



# IN·F·O·M·A·T

## A WEEKLY REVIEW

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Friday, March 6, 1992

### OVERVIEW

#### ■ Demand for Labour Hits Eight-year Low

The Help-wanted Index for Canada continued its decline in February, falling four points to 65.

#### ■ Turnaround in Economic Growth

Real gross domestic product fell 0.2% in the fourth quarter of 1991. This drop followed a pickup in the second and third quarters, up 1.3% and 0.1%, respectively.

#### ■ Gross Domestic Product Maintains Downward Trend

Real gross domestic product at factor cost posted a 0.4% decrease in December after a flat November and a 0.1% gain in October.

#### ■ Composite Leading Indicator Growth Slows

The growth in the composite leading indicator slowed in December to 0.2% from 0.5% in November.

#### ■ Current Account Deficit Sets New Record High

The seasonally adjusted current account deficit climbed to \$8.1 billion in the fourth quarter of 1991, up from the \$7.5 billion deficit registered in the third quarter.

#### ■ Borrowing of Domestic Non-financial Sectors Rises Moderately

Total borrowing for 1991 rose 2.9% to \$105.1 billion. Provincial governments accounted for much of the increase.

#### ■ Construction Activity Posts Second Yearly Decline

In 1991, the value of building permits issued in Canada amounted to \$27,926 million, down 13.4% from 1990.

#### ■ Growth in Average Weekly Earnings Steady

Average weekly earnings in Canadian industries were \$550.42 in December, up 5.2% from the same period in 1990.

This issue also includes information on the short-term expectations survey and on absences from work.

### Demand for Labour Hits Eight-year Low

In February, the seasonally adjusted Help-wanted Index for Canada (1981=100), which serves as an indicator of the demand for labour, fell four points to 65, its lowest level in over eight years. After reaching a peak of 157 in April 1989, the index started a decline which accelerated in 1990. In 1991, the index fell eight points between January and December, from 80 to 72, and continued its decline in 1992.

Help-wanted indexes fell in two of the five regions with the Atlantic provinces posting the steepest decline (-18%), followed closely by Quebec (-16%). The British Columbia index increased 9% to 74 in February after a decrease of 9.3% the previous month. In Ontario the index was up 2% to 61 following a drop of 10.4% in January.

(continued on page 2)

Help-wanted Index, Canada



Statistics  
Canada

Statistique  
Canada

Canada

### ... Demand for Labour Hits Eight-year Low

Compared with February 1991, the Help-wanted Index was lower in all regions, falling 25% in the Atlantic provinces, 21% in the Prairie

provinces, 14% in Quebec, 13% in Ontario and 6% in British Columbia.

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

## Turnaround in Economic Growth

Gross domestic product at 1986 prices fell 0.2% in the fourth quarter of 1991. This drop followed a pickup in the second and third quarters, up 1.3% and 0.1%, respectively. The dip was attributable to lower export sales, which fell sharply after two quarters of strong growth, and to consumer spending, which edged down for a second consecutive quarter.

Personal expenditure on consumer goods and services dropped 0.4% in the quarter but the drop was mostly confined to the goods component as spending on services increased 0.5%. Purchases of durable goods were down 4.4%, due mostly to a 9.1% drop in purchases of motor vehicles, parts and repairs, and outlays for semi-durable goods declined 0.3%.

Residential construction activity grew for the third consecutive quarter, up 1.5%. New construction accounted for all of the advance, increasing 7.5% during the quarter.

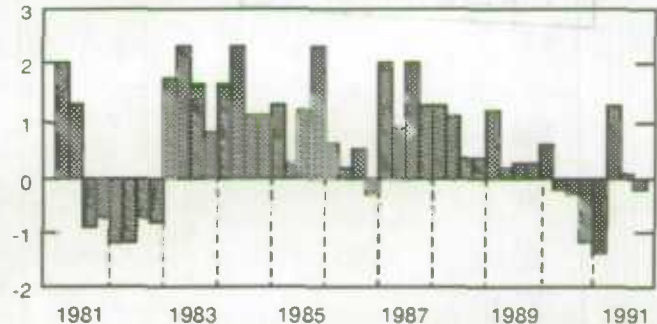
Business investment spending on plant and equipment increased in the fourth quarter. Purchases of machinery and equipment rose 4.7% while non-residential construction fell 3.7%.

