



Infommat

A Weekly Review

Friday, July 15, 1994

OVERVIEW

Sales of Trucks Rebound in May

Sales of new motor vehicles rose 1.2% in May after declining by a total of 4.3% in the previous two months. The increase reflected a large gain in truck sales.

New Housing Prices Post Small Gain

In May, the new housing price index edged up by 0.1% from a year ago. Excepting April's 0.2% decrease, this was the lowest year-over-year change since September 1992.

Unemployment Rate Down to 10.3%

The level of employment rose marginally in June but because there was a large reduction in the size of the labour force, the unemployment rate decreased by 0.4 percentage points.

Wage Gap Between Low and High Wage Earners Widens

The gap between low and high wage earners increased during the 1980s largely because of changes in the pattern of working hours. The wage gap between younger and older workers also increased.

Farm Product Prices: First Drop in Four Months

The farm product price index declined in May as a large decrease in the livestock and animal products index more than offset an increase in the crops index.

Sales of Trucks Rebound in May

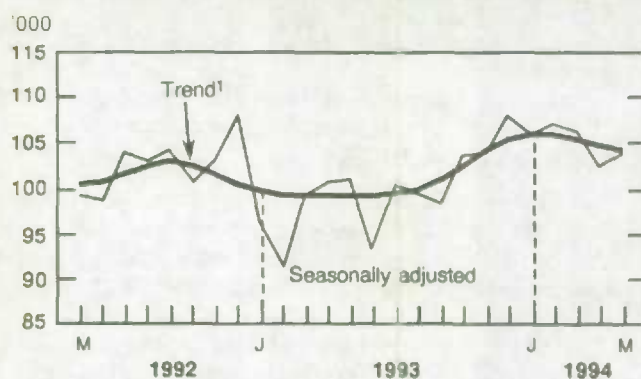
Manufacturers sold 104,000 new motor vehicles in May, a rise of 1.2% from April. Even though this was a second increase in four months, the trend in new motor vehicle sales continued to drift downward. The year-to-date total was just above 525,000 units, a 7.7% increase from the same period in 1993.

Truck sales (including light trucks, mini-vans and sport-utility vehicles) rebounded from declines in March and April, rising by 4.7% in May to a level of 42,000 units. Truck sales were 12.2% higher in May than a year ago.

A large drop in imported passenger car sales more than offset a marginal increase in sales of North American-built passenger cars. Sales of North American cars edged up to 46,000 units and stood 12.4% above their year-earlier level. Sales of imported cars fell 4.3% in May to 15,000 units, a 10-year low. In comparison with May 1993, 30.2% fewer imported cars have been sold. The downward slide in sales of imported cars may be partly influenced by the high value of foreign currencies relative to the Canadian dollar.

(continued on page 2)

Sales of New Motor Vehicles,
in Units, Canada



... Sales of Trucks Rebound in May

In May, 76.2% of passenger cars sold in Canada were manufactured in North America, up from 66.5% a year earlier. In contrast, the Japanese share fell to 18.2% from 26.9% for the same period.

For further information, order *New motor vehicle sales* (catalogue number 63-007) or contact Industry Division at (613) 951-3552.

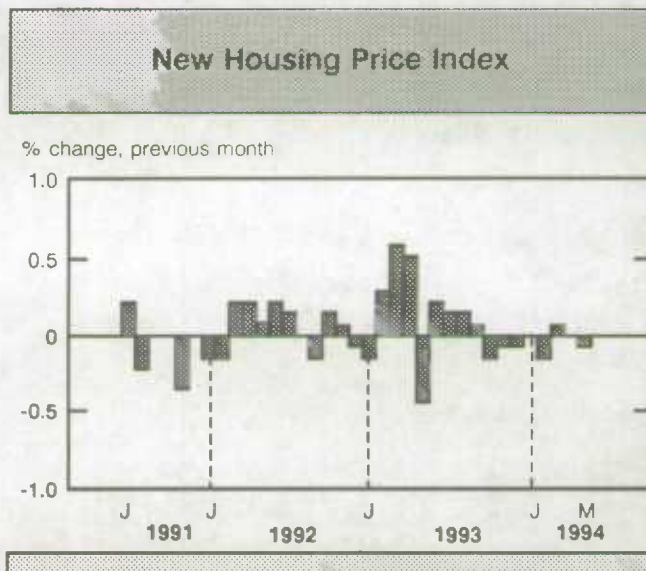
New Housing Prices Post Small Gain

In May, the new housing price index (1986=100) edged down by 0.1% from April's level. At 136.0, the index was only 0.1% above its year-earlier level of 135.8. Excepting April's 0.2% decrease, this was the smallest year-over-year change since September 1992.

