

I·N·F·O·M·A·T

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

Friday, December 8, 1989

OVERVIEW

■ Second Marginal Advance in Leading Indicator

The composite leading indicator posted a small gain (0.2%) for the second consecutive month in September.

■ Declining Trend in Help-wanted Index Established

In November, the help-wanted index fell for the third consecutive month.

■ Average Weekly Earnings Post Faster Growth

Average weekly earnings increased 5.6% on a year-over-year basis in September, up significantly from the average advance for the first nine months of the year.

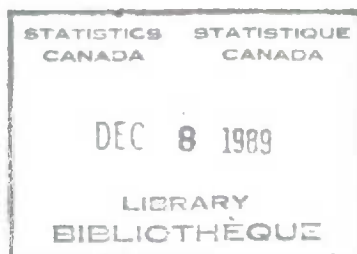
■ Slower Growth in Labour Income

The year-over-year rise in labour income of 8.1% in September was slightly lower than the growth for the first nine months of the year.

■ Patterns of Capital Investment

Private and public organizations devoted 52% of capital investment to new capacity, 39% to modernizations and 2% to pollution abatement and reduction of energy costs during the 1985 to 1987 period.

This issue also includes information on Trends in Occupation and Industry, and Canada's Youth.



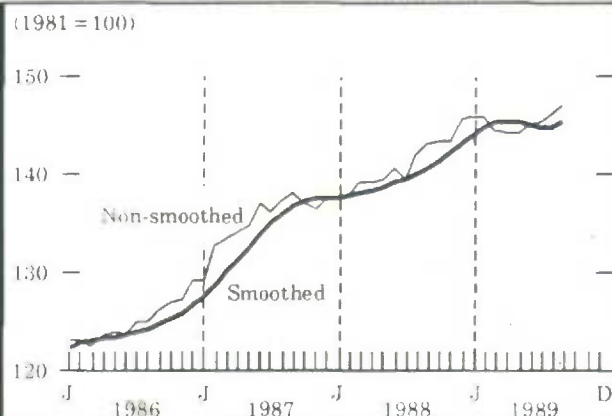
Second Marginal Advance in Leading Indicator

The composite leading indicator posted a small gain of 0.2% in September. Following small declines in the three preceding months, the marginal gains in the last two months suggest modest economic growth in the short-term. Household demand, particularly housing, supplanted exports as the principal source of growth.

The housing index registered its first gain in six months, as house prices moderated and income strengthened. Existing house sales have completely recovered the ground lost in the first half of the year and housing starts firmed in September. Furniture and appliance sales rose in tandem with the gains in housing. Sales of other durable goods fell less rapidly in September than in August, due to the temporary stimulus of rebates on car sales.

(continued on page 2)

Composite Leading Indicator



Statistics Canada
Statistique Canada

Canada

... Second Marginal Advance in Leading Indicator

The manufacturing indicators continued to firm in September. Export demand for cars continued to be the main source of strength. The growth in construction activity also boosted demand in a number of industries such as wood, non-metallic minerals and electrical

products. New orders for durable goods and the ratio of shipments to inventories continued to increase gradually.

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

Declining Trend in Help-wanted Index Established

- In November, the seasonally adjusted help-wanted index fell for the third consecutive month. The index reached a plateau in October 1988 and remained stable until it turned down in September 1989.
- After rising for the first seven months of 1989, the index for the Atlantic region declined for the fourth consecutive month in November.
- In Quebec, the index continued a downturn, dropping for the fifth month in a row.
- The index for Ontario has been stable for the last three months, after declining from February to August.
- The index for the Prairies, which has been following a gentle rising trend since early 1989, reached 93 in November.

Help-wanted Index (1981 = 100) - Revised

	July	Aug.	Sept.	Oct.	Nov.
	seasonally adjusted				
Canada	153	153	152	151	149
Atlantic Region	206	204	200	196	193
Quebec	175	174	171	168	165
Ontario	162	160	159	159	159
Prairie Region	90	91	92	92	93
British Columbia	130	130	131	133	136

- The index for British Columbia resumed the upward trend evident from February 1988 to June 1989.