Net exports of goods and services fell \$0.9 billion to a deficit of \$8.1 billion. Exports decreased 3.0% and imports fell 0.9%; in both cases, motor vehicles and parts accounted for a large share of the drop.

Wages, salaries and supplementary labour income grew 0.5% in the fourth quarter. Higher compensation per employee, which rose 0.7%, accounted for the increase. The increase in labour income occurred in the service-producing industries,

### GDP at 1986 Prices

% change, previous quarter



notably in commercial services, education, transportation and local government administration.

Personal income fell 0.2% in the quarter. Lower unincorporated business income and a fall in interest, dividends and miscellaneous investment income were major contributors to the decline. Disposable (after-tax) income was down 1.2% from the third quarter.

Corporation profits before taxes tumbled 13.2% in the quarter to \$28.0 billion. The declines were widespread, affecting both financial and non-financial industries.

For further information, order *National Income and Expenditure Accounts* (catalogue number 13-001), or contact *National Accounts and Environment Division* at (613) 951-3819.

## Gross Domestic Product Maintains Downward Trend

Real gross domestic product at factor cost fell 0.4% in December after a flat November and a 0.1% increase in October. Output in December was 0.3% above the level recorded in December 1990 but 0.8% below its peak in July 1991.

Goods production dropped for the third month in a row, falling 1.3% in December and partly offsetting its 3.3% advance registered between March and September 1991. Manufacturing and

construction accounted for almost three-quarters of the dollar losses. Manufacturing dropped a further 1.5% following declines of 1.1% in October and 0.5% in November while construction output fell 1.4%, the third straight monthly decline. Lower mining, utility and forestry output was partly offset by gains in fishing and agriculture.

Following gains of 0.4% in October and 0.2% in November, output for service-producing industries was unchanged in December. Gains in finance,

(continued on page 3)





### ... Current Account Deficit Sets New Record High

As both exports and imports decreased, the merchandise trade surplus remained as low as in the third quarter (\$0.9 billion). Merchandise exports fell by 4.0% to \$35 billion after two quarters of growth. Lower sales of cars and of aircraft and transportation equipment were offset by higher sales of trucks and communications equipment. Similarly, imports were down by 4.0% to \$34 billion, with declines in auto parts and cars. The decrease contrasted with a gain of 8.0% in the previous quarter.

The quarterly travel deficit set a new record with a total of \$2.0 billion. Expenditures in both the United States and other countries increased, while revenue from international travel edged down.

The capital account, which is not seasonally adjusted, showed that non-residents invested \$7.5 billion in Canadian bonds and continued to be net buyers of money market paper. The Canadian dollar fluctuated within a narrow range against the U.S. currency, but started to depreciate towards the end of the quarter; it also depreciated against other major currencies.

In 1991, the current account recorded an annual deficit of \$26.8 billion, a record for the sixth consecutive year. This represented 3.9% of gross

### Current Account Balances

(billions of dollars, seasonally adjusted)

	1990	1991			
	Q4	Q1	Q2	Q3	Q4
Merchandise	2.7	2.6	2.9	0.9	0.9
Services	-2.3	-2.4	-2.6	-2.8	-3.0
Investment Income	-5.7	-5.6	-5.9	-5.7	-5.8
Transfers	-0.1	-0.1	-0.1	0.1	-0.2
<b>Current Account Balance</b>	<b>-5.4</b>	<b>-5.5</b>	<b>-5.7</b>	<b>-7.5</b>	<b>-8.1</b>

domestic product (GDP), slightly below the previous highs reached in the late 1950s. The larger deficit of 1991 was mostly attributable to the reduction in the merchandise trade surplus.

