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A Weekly Review

Friday, April 7, 1995

OVERVIEW

- **Economy forges ahead**

  The economy continued to forge on at the beginning of 1995, propelled by another strong gain in manufacturing.

- **Value of building permits continues to slide**

  New housing intentions dropped sharply for a second consecutive month in February, reinforcing a decline which began in mid-1994.

- **Wages and salaries drop in January**

  Wages and salaries declined in January, following strong growth in the previous two months.

- **Help-wanted ads stay unchanged**

  In March, the help-wanted index remained unchanged for the fifth consecutive month.

- **Increase in raw material prices slows**

  Raw material prices increased by 0.8% in February, after a 4.1% rise in January.

- **Perceptions of personal safety**

  Some 86% of Canadians are satisfied with their general level of safety from crime. However, when asked about specific aspects of their personal safety, people's responses were slightly different.

Economy forges ahead

The economy continued to forge on in January 1995, propelled by another strong gain in manufacturing. Gross domestic product rose 0.2% after a 0.5% gain in each of the previous two months. In addition to manufacturing, the mining, transportation, retail and construction industries also increased their output, while forestry, utilities, the finance group, and community, business and personal services declined.

Manufacturers raised production a further 1.0%, the fifth increase of at least that magnitude in the last six months. Foreign demand, which contributed substantially to the gain, eased somewhat compared with 1994, resulting in larger finished goods inventories. The most significant gains occurred in motor vehicle production, electronic equipment, office machinery, non-metallic minerals, fabricated metals, and chemicals. January also saw sharp price jumps in manufacturing: 1.7% compared with gains averaging 0.6% a month in the second half of 1994.

Output in the mining sector rebounded 1.3% after slipping 0.3% in December. Production in metal mines (excluding gold) rose sharply. Combined with higher production of potash, crude oil and natural gas, the gain

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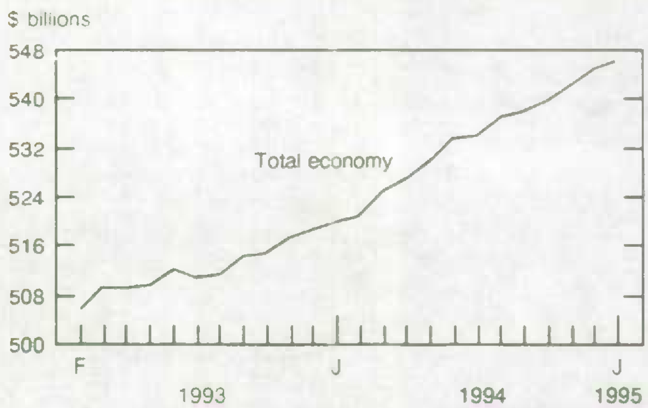
Gross domestic product



... Economy forges ahead

accounted for most of mining's advance in January. Drilling, which offset all the increase in December, rose marginally.

Transportation and storage services advanced 1.2%, reflecting gains in rail, truck, and water transport. Sustained growth in manufacturing, wholesale trade and, more recently, mining helped spur demand for transportation services.

Retail sales rose 0.6% after a 0.5% increase in December. Sales rose for most trade groups with the exception of supermarkets, service stations and motor vehicle dealers.

Note to users

GDP of an industry is the value added by labour and capital in order to transform inputs purchased from other industries into outputs. Monthly GDP by industry is valued at 1986 prices. All estimates are seasonally adjusted at annual rates.

Construction activity rose marginally, curbed by weakness in home-building. Declines in forestry, utilities, the finance group, and community, business and personal services moderated the overall gain.