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

Average Weekly Earnings Post Faster Growth

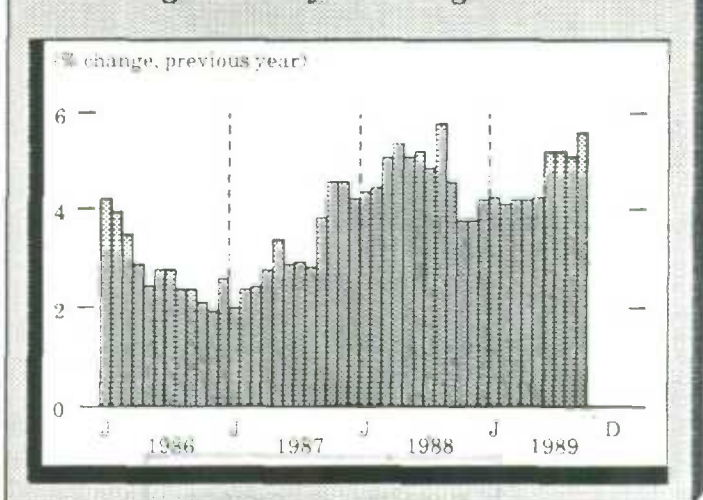
In September, average weekly earnings were up 5.6% over the same month a year earlier. This compares with an average year-over-year increase of 4.7% for the first nine months of 1989 and 4.8% for all of 1988. Earnings in the service industries rose at a faster rate, as they had in the three preceding months. The year-over-year growth in the goods-producing industries moderated somewhat after rising from March to August.

In the service industries, only finance, insurance and real estate registered lower growth in average weekly earnings on a year-over-year basis, continuing the slow-down evident since the start of the year.

All the goods industries registered higher year-over-year increases in September than the average increase for the first nine months of the year, but the increases were all lower than those registered in August.

In Central Canada, the September increases in earnings were very close to the average advances for the January to September period, but remain well below the increase posted in 1988. With the exception of Manitoba, all other provinces continued to register higher rates of growth in average weekly earnings.

Average Weekly Earnings



For further information, order *Employment, Earnings and Hours* (catalogue number 72-002) or contact Labour Division at (613) 951-4090.

Slower Growth in Labour Income

Labour income was estimated to be \$30.1 billion in September, up 8.1% from the same month a year earlier. This growth rate was slightly lower than the increase in cumulative labour income for the first nine months of the year (8.4%).

The seasonally adjusted estimate of wages and salaries, which accounts for 90% of labour income, was up 0.2% in September, considerably smaller than the average monthly advance of 0.8% recorded in the preceding eight months. The reduction in growth was partially due to strike activity in education and related services, health and welfare services and provincial administration in Quebec, as well as smaller than usual amounts of special payments.

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)



Patterns of Capital Investment

During the years 1985 to 1987, private and public organizations in Canada directed the largest portion of capital investment to new capacity (52%), while replacement or modernizations accounted for 39% of reported investment.

Trade was the only sector to consistently spend more on replacement or modernization rather than capacity expansion. The financial and commercial group devoted the largest proportion to expansion; its spending ranged from 55% to 75% of total expenditures.

Combined investment in pollution abatement and control, and in reduction of energy costs averaged only 2% of total expenditures in the three years for which data are available. Spending on pollution abatement and

control was largest in the manufacturing sector, where it accounted for up to 2% of total capital invested. It is likely that spending in these categories was higher, but their costs were embedded in the design of new facilities and therefore were reported under capacity expansion or replacement and modernization.

These and other related data on expenditures were tabulated on a sub-sample of respondents to the Capital and Repair Expenditures Survey and are presented in a discussion paper *Analysis of the Categories of Capital Investment 1985 to 1987*.

For further information, order *Analysis of the Categories of Capital Investment 1985 to 1987* or contact Science, Technology and Capital Stock Division at (613) 951-2590.