Of the 20 urban areas for which the index is calculated nine posted increases, seven registered declines, and four were unchanged. Halifax led the increases with a 0.8% rise, a sharp contrast with no growth in the previous five months. After declining for three straight months, the index for Québec rose 0.7% from April but stood 0.7% below its year-earlier level.

The largest declines were in Kitchener-Waterloo and Edmonton where both indexes fell 0.5%. The index for Victoria decreased 0.4% and posted its first negative year-over-year change (-0.5%) since June 1991.

The House only index edged down by 0.2% in May to 125.3 but stood 0.1% above its year-earlier level. The land only index remained unchanged at 169.4 and was up 0.4% from its level of a year ago.



For further information, order *Construction price statistics* (catalogue number 62-007) or contact Prices Division at (613) 951-3350.

Unemployment Rate Down to 10.3%

Unemployment declined by 59,000 in June. The participation rate decreased to 64.7 because a large number of youths and men left the labour force. This pushed the unemployment rate down from 10.7% in May to 10.3% in June.

The withdrawal of 28,000 youths aged 15 to 24 from the labour force, which accounted for most of the decline in the overall unemployment rate, put downward pressure on their unemployment rate which fell 0.8 percentage points to 16.4%. The decline in the participation rate among youths was concentrated among students aged 15 to 19.

For men 25 years and over, their unemployment rate declined to 9.2% as 24,000 left the labour force. Since January, their unemployment rate has dropped 1.2 percentage points, mostly a result of employment gains.

The level of employment increased marginally (7,000) in June, after a total gain of 171,000 over the preceding four months. Since January, full-time employment has grown by 203,000, whereas the number of persons working part-time has fallen by 25,000. Over that period, full-time employment has increased by 39,000 among youths, by 68,000 among women, and by 96,000 among men.

Employment gains in community, business and personal services totalled 37,000 in May and June, continuing the upward trend prevailing since April 1992. Manufacturing employment was little changed in June but still remained slightly higher than its level in December 1993.

Employment in trade fell by 22,000 after a gain of 41,000 in May. Employment in construction declined by 21,000, offsetting most of the gain (24,000) in May. Since January, however, employment in construction has shown a marked improvement, gaining 86,000.

(continued on page 3)

Unemployment Rate Down to 10.3%

Employment in Manitoba declined over the latest two months, offsetting April's gains. There has been virtually no employment growth in Québec and Ontario in May and June.

For further information, order *Labour force information* (catalogue number 71-001P), or contact *Household Surveys Division* at (613) 951-4720. (See also "Current Trends" chart on page 6.)

PROVINCIAL PERSPECTIVES

Labour Force Survey Results for June 1994

	Labour Force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	Rate (%)
Canada	14,049	-0.4	12,597	0.1	1,452	10.3
Newfoundland	236	-3.3	186	-3.1	50	21.2
Prince Edward Island	65	-1.5	55	0.0	10	16.0
Nova Scotia	425	-0.7	367	-1.3	58	13.6
New Brunswick	331	-0.3	290	0.7	41	12.4
Québec	3,427	-0.6	3,022	0.1	405	11.8
Ontario	5,337	-0.5	4,831	0.1	506	9.5
Manitoba	538	-1.1	490	-0.6	48	8.9
Saskatchewan	471	0.2	438	0.7	33	7.0
Alberta	1,405	-0.1	1,279	-0.2	126	9.0
British Columbia	1,802	0.1	1,636	0.4	166	9.2

Wage Gap Between Low and High Wage Earners Widens

The gap between low and high wage earners increased during the 1980s largely because of changes in the pattern of working hours. The wage gap between younger and older workers also increased. Earnings inequality rose during the 1981-82 recession but never returned to pre-recession levels.

