

# I·N·F·O·M·A·T

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

Friday, October 13, 1989

### OVERVIEW

#### ■ Modest Decrease in Motor Vehicle Sales

Sales of new motor vehicles registered a modest decline of 0.3% in August, continuing the general downward trend that began at the start of the year.

#### ■ Little Overall Change in Labour Market

Declines in both employment and labour force participation left the unemployment rate slightly lower in September than in most months since January.

#### ■ New Housing Price Index Edges Down

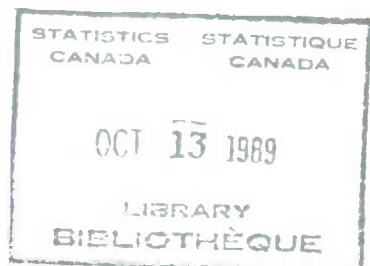
The new housing price index edged down 0.1% in August, the first decline in the past four years.

#### ■ Labour Income Resumes Earlier Trend

Labour income resumed in July its average year-to-year growth rate of 8.2%, after rising exceptionally in June.

#### ■ Farm Product Price Index Down Sharply

The farm product price index was down 5.0% in August, the largest decline in four years.



### Modest Decrease in Motor Vehicle Sales

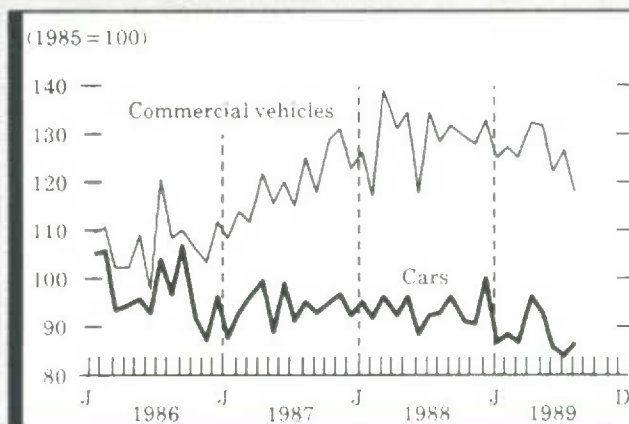
Sales of new motor vehicles registered a modest decline of 0.3% in August. Sales have fluctuated in 1989, but the general downward trend has accelerated in the last four months.

Passenger car sales rose 3.4%, the first advance in four months. The increase was based on a rise of 1.0% in North American car sales and a jump of 8.4% in imported car sales. Commercial vehicle sales were down 7.2%, the second large decrease in three months. Sales of these vehicles ranged between 41-43,000 units from mid-1988 until May 1989, before dropping to 39,000 in the current month.

Year-to-date sales of new motor vehicles were 4.1% lower than they were in the same period of 1988. Passenger car sales were down 4.8% in the first eight

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### Motor Vehicle Sales



### ... Modest Decrease in Motor Vehicle Sales

months of the year. Japanese manufacturers fared a little better as their sales registered a very slight drop (-0.2%). Sales of North American-built cars were down 5.1%, while imports from other countries were down substantially (16%).

*For further information, order New Motor Vehicle Sales (catalogue number 63-007) or contact Industry Division at (613) 951-3552.*

### Motor Vehicle Sales

	Apr.	May	June	July	Aug
	% change, previous month				
Passenger cars	11.1	-3.2	-8.0	-1.8	3.4
North American	15.5	-3.1	-10.8	-0.3	1.0
Imported	2.9	-3.4	-1.8	-4.8	8.4
Commercial vehicles	5.7	-0.1	-7.2	3.7	-7.2
<b>Total</b>	<b>9.3</b>	<b>-2.2</b>	<b>-7.8</b>	<b>0.0</b>	<b>-0.3</b>

### Little Overall Change in Labour Market

The seasonally adjusted level of employment decreased 20,000 in September, a small decline relative to the employment gains of May, June and August. A similar small decrease was recorded in July. The unemployment rate edged down for the second month in a row to 7.3%, as unemployment contracted proportionately more than the labour force.

The decline in employment was largely among young female workers, while employment among men and workers aged 25 and over rose slightly. Unemployment fell among women aged 15 to 24 in September as they left the labour force in large numbers. Employment growth has been concentrated among persons aged 25 and over in 1989. However, the unemployment rate for young workers has fallen more (-0.6%) in 1989 than the rate for older workers (-0.2%).

Changes in full-time and part-time employment levels reversed direction from August to September, as full-time employment fell 36,000 and part-time employment rose 45,000. Although part-time employment has been more variable than full-time in 1989, no clear trend has yet emerged for either type of employment.