Canada's Youth

Although Canada's population increased to 25.3 million between 1981 and 1986, the number of youth (15 to 24 years of age) decreased to 4.2 million from 4.7 million. The proportion of the population between 15 and 24 dropped to 16.5% from 19.1% in 1981.

Canada's Youth, a new publication, analyzes the characteristics of Canada's youth in terms of demographic structure, living arrangements, educational attainment, work patterns and income.

The proportion of youths who lived with their parents increased to 68% in 1986. The Atlantic provinces had the highest proportion, although the Yukon and Alberta showed the largest increases.

The majority of young adults (aged 20 to 24) were single in 1986. Nearly 80% of males and 60% of the females were unmarried. The proportion of youths speaking english and french rose to 20.5% from 18.3%.

For further information, order *Canada's Youth* (catalogue number 98-124) or contact your nearest Regional Reference Centre.

Trends on Occupation and Industry

The 1986 Census provided further evidence of the long-term trend that documents the movement of the Canadian labour force from traditional jobs in the goods-producing industries to positions in the service-producing sector of the economy. Between 1971 and 1986, the percentage of workers employed in service industries grew to 70% from 63%. By 1986, the service sector employed over eight million people.

Within the service sector, the growth of individual industries varied widely. The percentage of the labour force working in consumer services rose to 23.6% in 1986

from 18.8% in 1971. Those employed in business services advanced to 9.9% from 6.6%, while the percentage working in social services edged up to 14.7% from 13.1%.

From the 1971 Census to the 1986 Census, the number of people in Canada's labour force expanded by nearly 50% to 12.8 million. Two major contributors to this growth were an increase in the number of Canadians of working age, and an increase in the number of women in the labour force.

For further information, order Trends in Occupation and Industry (catalogue number 98-135) or contact your nearest Regional Reference Centre.

KEY RELEASE CALENDAR: DECEMBER 1989*

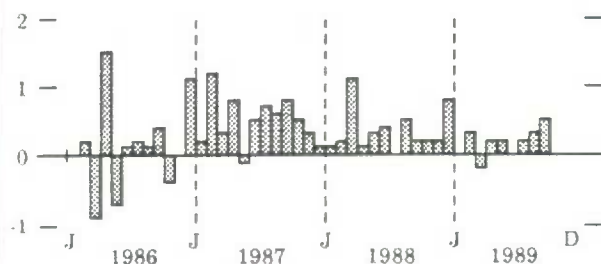
Monday	Tuesday	Wednesday	Thursday	Friday
4 Leading Indicator, September Housing Starts, October	5	6 Help-wanted Index, November	7 Labour Income, September	8 Labour Force Survey, November New Housing Price Index, October
11 New Motor Vehicle Sales, October	12 Department Store Sales, October	13 Farm Product Price Index, October	14 International Trade, October Trade in Automotive Products, 3rd Quarter Capacity Utilization Rates, 3rd Quarter	15 Consumer Price Index, November
18 International Travel, October	19	20 Retail Trade, October Survey of Manufacturing, October	21 Wholesale Trade, October Security Transactions, October Unemployment Insurance Statistics, October	22 Building Permits, September Employment, Earnings and Hours, October Department Store Sales and Stocks, October
25	26	27	28	29 Gross Domestic Product, October

* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may change.

CURRENT TRENDS*

Gross Domestic Product

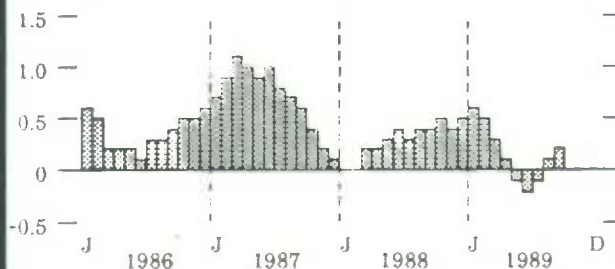
(% change, previous month)



Gross domestic product by industry rose 0.5% in September, the largest monthly increase recorded in 1989.