For further information, order Gross domestic product by industry *(catalogue 15-001) or contact Industry Measures and Analysis Division at (613) 951-9145.*

Value of building permits continues to slide

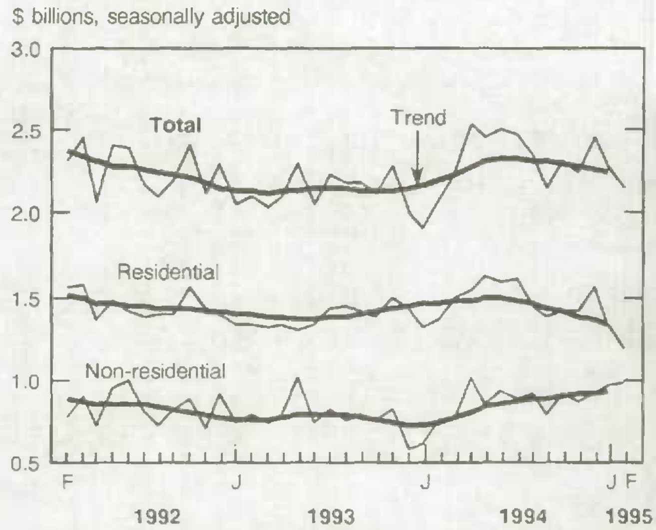
New housing intentions dropped sharply for a second consecutive month in February, reinforcing a decline which began in mid-1994. The value of building permits issued plunged 5.6% in February, to $2,147 million (seasonally adjusted).

Falling sales of new and existing homes, combined with relatively high mortgage rates, continued to take a toll on the housing market. The value of permits in the residential sector tumbled 10.7%, reaching $1,178 million. The sector's key component, single-family dwellings, has been falling faster and faster since June 1994, and was the major contributor to the sector's latest decline.

Strength in the non-residential sector has been led by the industrial and commercial components. Higher industrial capacity utilization rates and increasing retail sales are behind this improvement. February's advance (1.5% to $969 million) was the third consecutive monthly increase. Furthermore, the value of non-residential intentions over the first two months of 1995 (43.9% from 1994) surpassed the corresponding value of the previous three years.

Annualized, the number of dwelling-unit permits issued in February dropped 20.1% to 113,800. February's level was the lowest since January 1991. Along with declines that date back to July 1994, it signals further contraction in residential construction in the coming months. The recent slowdown has been reflected in Canada Mortgage and Housing Corporation's latest annualized housing starts, which were down 5.0% in February.

Value of building permits issued



Among the provinces, February's decline in the value of building permits came mainly from Ontario (-18.4%) where drops occurred in both the non-residential (-28.1%) and residential (-9.4%) sectors. British Columbia, Alberta, Nova Scotia, New Brunswick, and Prince Edward Island also recorded decreases, but to a lesser extent. By contrast, Quebec and Saskatchewan boasted increases.

For further information, order Building permits *(catalogue 64-001) or contact Investment and Capital Stock Division at (613) 951-9689.*

(continued on page 3)

PROVINCIAL PERSPECTIVES

Building permits, February 1995
Unadjusted data (Adjusted data not available by province)

Province/Territory	Total ($ millions)	Total % change, previous year	Residential ($ millions)	Residential % change, previous year	Non-residential ($ millions)	Non-residential % change, previous year
Canada	**1,396.0**	**-2.7**	**704.9**	**-19.7**	**691.1**	**24.1**
Newfoundland	5.7	-17.0	1.8	42.5	3.8	-31.0
Prince Edward Island	3.4	123.3	1.2	72.0	2.2	167.4
Nova Scotia	19.0	-12.7	13.9	27.7	5.1	-53.0
New Brunswick	15.0	8.3	2.3	-19.9	12.7	15.5
Quebec	242.9	-4.6	108.5	-28.8	134.4	31.5
Ontario	434.6	8.8	218.3	-7.0	216.3	31.3
Manitoba	43.9	51.5	11.6	-4.3	32.2	91.8
Saskatchewan	83.5	608.5	6.7	56.1	76.8	926.7
Alberta	155.1	10.0	70.6	-25.6	84.5	83.4
British Columbia	383.9	-30.7	267.6	-26.3	116.3	-39.2
Yukon	1.6	461.3	0.8	361.3	0.7	645.9
Northwest Territories	7.6	2,129.4	1.5	415.4	6.1	12,556.3