### Labour Force

	May	June	July	Aug.	Sept.
	Change, previous month				
Labour force ('000)	53	8	4	67	-34
Employment ('000)	62	58	-16	73	-20
15-24 years ('000)	10	-20	-6	31	-30
25 years & over ('000)	52	78	-10	42	10
Unemployment ('000)	-9	-50	20	-6	-14
Unemployment rate	7.7	7.3	7.5	7.4	7.3

In September, employment grew strongly in British Columbia and Ontario. British Columbia's increase (17,000) was more than twice that of Ontario (8,000). Significant declines were noted only in Alberta (-9,000) and Manitoba (-4,000).

Summer employment of students aged 15 to 24 returning to school increased 32,000 from one year ago, bringing their unemployment rate down 0.4 to 9.5%. Employment of students not returning to school also rose: their unemployment rate fell more than 2 percentage points from a year earlier, to 13.3%.

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

### New Housing Price Index Edges Down

- The new housing price index, which monitors housing contractors' selling prices, fell 0.1% in August. At 150.0, the index was 13% higher than its year-earlier level in spite of the small decline in August. The index has posted steady increases every month for the past four years.

- Vancouver, with a decrease in August of 1.6%, contributed significantly to the month-to-month decline in the total index. Vancouver had previously registered strong monthly increases since January, interrupted by a small drop in May.
- New housing prices in Toronto were stable for the second month in a row. However, advances in the past year continued to account for a large year-to-year increase of 22.0%, down slightly from August but still the largest of all cities surveyed.

(continued on page 3)

### ... New Housing Price Index Edges Down

- Calgary and Edmonton registered the largest monthly increases of the cities surveyed. In both cities, the price index has risen or remained stable since January, with large increases occurring on occasion.
- The index for land only rose 0.3% in August while the house only index fell 0.2%. This is consistent with the trend beginning in 1988 of faster price increases for land than for new houses.

### Housing Price Indexes

	Apr	May	June	July	Aug
	% change, previous month				
New Housing	0.9	0.3	0.5	0.4	-0.1
land only	1.5	0.3	0.5	0.8	0.3
house only	0.5	0.2	0.7	0.2	-0.2

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

### Labour Income Resumes Earlier Trend

Labour income was estimated to be \$29.2 billion in July, up 8.2% from the same month a year earlier. This growth rate was lower than the growth posted in June, but was in line with the average increase posted in the first five months of the year.

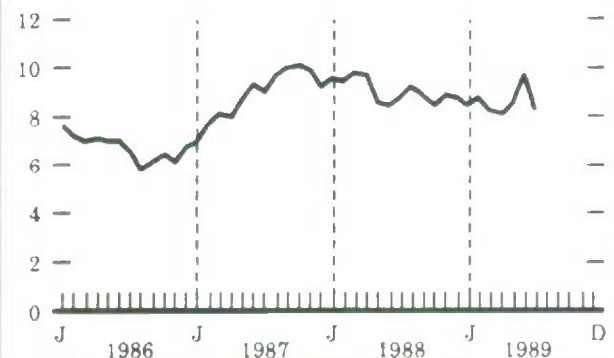
Retroactive payments on contract settlements within federal administration affected the growth rates recorded in June and was the major source of the apparent deceleration in July.

An increase in wages and salaries was noted in transportation, communication and other utilities. The year-over-year change has risen sharply in the last three months.

For further information, order *Estimates of Labour Income* (catalogue number 72-005) or contact *Labour Division* at (613) 951-4051.

### Labour Income

(% change, previous year)



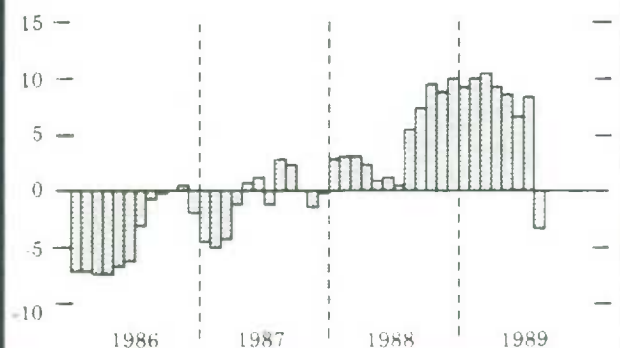
### Farm Product Price Index Down Sharply

In August, the farm product price index (1981 = 100) was down 5.0% from the previous month. This decrease was the largest recorded in four years and follows a period of relative stability noted since January. Sharply lower Canadian Wheat Board initial prices which came into effect August 1st pushed down the crops component and the overall farm product price index. Livestock prices were also down in August. The farm product price index stands 3.4% below the level posted a year earlier, the first year-to-year decline since November 1987.