Composite Leading Indicator

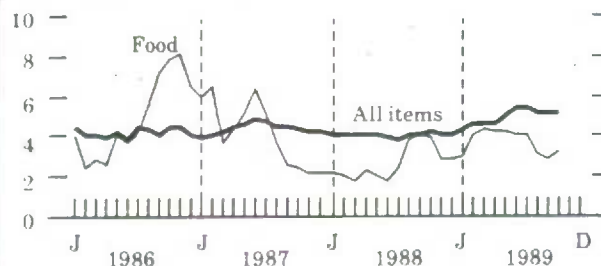
(% change, previous month)



The composite leading indicator posted a small gain (0.2%) for the second consecutive month in September.

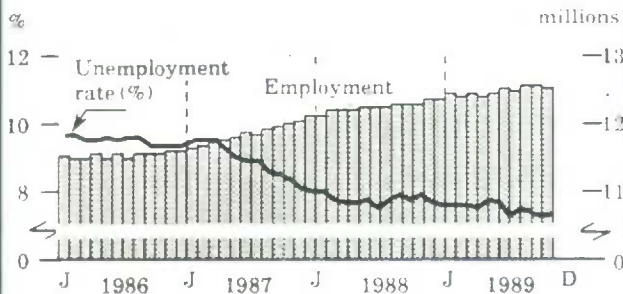
Consumer Price Index

(% change, previous year)



The year-over-year change in the CPI was 5.1% in October, down slightly from September.

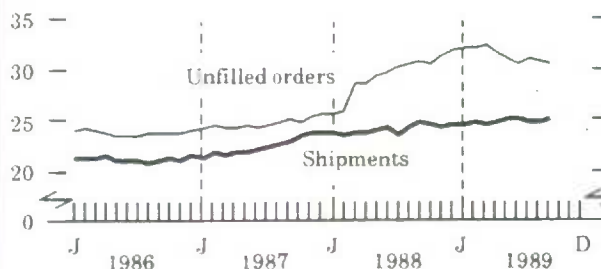
Unemployment Rate and Employment



Labour market conditions were basically unchanged in October.

Manufacturing

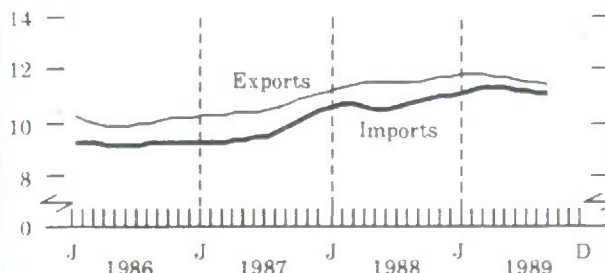
(billions of dollars)



Manufacturing shipments rose 1.0% in September, posting a significant increase for the second month in a row.

Merchandise Trade

(billions of dollars, short-term trend)



The values of both exports and imports were down for the second time in four months in September.

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

PUBLICATIONS RELEASED FROM DECEMBER 1 TO 7

AGRICULTURE

Cereals and Oilseeds Review, September 1989. Catalogue number 22-007 (Canada: \$13.10/\$131; Other Countries: \$15.70/\$157).

Farm Cash Receipts, January-September 1989. Catalogue number 21-001 (Canada: \$10.50/\$42; Other Countries: \$12.50/\$50).

Farm Input Price Index, Third Quarter 1989. Catalogue number 62-004 (Canada: \$11.75/\$47; Other Countries: \$14/\$56).

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

CENSUS

Focus on Canada Series - Canada's Youth, 1986 Census. Catalogue number 98-124 (Canada: \$10; Other Countries: \$11).

Focus on Canada - Trends in Occupation and Industry, 1986 Census. Catalogue number 98-135 (Canada: \$10; Other Countries: \$11).

GENERAL

User's Guide to 1986 Census Data on Families, 1986 Census. Catalogue number 99-113E (Canada: \$23; Other Countries: \$24).