Average hours worked per week did not change much during the 1980s, but the distribution of hours worked shifted significantly. Fewer Canadians were working a "normal" workweek (i.e., 35 to 40 hours per week) at the end of the 1980s than at the beginning. Meanwhile, more Canadians were working at least 50 hours per week. These changes in the distribution of hours worked have in turn influenced the distribution of annual earnings and are also largely responsible for the inequality of earnings.

During the 1980s, real earnings of young workers fell substantially. Between 1981 and 1988, real earnings among full-time full-year male employees aged 17 to 24 dropped 12%, whereas real earnings for those aged 55 to 64 rose 10%. Similar but less divergent trends were observed among females working full-year full-time. This increase in the wage gap between younger and older workers during the 1980s was also observed in the United States and in many other industrialized countries.

The reasons for this increasing gap are not well understood but the following factors may have contributed to increase the wage gap between younger and older workers:

- seniority rules;
- greater firm-specific training and skills of experienced workers;
- firms' unwillingness to decrease wages of experienced workers for efficiency reasons.

For further information, order *Analytical Studies Branch Research Paper No. 60: What is happening to earnings inequality in Canada?* or contact *Business and Labour Market Analysis Group* at (613) 951-8214.

Farm Product Prices: First Drop in Four Months

The farm product price index (1986=100) declined 0.6% in May to 106.7, after rising by a total of 3.5% in the previous three months. The index stood 0.6% below its year-earlier level of 107.3.

The crops index increased 1.2% to 98.0 as prices rose for cereals, oilseeds and potatoes. Despite the increase, the index was still 4.9% below its level of a year ago. Because of higher wheat prices in most provinces, the cereals index rose 0.9% in May to 76.0. Throughout 1993 and 1994, the cereals index has been between 14 and 27% below year-earlier levels. In May, it stood 20.3% below a year earlier.

Higher canola prices pushed the oilseeds index up 3.5% in May to 152.3. The index has been above year-earlier levels for the last two years and in May stood 34.8% above its May 1993 level. The potatoes index rose 2.1% in May to 183.7 and stood 69.8% above the previous year's level.

Decreases in cattle, calves and hog prices pushed the livestock and animal products index down 1.6% to 112.0. Despite five declines in eight months, the index in May was still 1.9% above its year-earlier level. Cattle and calve prices dropped

The Farm Product Price Index May 1994

Province	Crops		Livestock and Animal Products	
	% change from		% change from	
	April 1994	May 1993	April 1994	May 1993
Canada	1.2	-4.9	-1.6	1.9
Newfoundland	0.0	-6.9	0.1	-2.7
Prince Edward Island	0.0	73.4	3.2	4.1
Nova Scotia	0.0	1.1	0.0	2.4
New Brunswick	0.0	36.0	1.3	2.4
Québec	0.2	21.3	-0.6	5.5
Ontario	-0.4	11.7	-0.3	3.0
Manitoba	0.1	-12.8	-2.8	0.3
Saskatchewan	2.0	-17.5	-1.0	1.3
Alberta	4.1	-12.2	-4.9	-3.9
British Columbia	0.7	-13.4	-2.9	2.2

3.4% in May and hog prices fell 0.3%. This is the third straight monthly decline in hog prices since a four-year high was reached in February.

For further information, order Farm product price index (catalogue number 62-003) or contact Agriculture Division at (613) 951-2441.

NEW FROM STATISTICS CANADA



Focus on culture

The summer 1994 issue of *Focus on culture*, Statistics Canada's quarterly newsletter on culture, features articles on several topics: the move to develop today's youth audiences into tomorrow's adult enthusiasts in our theatres and concert halls; the direct and – often overlooked – indirect economic activities of print and broadcast media; a profile of the culture sector's labour force; and the structure of investment in Canadian film productions.

The summer 1994 (vol. 6, no. 2) issue of *Focus on culture* (catalogue number 87-004, \$7/\$26) is now available.

For further information on this release, contact Mary Cromie (613-951-6864), Education, Culture and Tourism Division.