Wages and salaries drop in January

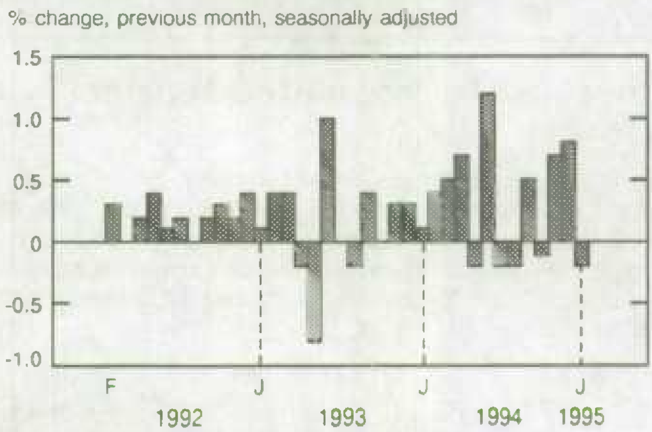
Wages and salaries declined 0.2% in January to $30.5 billion, following strong growth in the two previous months.

The decline was widespread among the industries, with the largest drop occurring in construction (-3.6%). Four other industries, agriculture, fishing and trapping; logging and forestry; finance, insurance and real estate; and health and social services all experienced decreases larger than 1%. In manufacturing, however, wages and salaries increased for the fifth consecutive month (0.4%), buoyed by strength in both employment and average earnings.

Wages and salaries, January 1995
Seasonally adjusted

Province/ Territory	$ millions	% change, previous month	% change, previous year
Canada	30,472	-0.2	4.1
Newfoundland	400	1.0	2.1
Prince Edward Island	94	0.5	-1.8
Nova Scotia	743	-1.4	2.1
New Brunswick	599	0.7	0.5
Quebec	6,814	-0.1	2.4
Ontario	12,733	0.1	5.4
Manitoba	1,004	-0.6	3.8
Saskatchewan	775	0.1	2.7
Alberta	2,970	3.2	2.9
British Columbia	4,145	-0.6	3.8
Yukon and Northwest Territories/Abroad	183	-0.5	4.8

Total wages and salaries



Note to users

Labour income consists of wages and salaries (88%) plus supplementary labour income (12%). Wages and salaries include items such as bonuses, gratuities, taxable allowances and retroactive wage payments. Supplementary labour income is employer contributions to employee welfare, pension, workers' compensation and unemployment insurance plans. Labour income accounts for 57% of gross domestic product.

Employer contributions to supplementary labour income also decreased (-1.2%), contributing to the overall 0.3% drop in labour income.

For further information, contact Labour Division at (613) 951-4090.

Help-wanted ads stay unchanged

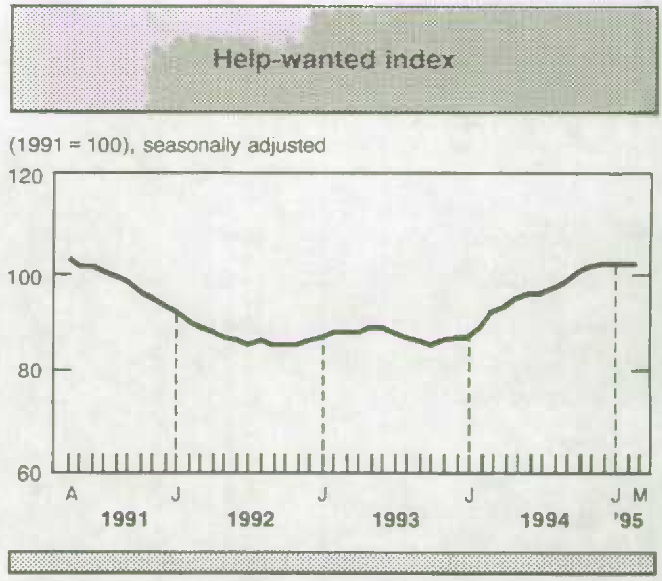
In March, the help-wanted index remained at the same level it has been since November 1994. After reaching a peak of 215 in March 1989, the index declined to 85 in September 1993. Since then it gained 20%, reaching 102.

