



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, July 5, 1991

OVERVIEW

■ Demand For Labour Remains Unchanged

The seasonally adjusted Help-wanted Index for Canada remained unchanged in June, following a slight increase in May.

■ Leading Indicator Up After 14 Straight Declines

The composite leading indicator increased 0.1% in April following 14 consecutive declines, a sign that an economic recovery may be in the offing.

■ Gross Domestic Product Jumps

Real Gross Domestic Product at factor cost climbed 0.9% in April. Both goods-producing and services-producing industries registered large gains.

■ Total Government Employment Increasing

Total government employment (excluding government business enterprises) averaged 1.2 million employees in the first quarter, an increase of 1.6% from last year.

■ Wages and Salaries Continue to Remain Steady

The seasonally adjusted estimate of wages and salaries for April was little changed from March. This represents the third consecutive month that labour income was essentially flat.

■ Year-over-year Increase in CPI Expected to be 6.1%

The Short-term Expectations Survey mean forecast of the year-over-year change in the Consumer Price Index for June is 6.1%, slightly lower than the 6.2% actual value registered for May.

This issue also includes information on principal field crop areas and the Mortality Atlas of Canada.

Demand For Labour Remains Unchanged

In June, the seasonally adjusted Help-wanted Index (1986=100), which serves as an early indicator for the demand for labour, remained unchanged at 75. This follows a slight increase in May that reversed the declining trend apparent since the peak of 157 in April 1989. All provinces but Quebec and the Atlantic provinces posted increases.

In Ontario, the Help-wanted Index climbed 6.1% to a level of 70, following two consecutive declines. In British Columbia, the Index was up 5.1% to 82 following a 2.5% drop in May. After declining for eight straight months, the Help-wanted Index in the Prairie region rose 1.9% in June.

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Help-wanted Index, Canada



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... Demand For Labour Remains Unchanged

In June, the Index decreased to a level of 82 in Quebec. The 7.9% drop returned the Index to the downward trend begun in August 1990, but interrupted in April and May. The Help-wanted Index also was lower in the Atlantic region. The 7.6% drop in June brought the level to 109, following an increase in May and declines in April and March.

For further information, contact Labour Division at (613) 951-4044.

Help-wanted Index (1981 = 100)

June 1991

	Index	% change, previous month	% change, previous year
Canada	75	0.0	-36.4
Atlantic	109	-7.6	-33.9
Quebec	82	-7.9	-40.1
Ontario	70	6.1	-36.9
Prairies	53	1.9	-32.9
British Columbia	82	5.1	-31.7

Leading Indicator Up After 14 Straight Declines

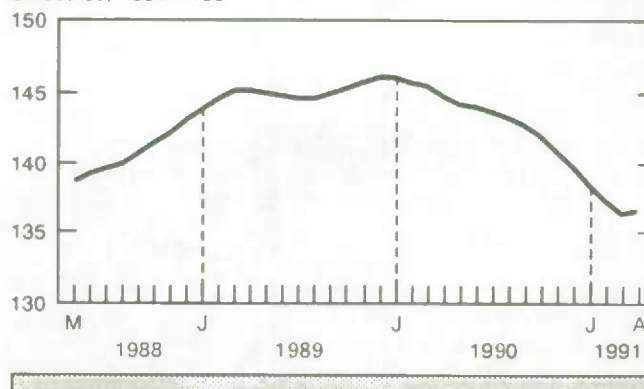
The composite leading indicator was up 0.1% in April, the first gain following 14 straight declines and a sign that a recovery may be in the offing. Five of the 10 components increased in April compared to only one in March, as export demand was particularly strong.

There was some improvement in the indicators of household demand as interest rates declined and employment increased. The housing index was up 3.4%, following losses in March (-0.1%), February (-2.3%) and January. Sales of durable goods continued to fall, although the rate of decline slowed to 0.8% from 1.6% in March and 2.3% in February. The stimulus of rebates to auto sales and of rising housing demand to furniture and appliance sales helped to slow the downward trend. Employment in business and personal services increased 0.2%, after having fallen for seven straight months.

Largely due to a sharp gain in U.S. auto demand and increases in housing-related industries, the decline in new orders for durable goods moderated to 0.2% after plunging 2.7% in March. Although shipments relative to inventories continued to fall, the decrease (-0.01%) slowed. The average workweek registered a sixth straight decline (-0.3%), as firms slashed production and labour costs.

