other Countries: \$8.20/\$82).

Passenger Bus and Urban Transit Statistics, April 1989. Catalogue number 53-003 (Canada: \$6.80/\$68; Other Countries: \$8.20/\$82).

Railway Carloadings, April 1989. Catalogue number 52-001 (Canada: \$7.90/\$79; Other Countries: \$9.50/\$95).

CURRENT TRENDS*

Gross Domestic Product

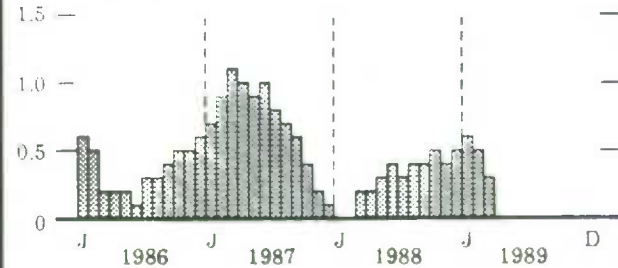
(% change, previous month)



Gross domestic product was down 0.3% in March, the first significant monthly decrease since October 1986.

Composite Leading Indicator

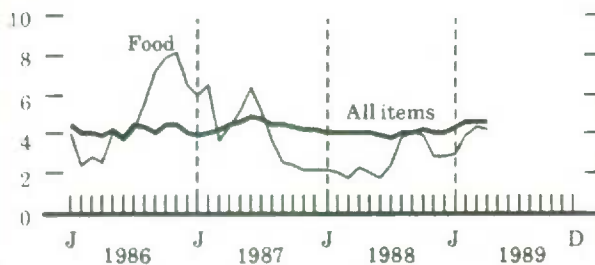
(% change, previous month)



In March, the composite leading indicator rose 0.3% from February, the lowest increase since July 1988.

Consumer Price Index

(% change, previous year)

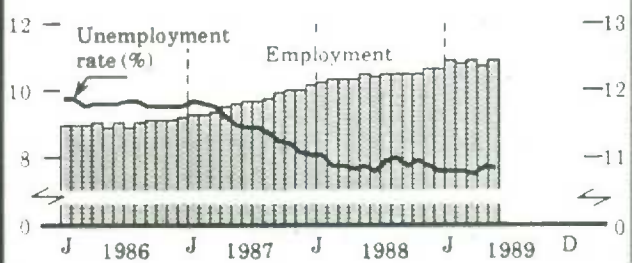


The CPI was 4.6% higher than in April 1988. This rate remains unchanged in three months.

Unemployment Rate and Employment

%

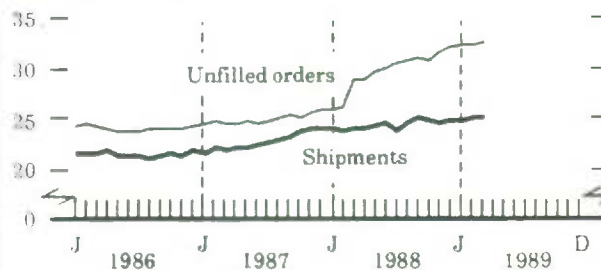
millions



The employment level rose by 62,000 in May, offsetting a decline of similar magnitude in April.

Manufacturing

(billions of dollars)



The value of shipments fell 0.7% in March, following six months of fluctuating but moderate growth overall.

Merchandise Trade

(billions of dollars, short-term trend)



In March, merchandise exports remained virtually unchanged from February.

* All series are seasonally adjusted except the consumer price index.



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LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1981)	Mar.	403	-0.3%	2.5%
Composite Leading Indicator (1981 = 100)	Mar.*	144.8	0.3%	5.1%
Profits of Industrial Corporations (\$ billion)	1st Q	9.5	2.7%	3.3%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Mar.	14.0	-0.6%	3.1%
New Motor Vehicle Sales ('000 units)	Apr.	134	8.6%	3.3%
Housing Starts ('000, annual rates)	Mar.	226	2.3%	4.6%
LABOUR				
Employment (millions)	May*	12.4	0.0%	1.6%
Unemployment Rate (%)	May*	7.7	-0.1	-1.3
Participation Rate (%)	May*	67.1	0.2	0.3
Labour Income (\$ billion)	Feb.	27.6	1.1%	7.5%
Average Weekly Earnings (\$)	Mar.	477.21	0.5%	4.0%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	Mar.	11.8	0.0%	0.1%
Merchandise Imports (\$ billion)	Mar.	11.4	0.3%	0.1%
Merchandise Trade Balance (\$ billion)	Mar.	0.4	-0.5	-0.4
MANUFACTURING				
Shipments (\$ billion)	Mar.	24.6	-0.7%	0.03%
New Orders (\$ billion)	Feb.	24.5	-3.2%	3.5%
Unfilled Orders (\$ billion)	Feb.	29.7	-1.1%	23.9%
Inventory/Shipments Ratio	Mar.	1.57	0.9	0.03%
Capacity Utilization (%)	4th Q	83.0	-0.7	-1.1
PRICES				
Consumer Price Index (1981 = 100)	Apr.	149.0	0.3%	4.6%
Industrial Product Price Index (1981 = 100)	Apr.	130.9	-0.1%	3.2%
Raw Materials Price Index (1981 = 100)	Apr.	101.7	1.4%	3.9%
New Housing Price Index (1981 = 100)	Apr.*	148.4	0.9%	15.7%

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

* New this week.

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