The index is compiled from help-wanted ads published in 22 newspapers in 20 major metropolitan areas. In these labour markets, the help-wanted index reflects the changes in the demand for labour. However, since not all jobs are filled through help-wanted ads, the index represents only a portion of all hiring.

Compared with March 1994, advances were observed in all areas except British Columbia, where it declined 8%. The strongest increase occurred in Ontario (18%), followed by the Atlantic provinces (16%).

Between February and March, the index recorded the following changes:

- Atlantic provinces: up 3% to 106
- Quebec: up 3% to 105
- Ontario: down 1% to 109
- Prairies: down 2% to 95
- British Columbia: up 1% to 82



Note to users

All help-wanted indexes have been seasonally adjusted and smoothed.

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

Increase in raw material prices slows

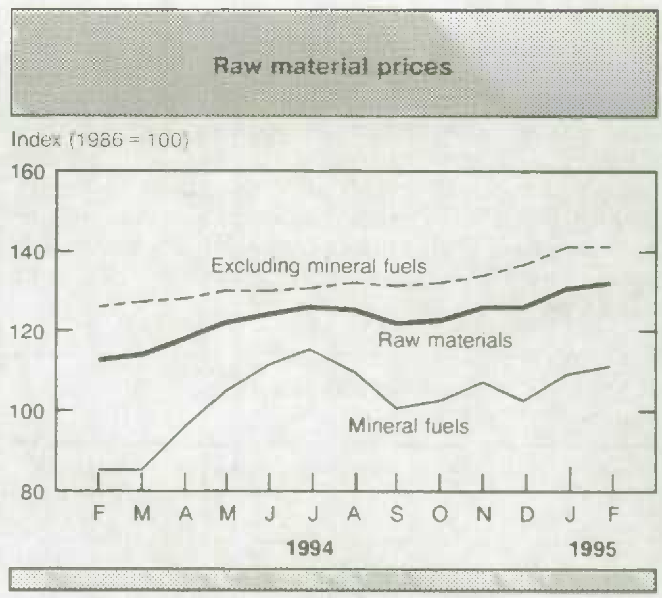
Raw material prices increased by 0.8% in February, after a 4.1% rise in January. Lower metal prices greatly offset price hikes for crude oil, wood, and hogs. On a year-over-year basis, raw material prices were up 17% in February, compared with January's jump of 19%.

Non-ferrous metal prices declined almost 4%, after increasing by more than 65% over the last 14 months. The main exception to the drop was aluminum, up 3%. Most of February's decline may be attributed to the effect of recent interest rate hikes on the construction, automobile, and telecommunications industries, which has lessened demand for metals.

Crude oil prices moved up almost 3% from January and 35% from the year before.

Wood prices, which have been climbing due to world demand for logs and pulpwood, increased almost 4% in the first two months of 1995; these prices doubled between 1986 and 1994. Higher stumpage fees, more stringent forest management, recent increased demand for pulp, and strong foreign markets for wood should maintain prices at least at current levels.

Hog prices were up almost 30% in the first two months of 1995, after declining by more than 20% in the fourth quarter of 1994. As spring approaches, more hogs are expected to be brought to market, so prices may level off.



Other notable price changes occurred for natural gas (-11%), natural rubber (7%), raw tobacco (4%), corn (5%), canola (3%), and fish (4%).