*For further information, order Canada's Balance of International Payments (catalogue number 67-001) or contact Balance of Payments Division at (613) 951-9055.*

### Borrowing of Domestic Non-financial Sectors Rises Moderately

In the fourth quarter of 1991, funds raised by domestic non-financial sectors climbed 14.8% to \$103.8 billion, seasonally adjusted at annual rates. Non-financial private corporations and provincial governments accounted for most of the increase in the quarter.

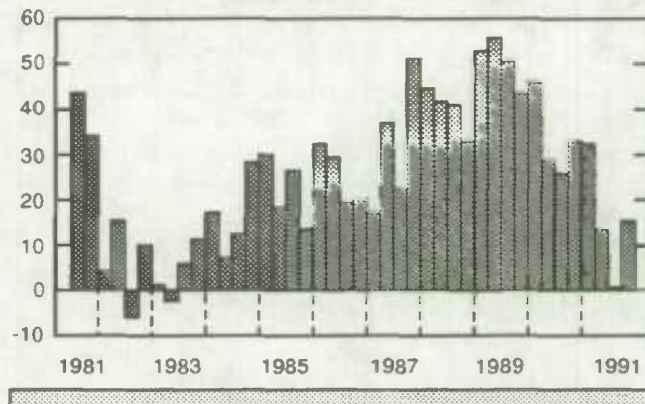
Combined with the weak borrowing in the second and third quarters of the year, total borrowing for 1991 rose 2.9% to \$105.1 billion. Deceleration of overall borrowing began in 1990 from a peak level of \$121.8 billion in 1989. A massive rise in bond financing, from \$25.2 billion in 1990 to \$63.9 billion in 1991, was offset by reduced borrowing in most other categories.

Demand for funds by non-financial private corporations rose from a near-zero level in the third quarter to \$15.2 billion in the fourth. In the third quarter, corporations had reduced bank loan liabilities very sharply (-\$14.5 billion) but increased them by \$2.1 billion in the fourth. For 1991 as a whole, corporations cut their borrowing by more than half, to \$15.4 billion.

Demand for funds by non-federal (mostly provincial) government rose from a level of \$19.6 billion in the third quarter to \$32.0 billion in the

### Funds Raised by Non-financial Private Corporations

Billions of dollars, seasonally adjusted at annual rates



fourth while Government of Canada borrowing decreased by 25.3% to \$28.6 billion. In 1991, government borrowing rose sharply, from \$20.5 billion to \$32.4 billion at the federal level and from \$9.4 billion to \$26.0 billion for other governments. The increases were closely associated with growing fiscal deficits caused by the recession.

(continued on page 5)



### ... Borrowing of Domestic Non-financial Sectors Rises Moderately

Borrowing in the personal sector remained weak in the fourth quarter and fell by 24.7% in 1991. It was the second substantial yearly decline following three years in which borrowing exceeded \$40 billion.

## Construction Activity Posts Second Yearly Decline

After recording a 19.4% decline in 1990, the seasonally adjusted value of building permits issued in Canada dropped 13.4% in 1991 to a level of \$27,926 million. Both the residential and non-residential sectors contributed to this decline. For the former, the value of building permits fell by 8.5% to \$16,021 million in 1991, less than half the yearly decrease of 19.3% posted in 1990. Similarly, non-residential permits plunged 19.3% to \$11,904 million in 1991 after a 19.4% drop in 1990.

On a monthly basis, the value of building permits issued in Canada fell 16.1% in December to \$2,392 million, erasing the 8.5% increase posted in November. The decline was entirely attributable to the residential sector.

The value of residential building permits plunged 27.0% to \$1,286 million in December after posting a 13.3% jump in November. Since December 1991, some municipalities in Ontario have imposed a surcharge on residential building permit fees. Consequently, an unusually large amount of permits were issued in November, contributing, in part, to the sharp decrease observed in December. Both the single-family dwelling sector and the multi-family dwelling sector recorded declines in December. For the former, the value dropped 27.1% to \$900 million and fell 26.8% to \$386 million for the latter.