Composite Leading Indicator

Smoothed, 1981 = 100



The TSE 300 index posted its third straight gain in prices, while the money supply rose for the first time since December.

The U.S. leading indicator edged up 0.1% in April, the first increase since July 1990.

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

Gross Domestic Product Jumps

Real Gross Domestic Product at factor cost registered a 0.9% advance in April, the largest increase since March 1988. Real GDP had been declining since October 1990. Gains were posted in both the goods-producing and services-producing industries.

Goods production was up following nine consecutive monthly declines. Despite the 0.9% increase, output remained 7.5% below its September 1989 peak. The manufacturing industry accounted for most of the gain by goods producers.

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... Gross Domestic Product Jumps

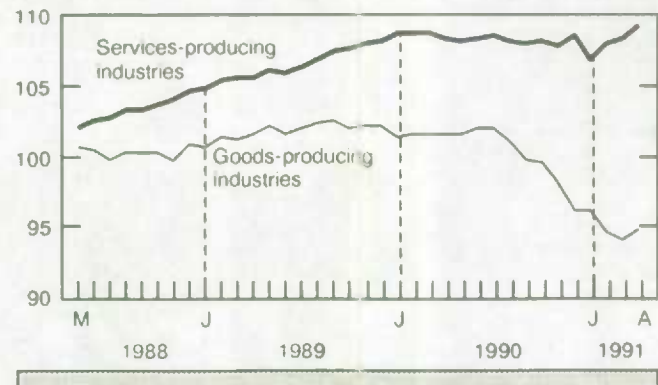
Manufacturing output surged 1.7% after eight consecutive monthly declines; this was the largest rise since December 1986. Gains in April were widespread as 16 of the 21 major groups increased production. Output in construction edged up 0.3% following declines in March (-2.0%) and February (-2.8%). Residential construction posted a 1.6% gain reflecting jumps in housing starts in recent months. In contrast, non-residential construction was down 2.4% due to reduced activity on commercial and industrial projects. Other small increases in fishing and forestry were offset by declines in agriculture, mining and utilities.

Services industries continued to recover, adding 0.8% in April to gains in March (0.4%) and February (1.3%). Finance, insurance and real estate, wholesale trade and transportation and storage accounted for 75% of the dollar gain in services.

Following gains in the previous three months, finance, insurance and real estate advanced a further 1.5% in April. Wholesale trade registered a 2.1% advance, the third consecutive monthly gain since tumbling 7.1% in January. Output in the transportation and storage industry rose 1.5%, after

Output by Sector

January 1988 = 100



having remained unchanged in March. Increases were also registered in communications, retail trade and community, business and personal services industries.

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001) or contact *Industry Measures and Analysis Division* at (613) 951-9164.

Total Government Employment Increasing

In the first quarter of 1991, total government employment (excluding government enterprises) was up 1.6% over the same period in 1990, largely due to high growth in local government employment. Total government employment was 1.2 million and accounted for 10.1% of all employment in Canada.

The federal government employed 377,400 people, an advance of 1.3% over the first quarter of 1990. This represents 3.1% of total Canadian employment and 31.0% of all government employment.

Provincial and territorial government employment averaged 501,400, a year-over-year increase of 0.9%, less than the 1.5% average year-over-year growth in first quarter employment from 1985-1990. Of the provinces and territories, only

Alberta, Manitoba and Newfoundland experienced decreases. About 4.2% of all Canadian employees and 41.2% of all government employees worked for provincial or territorial government.

Local governments employed 337,700 people in the first quarter of 1991, an increase of 3.2% over the same period last year. This employment accounts for 2.8% of the country's and 27.8% of the government's total employment.

Federal government business enterprise employment averaged 151,300 employees, a 4.5% drop from last year that was largely due to lay-offs and downsizing at CN Rail, Via Rail and the Canada Post Corporation. Provincial and territorial enterprises also employed an average of 146,700 people in the first quarter of 1991, a 6.0% year-over-year drop reflecting the privatization of Alberta Government Telephones in October 1990.

For further information, contact *Public Institutions Division* at (613) 951-8306.