For further information, order Industry price indexes *(catalogue 62-011) or contact Prices Division at (613) 951-3350.*

Perceptions of personal safety

Contrary to what is sometimes alleged, Canadians are not gripped by fear. According to the 1993 General Social Survey of 10,000 Canadians aged 15 and over, 86% of Canadians are "very or somewhat" satisfied with their general level of safety from crime.

However, when asked about specific aspects of their personal safety, people's responses were slightly different. For example, one in four feel "somewhat or very unsafe" when walking alone in their neighbourhood after dark. Women are four times more likely than men to give this response. Concerning staying home alone at night, three times more women than men stated that they felt "very or somewhat worried".

The evidence is mixed on whether fear of crime is a more serious problem for older Canadians. Overall, persons aged 65 and over are almost two times more likely to feel "unsafe" when walking alone in their area after dark than those aged 15 to 24 (41% versus 23%). However, there is little evidence to indicate that fear as such increases with age. For example, 27% of those aged 15 to 24 are "worried" when home alone in the evening, whereas the same is true for only 23% of older Canadians.

Among victims of crime, fear of walking alone in their own neighbourhood after dark is highest for those who have been victims of sexual assault (46%), followed by robbery (33%), and break and enter (32%). Victims of sexual assault are also three times more likely than other crime victims to routinely stay home at night and to carry something to defend themselves or alert others.

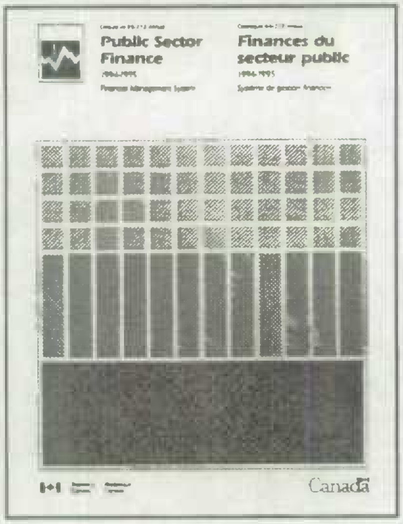
Canadians often take precautionary measures to protect themselves and their property from crime, such as changing activities or avoiding certain places (38%), and installing new locks (32%) or burglar alarms (15%).

For further information, order Juristat: Fear and personal safety *(catalogue 85-002) or contact* Canadian Centre for Justice Statistics *at (613) 951-9023 or at 1 (800) 387-2231.*

PUBLICATIONS RELEASED FROM MARCH 31 TO APRIL 6, 1995

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription Canada (Cdn.$)	United States US$	Other countries US$
AGRICULTURE					
Canadian agriculture at a glance - Teacher's kit		96-30105PB	free	free	free
The dairy review	January 1995	23-001	14/138	17/166	20/194
Cereals and oilseeds review	January 1995	22-007	15/144	18/173	21/202
BALANCE OF PAYMENTS					
Canada's balance of international payments	4th quarter 1994	67-001	30/120	36/144	42/168
Canada's international transactions in securities	December 1994	67-002	17/170	21/204	24/238
CANADIAN CENTRE FOR JUSTICE STATISTICS					
Juristat: fear and personal safety	Vol. 15, no. 9	85-002	5/60	6/72	7/84
HEALTH					
Mental health statistics	1991-1992	83-245	15	18	21
INDUSTRY					
Asphalt roofing	February 1995	45-001	6/60	8/72	9/84
Cement	February 1995	44-001	6/60	8/72	9/84
Coal and coke statistics	January 1995	45-002	11/110	14/132	16/154
Department store sales and stocks	January 1995	63-002	16/160	20/192	23/224
Gypsum products	February 1995	44-003	6/60	8/72	9/84
Manufacturing industries of Canada: national and provincial areas	1991-1992	31-203	66	80	93
Production and inventories of process cheese and instant skim milk powder	February 1995	32-024	6/60	8/72	9/84
Products shipped by Canadian manufacturers	1992	31-211	65	78	91
Retail trade	January 1995	63-005	20/200	24/240	28/280
Rigid insulating board	February 1995	36-002	6/60	8/72	9/84
NATIONAL ACCOUNTS AND ENVIRONMENT					
Financial flow accounts	4th quarter 1994	13-014	35/140	42/168	49/196
National balance sheet accounts	1984-1993	13-214	40	48	56
National income and expenditure accounts	4th quarter 1994	13-001	35/140	42/168	49/196
PRICES					
Construction price statistics	4th quarter 1994	62-007	19/76	23/92	27/107
Consumer prices and price indexes	July-September 1994	62-010	20/80	24/96	28/112
PUBLIC INSTITUTIONS					
Public sector employment and wages and salaries	1993	72-209	42	51	59
Public sector finance	1994-1995	68-212	65	78	91
SERVICES, SCIENCE AND TECHNOLOGY					
Communications service bulletin: Telephone statistics	1993	56-001	9/53	11/64	13/75
TRANSPORTATION					
Aviation service bulletin	Vol. 27, no. 3	51-004	10/99	12/119	14/139
Surface and marine transport service bulletin	Vol. 11, no. 3	50-002	11/80	14/196	16/112