The crops component fell 11.5% as both cereals and oilseeds recorded sharp price declines. Lower initial prices for the 1989-90 crop year (August 1-July 31) were largely responsible for the decrease. Crop prices were at their highest level in four years during the 1988-89 crop year as a result of last summer's drought.

### Farm Product Price Index

(% change from previous year)



(continued on page 4)



### ... Farm Product Prices Index Down Sharply

The livestock and animal products component edged down 0.1% as a decline in cattle prices offset a rise in hog prices. Hog prices rose for the fourth consecutive month, continuing the recovery noted since April when hog prices recorded their lowest level in nine years. The decrease in cattle prices was only the second decline in

the last seven months. Overall, the livestock component has moved within a relatively narrow range since November 1987 despite substantial fluctuations in some commodity prices.

*For further information, order Farm Product Price Index (catalogue number 62-003) or contact Agriculture Division at (613) 951-2441.*

## PUBLICATIONS RELEASED FROM OCTOBER 6 TO 12

### EDUCATION, CULTURE AND TOURISM

**Elementary-Secondary School Enrolment, 1987-88.** Catalogue number 81-210 (Canada: \$25; Other Countries: \$30).

**Touriscope: Domestic Travel - Canadians Travelling in Canada, 1988.** Catalogue number 87-504 (Canada: \$42; Other Countries: \$50).

### GENERAL

**Survey Methodology - A Journal of Statistics Canada, June 1989.** Catalogue number 12-001 (Canada: \$30; Other Countries: \$35).

### INDUSTRY

**Cement, August 1989.** Catalogue number 44-001 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Department Store Monthly Sales, by Province and Metropolitan Area, July 1989.** Catalogue number 63-004 (Canada: \$2.60/\$26; Other Countries: \$3.10/\$31).

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

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

**Gypsum Products, August 1989.** Catalogue number 44-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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

### INDUSTRY - Concluded

**Manufacturing Industries of Canada: National and Provincial Areas, 1986.** Catalogue number 31-203 (Canada: \$58; Other Countries: \$70).

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

### INTERNATIONAL AND FINANCIAL ECONOMICS

**Security Transactions with Non-residents, July 1989.** Catalogue number 67-002 (Canada: \$15/\$150; Other Countries: \$18/\$180).

### SCIENCE, TECHNOLOGY AND CAPITAL STOCK

**Capacity Utilization Rates in Canadian Manufacturing, Second Quarter 1989.** Catalogue number 31-003 (Canada: \$10.50/\$42; Other Countries: \$12.50/\$50).

**Housing Starts and Completions, July 1989.** Catalogue number 64-002 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

**Science Statistics Service Bulletin, Vol. 13, No. 9, Survey of Manufacturing Technology - The Leading Technologies, October 1989.** Catalogue number 88-001 (Canada: \$6.80/\$68; Other Countries: \$8.20/\$82).

**Science and Technology Indicators, 1989.** Catalogue number 88-002 (Canada: \$17.25/\$69; Other Countries: \$20.70/\$83).

### SERVICES

**Restaurant, Caterer and Tavern Statistics, July 1989.** Catalogue number 63-011 (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

**Telephone Statistics, July 1989.** Catalogue number 56-002 (Canada: \$7.90/\$79; Other Countries: \$9.50/\$95).

### TRANSPORT

**Aviation - Air Carrier Operations in Canada, January - March 1988.** Catalogue number 51-002 (Canada: \$23/\$92; Other Countries: \$27.50/\$110).

## CURRENT TRENDS\*

## Gross Domestic Product

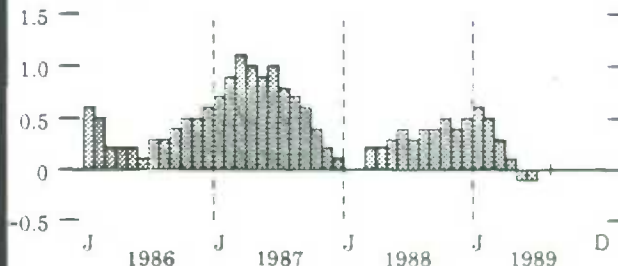
(% change, previous month)



Real gross domestic product rose 0.1% in July, continuing the pattern of sluggish growth evident since the start of the year.

## Composite Leading Indicator

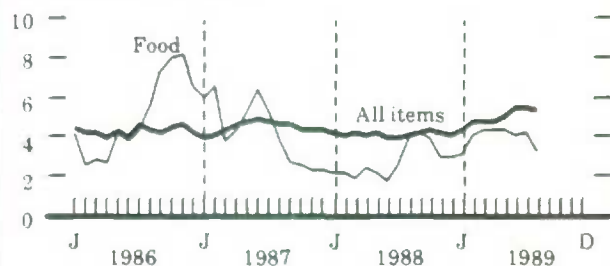
(% change, previous month)



The composite leading indicator was unchanged in July after falling slightly in May and June.