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PROVINCIAL PERSPECTIVES

Provincial and Territorial Government and Government Business Enterprises 1st Quarter, 1991

Province	Government		Government Business Enterprises	
	Employees	Remuneration (millions of \$)	Employees	Remuneration (millions of \$)
Canada	501,354	4,238.3	146,729	1,506.5
Newfoundland	22,277	162.9	3,001	26.4
Prince Edward Island	4,977	31.0	353	2.0
Nova Scotia	23,061	170.7	4,948	48.1
New Brunswick	40,239	292.8	4,738	41.5
Quebec	107,994	995.6	35,939	381.6
Ontario	132,787	1,207.0	43,730	507.5
Manitoba	19,019	145.7	12,566	104.2
Saskatchewan	23,276	166.4	12,551	121.0
Alberta	69,629	528.4	6,866	62.3
British Columbia	48,716	441.5	21,760	209.0
Yukon	2,927	25.8	104	0.9
Northwest Territories	6,453	70.4	171	2.0

Wages and Salaries Continue to Remain Steady

In April, the seasonally adjusted estimate of wages and salaries was virtually unchanged for the second month in a row, rising only 0.1%. A marginal increase of 0.2% in February followed a 0.5% decrease in January.

Six of the 14 industry groups registered declines. The largest fall in wages and salaries was registered in mines, quarries and oil wells. The 3.1% drop was the greatest decrease since April 1986. Wages and salaries in the construction industry were down 0.8%, following a 2.5% drop in March. Local administration also posted a 0.8% loss in wages and salaries, the second consecutive fall.

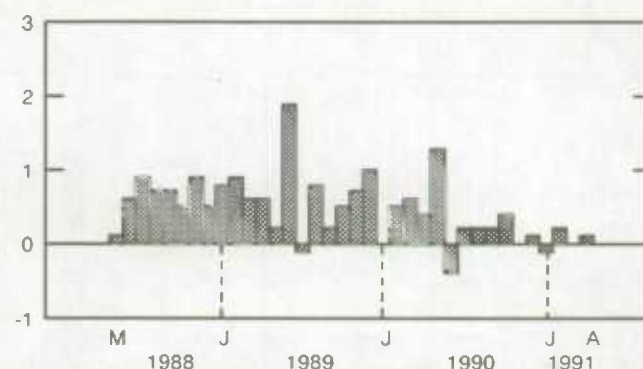
These decreases were offset by gains in other industries. Wages and salaries in the forestry industry climbed 3.8% in April, the third straight increase. Education and related services posted a 1.6% increase in wages and salaries. This gain followed three straight monthly decreases and was the largest increase since May 1990. In April, manufacturing industries registered their first rise following three consecutive declines as wages and salaries were up 0.4%.

In April, wages and salaries registered monthly declines in Newfoundland, Prince Edward Island and New Brunswick. The remaining provinces and territories showed little change. (See accompanying table.)

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

Wages and Salaries

% change, previous month



Wages and Salaries, April

Seasonally Adjusted

Province	Wages and Salaries (millions of \$)	% change, previous month	% change, previous year
Canada	28,390	0.1	2.1
Newfoundland	382	-0.5	1.6
Prince Edward Island	86	-0.9	3.0
Nova Scotia	716	0.3	1.4
New Brunswick	568	-0.7	3.9
Quebec	6,408	-0.3	2.5
Ontario	12,289	0.2	0.7
Saskatchewan	934	-0.4	2.0
Alberta	702	0.0	1.5
Manitoba	2,716	0.0	4.6
British Columbia	3,400	0.3	4.8

Year-over-year Increase in CPI Expected to be 6.1%

Since April 1990, Statistics Canada has been canvassing a small number of economists for their monthly forecasts of the year-over-year change in the Consumer Price Index, the unemployment rate and the merchandise trade balance. On average 23 economists have participated in the survey.

The mean forecast of the year-over-year increase in the CPI for June is 6.1% with minimum and maximum values of 5.8% and 6.3% respectively. From January to May 1991 the overall average forecast was 6.1% compared to the 6.4% average actual rate.

The unemployment rate is expected to be between 10.0% and 10.8% in June, with a mean forecast of 10.3%. The overall mean forecast from April 1990 to May 1991 is now comparable to the average of the actual rate (8.9%).

The mean forecast for May's trade balance is \$939 million with minimum and maximum values of \$774 million and \$1,200 million. The tendency to underestimate the trade balance continues, as the average monthly forecast from March 1990 to April 1991 was \$753 million, well below the actual average for the same period (\$924 million).

For further information contact Diane Lachapelle at (613) 951-0568.