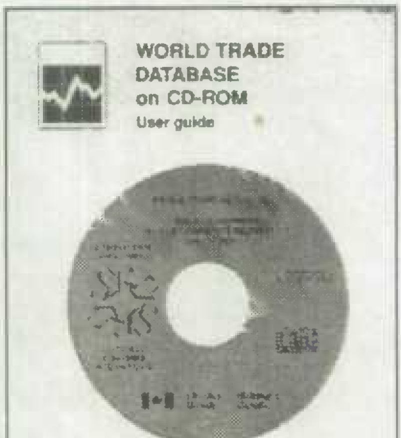
NEW FROM STATISTICS CANADA



Public sector finance

Public sector finance, a new annual publication, is a comprehensive, consistent and efficient source of government statistics. It contains data on the sources of government revenue, the main purposes of government spending, as well as complete balance sheet and debt statistics for all levels of government. Revenue, expense and balance sheet statistics for government business enterprises are also included.

Public sector finance, 1994/95 *(catalogue 68-212, $65) is now available. For further information on this release, contact Susan Stobert at (613) 951-1781, Public Institutions Division.*



World trade database on compact disc

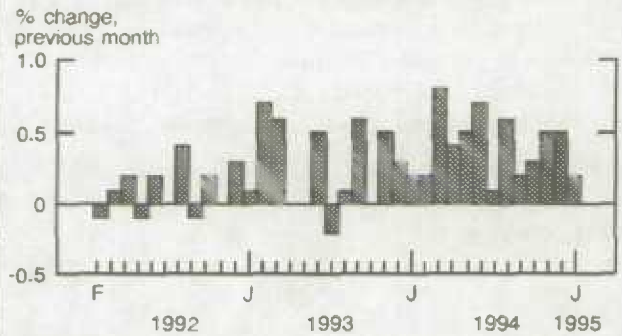
The new *World trade database* can provide you with data on global trade flows, market share and sources of supply. The database was created from data reported to the United Nations, so it reveals information on annual trade flows (in US$) between some 160 countries and for more than 600 commodities. The U.N. data have been adjusted to remove any substantial inconsistencies between individual countries' returns and to estimate the trade of countries that reported late or did not report.

The *World trade database* is now available on compact disc ($3,500, subject to Statistics Canada's licence agreement) and contains data for the years 1980 to 1993. It uses software by Dataware Technologies, which makes finding and retrieving data simple and easy. A 50% discount is available to educational institutions.

For further information, contact Craig Kuntz at (613) 951-9647, fax: (613) 951-0117, Marketing and Client Services Section, International Trade Division.