## Growth in Average Weekly Earnings Steady

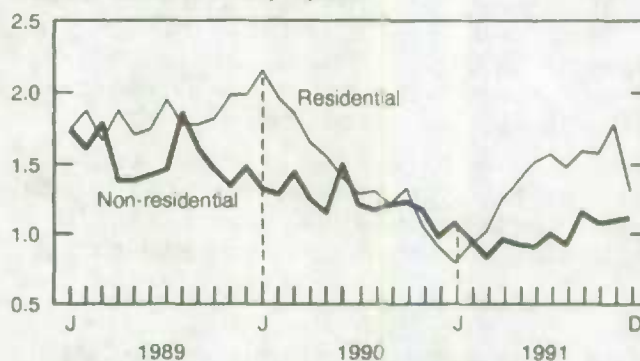
In December, average weekly earnings in Canadian industries were \$550.42, up 5.2% over a year earlier. The yearly earnings growth rate has been close to 5.1% since September and near the average year-over-year advances for 1990 (5.3%) and 1989 (5.0%).

There was a sharp difference in the pattern of growth of goods-producing industries compared to that of services. For the former, the average year-to-year growth in earnings for January to December was 4.7%, compared to a hike of 5.7% over the same period in 1990. Manufacturing and construction contributed to the slower gain. In service-producing industries, earnings grew by 6.4% from January to December, compared to 5.8% growth over the same

For further information, order *Financial Flow Accounts* (catalogue number 13-014), or contact *National Accounts and Environment Division* at (613) 951-9043.

### Building Permits

Billions of dollars, seasonally adjusted



In the non-residential sector, the value of building permits advanced 1.7% to \$1,106 million in December. Increases were posted in both the institutional, up 22.4% to \$452 million, and the industrial sectors, up 16.7% to \$200 million. The commercial sector reported a loss of 17.0% to \$454 million.

For further information, order *Building Permits* (catalogue number 64-001) or contact *Investment and Capital Stock Division* at (613) 951-2025.

### Average Weekly Earnings, December 1991

Unadjusted Data

Province/Territory	Industrial Aggregate (dollars)	Year-over-year % change
<b>Canada</b>	<b>550.42</b>	<b>5.2</b>
Newfoundland	510.60	3.4
Prince Edward Island	429.58	-1.4
Nova Scotia	492.30	4.6
New Brunswick	495.45	3.9
Quebec	539.30	4.8
Ontario	574.01	5.4
Manitoba	491.97	5.4
Saskatchewan	486.24	6.1
Alberta	555.77	7.9
British Columbia	553.66	4.4
Yukon	662.19	7.2
Northwest Territories	756.46	3.0

(continued on page 6)