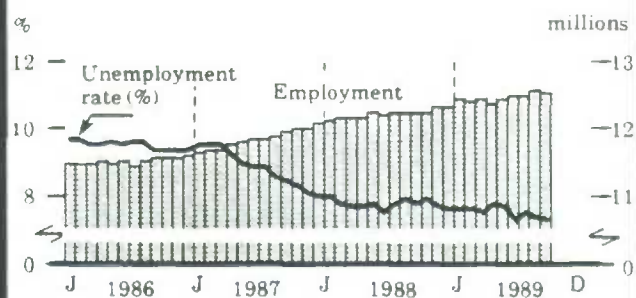
## Consumer Price Index

(% change, previous year)



The CPI was up 0.1% in August, a much smaller increase than those registered in the preceding three months.

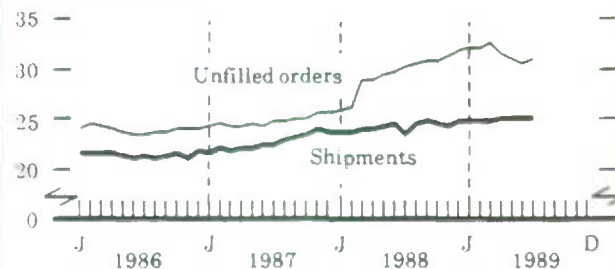
## Unemployment Rate and Employment



The unemployment rate was slightly lower in September than in most months since January.

## Manufacturing

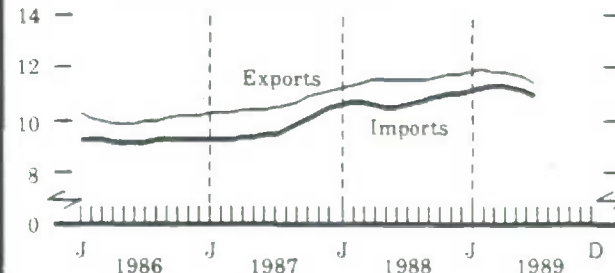
(billions of dollars)



Canadian manufacturers' shipments were relatively steady in July, rising only 0.1% from June.

## Merchandise Trade

(billions of dollars, short-term trend)



Exports and imports both declined in July, but the drop in imports was much sharper.



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**LATEST MONTHLY STATISTICS**

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1981)	July	411	0.1%	2.5%
Composite Leading Indicator (1981 = 100)	July	144.9	0.0%	3.9%
Profits of Industrial Corporations (\$ billion)	2nd Q	8.4	-11.9%	3.3%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	July	14.4	-0.3%	5.1%
New Motor Vehicle Sales ('000 units)	Aug.*	120	-0.3%	-7.1%
Housing Starts ('000, annual rates)	Aug.	197	-5.2%	-8.8%
<b>LABOUR</b>				
Employment (millions)	Sept.*	12.5	-0.2%	2.2%
Unemployment Rate (%)	Sept.*	7.3	-0.1	-0.5
Participation Rate (%)	Sept.*	67.0	-0.2	0.3
Labour Income (\$ billion)	July*	29.2	-0.6%	8.2%
Average Weekly Earnings (\$)	July	487.20	-0.4%	5.0%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	July	11.0	-1.0%	1.8%
Merchandise Imports (\$ billion)	July	10.0	-8.4%	6.9%
Merchandise Trade Balance (\$ billion)	July	1.0	0.8	-0.4
<b>MANUFACTURING</b>				
Shipments (\$ billion)	July	24.9	0.1%	6.5%
New Orders (\$ billion)	July	25.3	4.2%	5.4%
Unfilled Orders (\$ billion)	July	30.8	1.6%	1.9%
Inventory/ Shipments Ratio	July	1.56	0.01	-0.04
Capacity Utilization (%)	2nd Q	82.2	-0.5	-1.5
<b>PRICES</b>				
Consumer Price Index (1981 = 100)	Aug.	152.4	0.1%	5.2%
Industrial Product Price Index (1981 = 100)	Aug.	131.1	-0.1%	1.8%
Raw Materials Price Index (1981 = 100)	Aug.	101.8	-0.2%	6.6%
New Housing Price Index (1981 = 100)	Aug.*	150.0	-0.1%	13.0%

*Note: All series are seasonally adjusted with the exception of average weekly earnings and the price indexes.**\* New this week.***I·N·F·O·M·A·T****A Weekly Review**Published by the Communications Division  
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