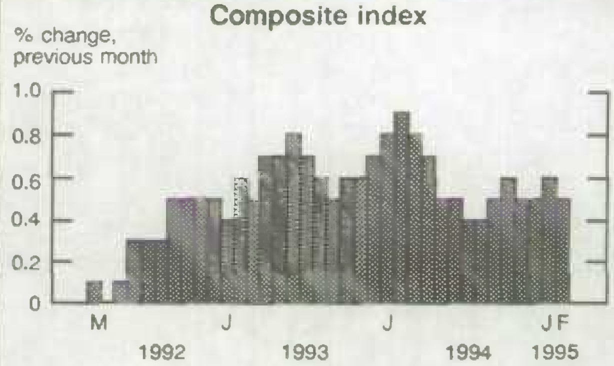
CURRENT TRENDS

Gross domestic product



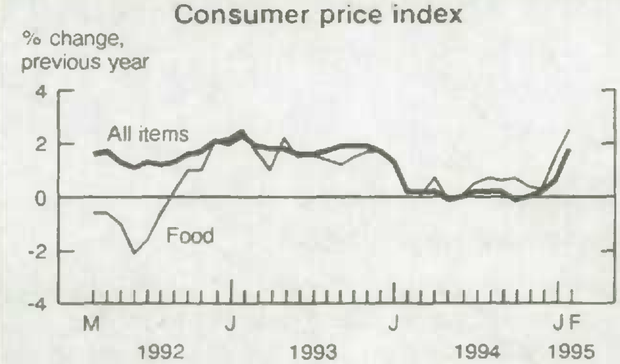
Real gross domestic product at factor cost grew 0.2% in January.

Composite index



In February 1995, the composite index continued to grow moderately, up 0.5% from the month before.

Consumer price index



Consumers paid 1.8% more for goods and services in February 1995 than the year before. Food prices rose by 2.5%.

Unemployment rate

In February, the unemployment rate dipped 0.1 percentage points to 9.6%.

Manufacturing

Manufacturers' shipments jumped 3.0% in January to $33.1 billion. The level of unfilled orders grew by 0.5% to $33.9 billion.

Merchandise trade

The value of merchandise exports surged 6.2% in January, to $22.5 billion. Imports grew more than 5% to $20.1 billion.

***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)	January*	546.4	0.2%	5.1%
Composite index (1981=100)	February	173.4	0.5%	6.9%
Operating profits of enterprises ($ billion)	3rd quarter	20.2	11.4%	48.5%
DOMESTIC DEMAND				
Retail trade ($ billion)	January	17.9	0.8%	7.1%
New motor vehicle sales ('000 units)	January	101.0	-6.5%	-5.3%
LABOUR				
Employment (millions)	February	13.5	-0.1%	2.5%
Unemployment rate (%)	February	9.6	-0.1†	-1.4†
Participation rate (%)	February	65.1	-0.2†	-0.3†
Labour income ($ billion)	January*	34.8	-0.3%	4.2%
Average weekly earnings ($)	December	572.69	0.3%	2.5%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	January	22.5	6.2%	41.8%
Merchandise imports ($ billion)	January	20.1	5.4%	33.4%
Merchandise trade balance (all figures in $ billion)	December	2.1	-0.2	1.5
MANUFACTURING				
Shipments ($ billion)	January	33.1	3.0%	24.5%
New orders ($ billion)	January	33.3	1.5%	24.6%
Unfilled orders ($ billion)	January	33.9	0.5%	14.1%
Inventory/ shipments ratio	January	1.22	-0.02	-0.15
Capacity utilization (%)	4th quarter	84.8	0.9†	4.6†
PRICES				
Consumer price index (1986=100)	February	132.7	0.5%	1.8%
Industrial product price index (1986=100)	February	126.3	0.2%	8.8%
Raw materials price index (1986=100)	February	131.8	0.8%	17.2%
New housing price index (1986=100)	January	135.8	0.0%	-0.3%

Note: *All series are seasonally adjusted with the exception of the price indexes.*
* *new this week*
† *percentage point*

I•N•F•O•M•A•T

A weekly review

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