Focus on Canada series – 1991 Census

Some of the most popular publications generated from the 1991 Census database are contained in the *Focus on Canada* series. Five reports in this series are available: *Population dynamics in Canada* (catalogue number 96-305E, \$12), *Canada's changing immigrant population* (catalogue number 96-311E, \$12), *Profile of Canada's seniors* (catalogue number 96-312E, \$12), *Languages in Canada* (catalogue number 96-313E, \$12), and *Children and youth: an overview* (catalogue number 96-320E, \$12).

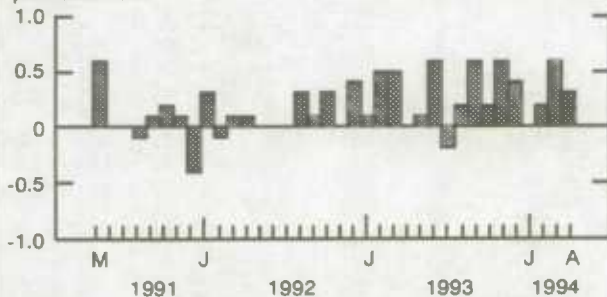
The *Focus on Canada* series is distributed exclusively by Prentice Hall Canada Inc., 1870 Birchmount Road, Scarborough, Ontario M1P 2J7. Copies may be ordered by toll-free telephone at 1-800-567-3800 or by fax at 1-416-299-2529.

PUBLICATIONS RELEASED FROM JULY 8 TO 14, 1994

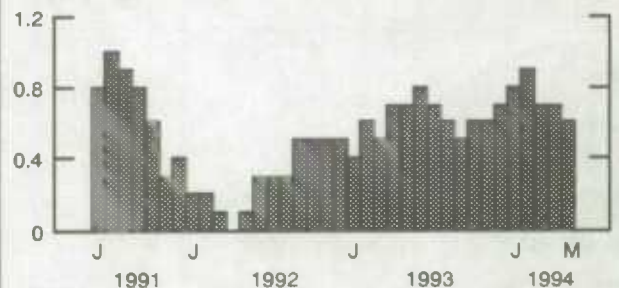
Division/Title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
			US\$		
AGRICULTURE					
Agriculture economic statistics	June 1994	21-603E	25/50	30/60	35/70
Cereals and oilseeds review	April 1994	22-007	15/144	18/173	21/202
Fruit and vegetable production	June 1994	22-003	26/104	32/125	37/146
BALANCE OF PAYMENTS					
Canada's international transactions in securities	March 1994	67-002	17/170	21/204	24/238
DEMOGRAPHY					
Quarterly demographic statistics	January-March 1994	91-002	8/32	10/39	12/45
EDUCATION, CULTURE AND TOURISM					
Focus on culture	Summer 1994 Vol. 6, No.2	87-004	7/26	8/32	10/37
HOUSEHOLD SURVEYS					
Labour force information	June 1994	71-001P	10/100	12/120	14/140
INDUSTRIAL ORGANIZATION AND FINANCE					
Quarterly financial statistics for enterprises	First quarter 1994	61-008	25/100	30/120	35/140
INDUSTRY					
Cement	May 1994	44-001	6/60	8/72	9/84
Coal and coke statistics	April 1994	45-002	11/110	14/132	16/154
Department store sales and stocks	February 1994	63-002	16/160	20/192	23/224
Electric power statistics	April 1994	57-001	11/110	14/132	16/154
Factory sales of electric storage batteries	May 1994	43-005	6/60	8/72	9/84
Industrial chemicals and synthetic resins	May 1994	46-002	6/60	8/72	9/84
Oil pipeline transport	April 1994	55-001	11/110	14/132	16/154
Production and shipments of steel pipe and tubing	May 1994	41-011	6/60	8/72	9/84
Production and stocks of tea, coffee and cocoa	Quarter ended March 1994	32-025	8/32	10/39	12/45
Retail Trade	April 1994	63-005	20/200	24/240	28/280
Specified domestic electrical appliances	May 1994	43-003	6/60	8/72	9/84
Steel wire and specified wire products	May 1994	41-006	6/60	8/72	9/84
Wholesale trade	April 1994	63-008	16/160	20/192	23/224
INDUSTRY MEASURES AND ANALYSIS					
Gross domestic product by industry	April 1994	15-001	14/140	17/168	20/196
INTERNATIONAL TRADE					
Exports by commodity	April 1994	65-004	60/600	72/720	84/840
Imports by commodity	April 1994	65-007	60/600	72/720	84/840
LABOUR					
Employment, earnings and hours	March 1994	72-002	28.50/285	34.20/342	39.90/399
Estimates of labour income	January-March 1994	72-005	24/96	29/116	34/135
Unemployment insurance statistics	April 1994	73-001	16/160	20/192	23/224
PRICES					
Construction price statistics	First quarter 1994	62-007	19/76	23/92	27/107
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, caterer and tavern statistics	April 1994	63-011	7/70	9/84	10/98