# PUBLICATIONS RELEASED FROM FEBRUARY 28 TO MARCH 5

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
<b>AGRICULTURE</b>					
Farm Cash Receipts	January-December 1991	21-001	11/44	13.25/53	15.50/62
<b>EDUCATION, CULTURE AND TOURISM</b>					
Periodical Publishing	1989-90	87-203	17	20	24
<b>HOUSEHOLD SURVEYS</b>					
Family Incomes	1990	13-208	19	23	27
Introductory Report, Canadian National Child Care Study		89-526E	25	30	35
<b>INDUSTRY</b>					
Asphalt Roofing	January 1992	45-001	5/50	6/60	7/70
Corrugated Boxes and Wrappers	January 1992	36-004	5/50	6/60	7/70
Gypsum Products	January 1992	44-003	5/50	6/60	7/70
Mineral Wool Including Fibrous Glass Insulation	January 1992	44-004	5/50	6/60	7/70
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies	December 1991	35-002	10/100	12/120	14/140
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	December 1991	35-003	7.10/71	8.50/85	9.90/99
Quarterly Shipments of Household Furniture Products	Quarter Ended December 31, 1991	35-007	6.75/27	8/32	9.50/38
Quarterly Shipments of Office Furniture Products	Quarter Ended December 31 1991	35-006	6.75/27	8/32	9.50/38
Rigid Insulating Board	January 1992	36-002	5/50	6/60	7/70
The Sugar Situation	January 1992	32-013	5/50	6/60	7/70
Wholesale Trade	December 1991	63-008	14.40/144	17.30/173	20.20/202
<b>INTERNATIONAL TRADE</b>					
Imports by Commodity	December 1991	65-007	55.10/551	66.10/661	77.10/771
<b>JUSTICE</b>					
Juristat Service Bulletin - Sentencing in Youth Courts, Vol. 12, No. 4	1986-87 to 1990-91	85-002	3.60/90	4.30/108	5/126
<b>LABOUR AND HOUSEHOLD SURVEYS</b>					
Perspectives on Labour and Income	Spring 1992	75-001E	13.25/53	16/64	18.50/74
<b>PRICES</b>					
Industry Price Indexes	December 1991	62-011	18.20/182	21.80/218	25.50/255
<b>SERVICES, SCIENCE AND TECHNOLOGY</b>					
Restaurant, Caterer and Tavern Statistics	December 1991	63-011	6.10/61	7.30/73	8.50/85
Service Industries Bulletin - Business Services, Leisure and personal Services Advance, Vol. 3., No. 6	1990	63-015	7.20/43	8.65/52	10/60
<b>STATISTICS CANADA</b>					
Statistics Canada Catalogue	1992	11-204E	13.95	17	20
<b>TRANSPORTATION</b>					
Air Carrier Traffic at Canadian Airports	July-September 1990	51-005	30.50/122	36.50/146	42.75/171
Railway Operating Statistics	October 1991	52-003	10.50/105	12.60/126	14.70/147

## NEW FROM STATISTICS CANADA

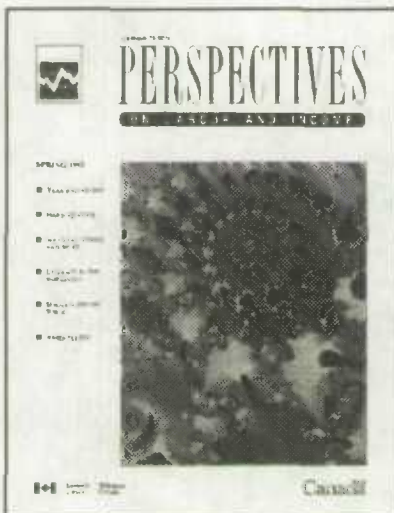


### Statistics Canada Catalogue 1992

Simplify your search for data with the 1992 *Statistics Canada Catalogue*. The catalogue includes sources for key statistics on all areas of Canadian social and economic activity, including employment, incomes, health, agriculture, consumer prices, trade, education, justice, and population characteristics. Using the enhanced keyword index, you'll find what you need in seconds.

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### Perspectives on Labour and Income

The Spring 1992 edition of Statistics Canada's quarterly journal on labour and income issues is released today.

This issue contains a special supplement that reviews labour market developments in 1991. It also carries a study that examines labour force changes in single-industry towns and a study on the numbers and characteristics of long workweeks. Other articles cover full-time students who juggle school and work, literacy in the workplace, and absenteeism.

Each quarter, *Perspectives on Labour and Income* uses results from several data sources to examine and offer insights on emerging issues. Articles discuss recent labour market developments as well as current income issues.

To obtain further information on this release, contact Cécile Dumas (613-951-6894) or Doreen Duchesne (613-951-6893). The Spring 1992 edition of *Perspectives on Labour and Income* (75-001E) is now available. To order call Publication Sales (613) 951-7277.