Principal Field Crop Areas Shift

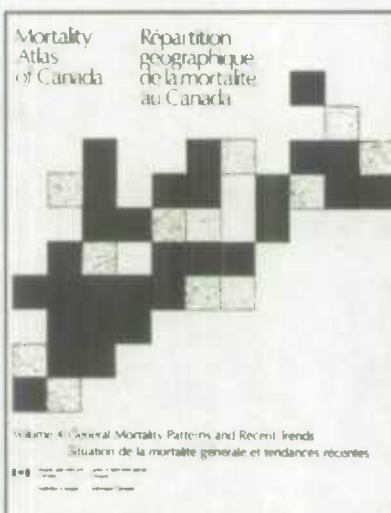
In Western Canada, producers have shifted to larger areas of wheat and canola while in Eastern Canada farmers have increased the areas of corn and soybeans.

The 1991 total area of all types of wheat in Canada is 34.8 million acres, an increase of 1% from 1990. The seeded area of spring wheat has increased 3% while the area of durum is down 3% from last year. The area of winter wheat remaining for harvest is 35% lower than in 1990.

The total area of Canadian oilseeds is 10.6 million acres, an increase of 13% over last year. While the area of canola has grown 24%, the area seeded to flaxseed has been significantly reduced. In Eastern Canada, soybean area is up 17% to a record 1.4 million acres, largely due to the decrease in winter wheat area.

For further information, contact Agriculture Division at (613) 951-8717.

NEW PUBLICATIONS



The Mortality Atlas of Canada, Volume 4: General Mortality Patterns and Recent Trends

Mortality rates for coronary heart disease among men aged 35 to 69 vary greatly from east to west. Nearly all census divisions with elevated rates are in Eastern Canada. Rates in the east, however, are declining at a faster pace than in the west.

In 46 colour maps, the new volume of the *Mortality Atlas of Canada* illustrates variations in mortality patterns during the period 1980 to 1986 and in mortality trends from 1974 to 1986. The maps readily show regional differences in death rates and in trends over time for major causes of death, including stroke, cirrhosis of the liver, pneumonia in older persons, breast and ovarian cancer in women, as well as motor vehicle traffic accidents, AIDS and suicide.

The atlas was developed collaboratively by the Laboratory Centre for Disease Control of Health and Welfare Canada and the Canadian Centre for Health Information of Statistics Canada. Like past volumes, the atlas will be used to identify areas warranting investigation of the observed death rates, to define priorities for surveillance and to promote awareness of the need for health programs.

The *Mortality Atlas of Canada, Volume 4: General Mortality Patterns and Recent Trends* (H49-6/4-1990) is available through the Canada Communication Group - Publishing, Ottawa, Ontario K1A 0S9. Telephone orders: 819-956-4802; Fax: 819-994-1498. The price is \$41.95 plus \$5.40 for shipping and handling.

For further information, contact Nelson Nault (613-951-1746), Information Requests, Canadian Centre for Health Information.

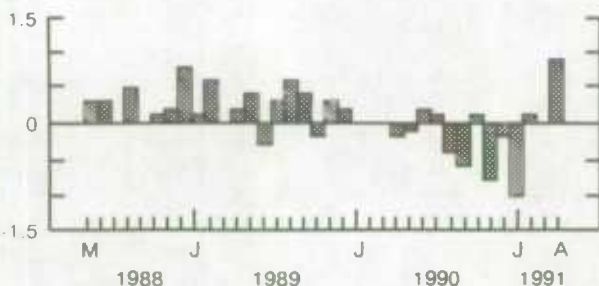
PUBLICATIONS RELEASED FROM JUNE 28 TO JULY 4, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Cereals and Oilseeds Review	April 1991	22-007	13.80/138	16.60/166	19.30/193
Field Crop Reporting Series, No. 4 – Preliminary Estimates of Principal Field Crop Areas, Canada	1991	22-002	12/80	14/96	16/112
Greenhouse Industry	1989 and 1990	22-202	26	31	36
Survey of Canadian Nursery Trades Industry	1989 and 1990	22-203	22	26	31
BALANCE OF PAYMENTS					
Canada's International Transactions in Securities	April 1991	67-002	15.80/158	19/190	22.10/221
EDUCATION, CULTURE AND TOURISM					
Focus on Culture	Summer 1991	87-004	6.25/25	7.50/30	8.75/35
Teachers in Universities	1987-88	81-241	27	32	38
INDUSTRY					
Department Store Monthly Sales by Province and Metropolitan Area	March 1991	63-004	2.70/27	3.20/32	3.80/38
Pack of Selected Processed Fruits, (excl. Apples)	1990	32-234	13	16	18
Paper and Allied Products Industries	1988	36-250	35	42	49
Quarries and Sand Pits	1988	26-225	22	26	31
Retail Trade	March 1991	63-005	18.20/182	21.80/218	25.50/255
The Sugar Situation	May 1991	32-013	5/50	6/60	7/70
INTERNATIONAL TRADE					
Summary of Canadian International Trade	April 1991	65-001	18.20/182	21.80/218	25.50/255
LABOUR					
Unemployment Insurance Statistics	April 1991	73-001	14.70/147	17.60/176	20.60/206
SERVICES, SCIENCE AND TECHNOLOGY					
Communications Service Bulletin – Telecommunication Statistics	First Quarter 1991	56-001	8.20/49	9.85/59	11.50/69
Science Statistics Service Bulletin, Federal Government Expenditures on Scientific Activities	1991-92	88-001	7.10/71	8.50/85	9.90/99
SOCIAL SURVEY METHODS					
Survey Methodology – A Journal of Statistics Canada	June 1991 Vol. 17, N° 1	12-001	35	42	49
TRANSPORTATION					
Air Carrier Operations in Canada	July-September 1990	51-002	24.25/97	29/116	34/136
Surface and Marine Transport Service Bulletin	Vol. 7, No. 3	50-002	9.40/75	11.25/90	13.15/105