Statistics Canada Annual Report, 1988-1989. Catalogue number 11-201.

HOUSEHOLD SURVEYS

Income Distributions by Size in Canada, 1988. Catalogue number 13-207 (Canada: \$39; Other Countries: \$47).

INCOME AND EXPENDITURE

Financial Flow and National Balance Sheet Accounts, 1988. Catalogue number 13-214 (Canada: \$37; Other Countries: \$44).

INDUSTRY

Canned and Frozen Fruits and Vegetables, September 1989. Catalogue number 32-011 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Coal and Coke Statistics, September 1989. Catalogue number 45-002 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

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

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No. 1: **Pack of Processed Asparagus**, 1988 and 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No. 3: **Pack of Processed Strawberries**, 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No. 5: **Pack of Processed Cherries**, 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

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

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

Production and Inventories of Process Cheese and Instant Skim Milk Powder, October 1989. Catalogue number 32-024 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Production and Stocks of Tea, Coffee and Cocoa, Quarter Ended September 1989. Catalogue number 32-025 (Canada: \$6.50/\$26; Other Countries: \$7.75/\$31).

Production, Sales and Stocks of Major Appliances, October 1989. Catalogue number 43-010 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Production, Shipments and Stocks on Hand of Sawmills East of the Rockies, September 1989. Catalogue number 35-002 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Quarterly Shipments of Office Furniture Products, Quarter Ended September 30, 1989. Catalogue number 35-006 (Canada: \$6.50/\$26; Other Countries: \$7.75/\$31).

Rigid Insulating Board (Wood Fibre Products), October 1989. Catalogue number 36-002 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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

LABOUR

The Labour Force, October 1989. Catalogue number 71-001 (Canada: \$17/\$170; Other Countries: \$20.40/\$204).

Labour Force Information, November 1989. Catalogue number 71-001P (Canada: \$6/\$60; Other Countries: \$7.20/\$72).

SERVICES

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

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

TRANSPORT

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

Rail in Canada, 1987. Catalogue number 52-216 (Canada: \$41; Other Countries: \$49).

Regional Reference Centres

Statistics Canada's regional reference centres provide a full range of the bureau's products and services. Each reference centre is equipped with a library and a sales counter where users can consult or purchase our publications, microcomputer diskettes, microfiche, maps and more.

Each centre has facilities to retrieve information from Statistics Canada's computerized data retrieval systems CANSIM and Telichart. A telephone inquiry service is also available with toll free numbers for regional clients outside local calling areas. Many other valuable services – from seminars to consultations – are offered. Call or write your regional reference centre for information.

Newfoundland and Labrador

Advisory Services
Statistics Canada
3rd floor
Viking Building
Crosbie Road
St. John's, Newfoundland
A1B 3P2

Local calls: 772-4073
Toll free service: 1-800-563-4255

Maritime Provinces

Advisory Services
Statistics Canada
North American Life Centre
1770 Market Street
Halifax, Nova Scotia
B3J 3M3

Local calls: 426-5331
Toll free service: 1-800-565-7192

Quebec

Advisory Services
Statistics Canada
200 René Lévesque Blvd. W.
Guy Favreau Complex
Suite 412 East Tower
Montreal, Quebec
H2Z 1X4

Local calls: 283-5725
Toll free service: 1-800-361-2831

Ontario

Advisory Services
Statistics Canada
10th Floor
Arthur Meighen Building
25 St. Clair Avenue East
Toronto, Ontario
M4T 1M4

Local calls: 973-6586
Toll free service: 1-800-263-1136

National Capital Region

Advisory Services
Statistical Reference Centre (NCR)
Statistics Canada
Lobby
R.H. Coats Building
Holland Avenue
Ottawa, Ontario
K1A 0T6

Local calls: 951-8116
If outside the local calling area, please
dial the toll free number for your
province.