## CURRENT TRENDS

### Gross Domestic Product

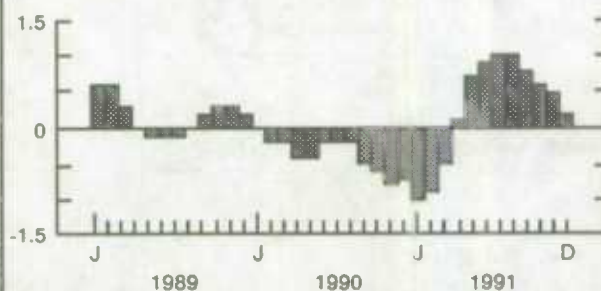
% change,  
previous month



Real gross domestic product at factor cost posted a 0.4% decrease in December after a flat November and a 0.1% gain in October.

### Composite Leading Indicator

% change,  
previous month



The growth in the composite leading indicator slowed in December to 0.2% from 0.5% in November.

### Consumer Price Index

% change,  
previous year



In January, the year-over-year increase in the all-items CPI stood at 1.6%, the lowest rate posted since March 1971, while the food index declined 1.0%.

### Unemployment Rate

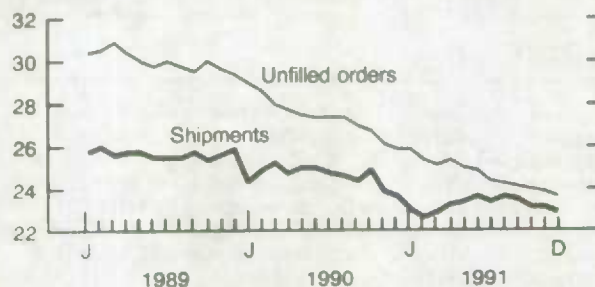
%



In January, the unemployment rate edged up to 10.4 after remaining at 10.3 for three consecutive months.

### Manufacturing

Billions  
of dollars



Canadian manufacturers' shipments decreased 0.7% to \$22.8 billion in December and unfilled orders fell 0.9% to \$23.6 billion.

### Merchandise Trade

Billions  
of dollars



A much greater fall in imports than in exports caused Canada's trade balance to rise by \$400 million in December.

**Note:** 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
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	December*	502	-0.4%	0.3%
Composite Leading Indicator (1981 = 100)	December*	144.6	0.2%	3.5%
Operating Profits of Enterprises (\$ billion)	4th Quarter*	10.3	-18.0%	-29.0%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	December	14.8	-0.5%	-6.4%
New Motor Vehicle Sales ('000 units)	December	100.5	-0.7%	6.2%
<b>LABOUR</b>				
Employment (millions)	January	12.3	-0.1%	-0.5%
Unemployment Rate (%)	January	10.4	0.1	0.6
Participation Rate (%)	January	65.7	-0.1	-0.8
Labour Income (\$ billion)	November	32.6	-0.1%	3.2%
Average Weekly Earnings (\$)	December*	550.42	0.2%	5.2%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	December	11.5	-1.0%	-2.5%
Merchandise Imports (\$ billion)	December	10.9	-4.5%	-1.4%
Merchandise Trade Balance (\$ billion)	December	0.64	0.40	-0.14
<b>MANUFACTURING</b>				
Shipments (\$ billion)	December	22.8	-0.7%	-3.0%
New Orders (\$ billion)	December	22.6	-0.8%	-2.9%
Unfilled Orders (\$ billion)	December	23.6	-0.9%	-8.8%
Inventory/ Shipments Ratio	December	1.50	0.00	-0.12
Capacity Utilization (%)	3rd Quarter	72.0	1.4	-6.4
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	January	127.0	0.5%	1.6%
Industrial Product Price Index (1986 = 100)	January	107.7	0.1%	-3.1%
Raw Materials Price Index (1986 = 100)	January	98.6	-2.4%	-15.7%
New Housing Price Index (1986 = 100)	December	133.9	0.0%	-3.2%

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

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Senior Editor: Greg Thomson (613) 951-1116

Editor: Louise Larouche (613) 951-1197

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