CURRENT TRENDS

Gross Domestic Product

% change,
previous month



Composite Leading Indicator

% change,
previous month



Consumer Price Index

% change,
previous year



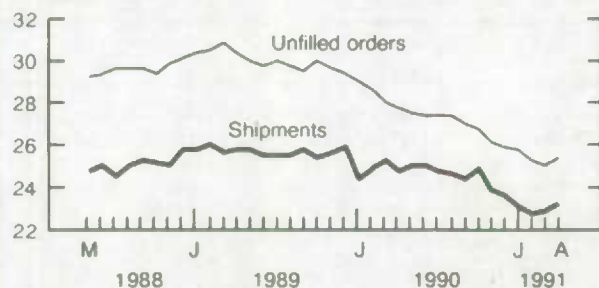
Unemployment Rate

%



Manufacturing

Billions
of dollars



Merchandise Trade

Billions
of dollars



Note: All series are seasonally adjusted except the consumer price index.

LATEST MONTHLY STATISTICS

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	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	April*	502	0.9%	-1.8%
Composite Leading Indicator (1981 = 100)	April*	136.5	0.1%	-5.7%
Profits of Industrial Corporations (\$ billion)	1st Quarter	12.3	-15.9%	-28.9%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	April	14.9	0.4%	-6.4%
New Motor Vehicle Sales ('000 units)	April	106.8	6.8%	-3.9%
LABOUR				
Employment (millions)	May	12.4	0.3%	-1.8%
Unemployment Rate (%)	May	10.3	0.1	2.6
Participation Rate (%)	May	66.5	0.1	-0.4
Labour Income (\$ billion)	April*	31.1	0.1%	2.3%
Average Weekly Earnings (\$)	April	535.06	0.5%	5.7%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	March	11.2	-0.2%	-9.9%
Merchandise Imports (\$ billion)	March	10.0	-4.6%	-11.9%
Merchandise Trade Balance (\$ billion)	March	1.2	0.5	0.1
MANUFACTURING				
Shipments (\$ billion)	April	23.2	2.2%	-5.9%
New Orders (\$ billion)	April	23.5	5.0%	-3.5%
Unfilled Orders (\$ billion)	April	25.2	1.4%	-8.8%
Inventory/ Shipments Ratio	April	1.58	-0.06	0.01
Capacity Utilization (%)	1st Quarter	70.5	-4.3	-11.8
PRICES				
Consumer Price Index (1986 = 100)	May	126.1	0.5%	6.2%
Industrial Product Price Index (1986 = 100)	May	108.9	-0.3%	-0.6%
Raw Materials Price Index (1986 = 100)	May	104.4	-1.1%	-1.1%
New Housing Price Index (1986 = 100)	April	130.2	-0.3%	-10.9%

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.

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K1A 0T6.

Catalogue: 11-002E. Price: Canada: \$2.50 per issue, \$125.00 per year; United States: US\$3.00 per issue, US\$150.00 per year; Other Countries: US\$3.50 per issue, US\$175.00. 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 613-951-7277 from all other countries.

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