Manitoba

Advisory Services
Statistics Canada
6th Floor
General Post Office Building
266 Graham Avenue
Winnipeg, Manitoba
R3C 0K4

Local calls: 983-4020
Toll free service: 1-800-542-3404

Saskatchewan

Statistics Canada
Avrod Tower, 9th Floor
2002 Victoria Avenue
Regina, Saskatchewan
S4P 0R7

Local calls: 780-5405
Toll free service: 1-800-667-7164

Alberta and the Northwest Territories

Advisory Services
Statistics Canada
8th Floor
Park Square
10001 Bellamy Hill
Edmonton, Alberta
T5J 3B6

Local calls: 495-3027
Toll free service: 1-800-282-3907
N.W.T. – Call collect (403) 495-3028

Southern Alberta (Calgary)

Advisory Services
Statistics Canada
First Street Plaza
Room 401
138-4th Avenue South East
Calgary, Alberta
T2G 4Z6

Local calls: 292-6717
Toll free service: 1-800-472-9708

British Columbia and the Yukon

Advisory Services
Statistics Canada
3rd Floor
Federal Building, Sinclair Centre
757 West Hastings Street
Suite 440F
Vancouver, B.C.
V6C 3C9

Local calls: 666-3691
Toll free service: 1-800-663-1551
(except Atlin, B.C.)
Yukon and Atlin, B.C.
Zenith 08913



1010717958

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1981)	Sept.	414	0.5%	2.6%
Composite Leading Indicator (1981 = 100)	Sept.*	145.1	0.2%	3.2%
Profits of Industrial Corporations (\$ billion)	3rd Q	7.5	-9.8%	-20.2%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Sept.	14.7	1.7%	5.2%
New Motor Vehicle Sales ('000 units)	Sept.	133	10.6%	-0.3%
Housing Starts ('000, annual rates)	Sept.	226	10.2%	-4.6%
LABOUR				
Employment (millions)	Oct.	12.5	0.0%	2.2%
Unemployment Rate (%)	Oct.	7.4	0.1	-0.5
Participation Rate (%)	Oct.	66.9	-0.1	0.2
Labour Income (\$ billion)	Sept.*	29.5	0.2%	8.1%
Average Weekly Earnings (\$)	Sept.*	494.42	1.0%	5.6%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	Sept.	11.3	-2.8%	-1.3%
Merchandise Imports (\$ billion)	Sept.	11.1	-2.2%	-7.1%
Merchandise Trade Balance (\$ billion)	Sept.	0.3	-0.1	-0.3
MANUFACTURING				
Shipments (\$ billion)	Sept.	25.1	1.0%	2.1%
New Orders (\$ billion)	Sept.	24.8	0.6%	0.0%
Unfilled Orders (\$ billion)	Sept.	30.3	-1.2%	-1.0%
Inventory/ Shipments Ratio	Sept.	1.54	-0.01	0.01
Capacity Utilization (%)	2nd Q	82.2	-0.5	-1.5
PRICES				
Consumer Price Index (1981 = 100)	Oct.	153.2	0.4%	5.1%
Industrial Product Price Index (1981 = 100)	Oct.	130.8	-0.1%	1.3%
Raw Materials Price Index (1981 = 100)	Oct.	100.4	1.2%	6.9%
New Housing Price Index (1981 = 100)	Sept.	150.8	0.5%	11.5%

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
Statistics Canada.

Senior Editor: Greg Thomson (613) 951-1116
Editor: Linda McCormick (613) 951-1197

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

Catalogue: 11-002E. Price: Canada, \$2.10/\$105; other countries, \$2.50/\$126. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 within Canada or 613-951-9276 from all other countries.

Published under the authority of the Minister of Regional Industrial Expansion and the Minister of State for Science and Technology. Statistics Canada should be credited when reproducing or quoting any part of this document. Extracts from this publication may be reproduced for individual use without permission provided the source is fully acknowledged. However, reproduction of this publication in whole or in part for purposes of resale or redistribution requires written permission from the Publishing Services Group, Permissions Officer, Canadian Government Publishing Centre, Ottawa, Canada K1A 0S9.