CURRENT TRENDS

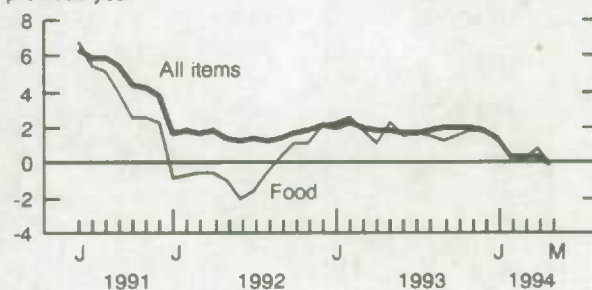
Gross Domestic Product

% change,
previous month

Composite Index

% change,
previous month

Consumer Price Index

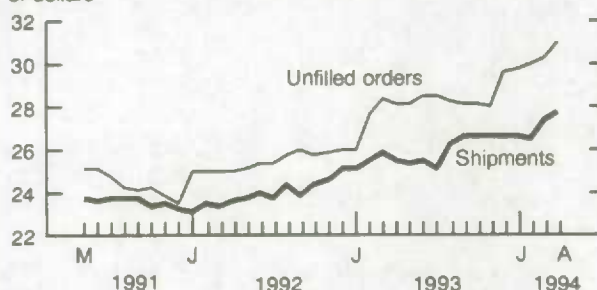
% change,
previous year

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

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	April	532.8	0.3%	3.6%
Composite Leading Indicator (1981 = 100)	May	165.5	0.6%	8.4%
Operating Profits of Enterprises (\$ billion)	1st Quarter	16.7	18.9%	37.7%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	April	17.0	-1.7%	5.7%
New Motor Vehicle Sales ('000 units)	May*	103.8	1.2%	3.0%
LABOUR				
Employment (millions)	June*	12.6	0.1%	1.4%
Unemployment Rate (%)	June*	10.3	-0.4	-1.0
Participation Rate (%)	June*	64.7	-0.4	-0.8
Labour Income (\$ billion)	April*	33.7	0.5%	2.4%
Average Weekly Earnings (\$)	April	566.66	0.3%	1.9%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	April	17.4	4.9%	17.8%
Merchandise Imports (\$ billion)	April	16.1	2.7%	15.6%
Merchandise Trade Balance (\$ billion)	April	1.25	0.38	0.45
MANUFACTURING				
Shipments (\$ billion)	April	27.7	1.7%	9.1%
New Orders (\$ billion)	April	28.5	3.4%	13.4%
Unfilled Orders (\$ billion)	April	31.0	2.4%	10.5%
Inventory/ Shipments Ratio	April	1.35	-0.01	-0.03
Capacity Utilization (%)	1st Quarter	79.2	-0.1	1.3
PRICES				
Consumer Price Index (1986 = 100)	May	129.9	-0.2%	-0.2%
Industrial Product Price Index (1986 = 100)	May	117.2	0.3%	4.6%
Raw Materials Price Index (1986 = 100)	May	121.2	3.3%	5.2%
New Housing Price Index (1986 = 100)	May*	136.0	-0.1%	0.1%

Note: All series are seasonally adjusted with the exception of the price indexes.

* New this week.

I·N·F·O·M·A·T

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Editor: Louise Larouche (613) 951-1197

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