Catalogue 11-002E (Français 11-002F) ISSN 0380-0547

Infomat

A Weekly Review

Friday, March 15, 1996

OVERVIEW

◆ **Employment, labour force both advance**

In February, with both employment and the labour force growing, the unemployment rate stayed at 9.6%.

◆ **Composite index grows faster**

In February, the composite index increased its rate of growth, up 0.6% from the month before.

◆ **Help-wanted index continues to drop**

In February, the help-wanted index continued the decline, which began in January 1995.

◆ **Car sales off to slow start**

New motor vehicle sales fell in January to the lowest level since July 1995.

◆ **New house prices still on the slide**

In January, new housing prices declined yet again from the year before. The largest drops occurred in Victoria, Vancouver and London.

◆ **Capacity use drops another notch**

In the fourth quarter of 1995, the rate of capacity use by industries fell for a third consecutive quarter.

Employment, labour force both advance

Employment rose by 44,000 in February, bringing gains since July 1995 to 170,000. This followed a pause in employment growth during the first half of 1995. The increase in employment was accompanied by an expansion of the labour force, keeping the unemployment rate at 9.6%. It has hovered around this level since the end of 1994.

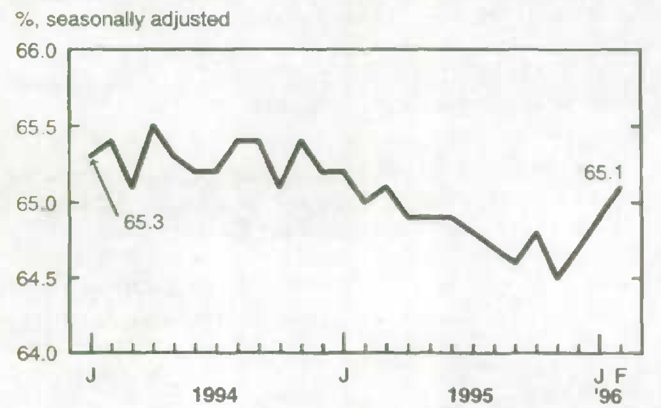
A rising participation rate is commonly viewed as an indicator of improved job opportunities. In February, the participation rate rose 0.2 percentage points for a third consecutive month, the strongest increase over a three-month period since 1984. Both youths and adults contributed to this gain. After rising during the 1980s, the participation rate has declined fairly consistently since the beginning of the 1990s.

Employment among adults aged 25 years and over continued its upward trend, bringing gains since July 1995 — when employment growth resumed — to 164,000. Employment among youths (15 to 24 years) also rose (+22,000) following little change in December and January; however, youth employment was still 20,000 below its year-earlier level.

An increase in full-time employment (+25,000) brought the gain since December 1995 to 82,000, more than offsetting November's sharp loss. This growth brought full-time

(continued on page 2)

Labour force participation rate



... Employment, labour force both advance

employment to 40,000 jobs above the December 1994 level, the last month when full-time employment showed an upward trend.

Part-time employment also grew in February (+19,000), bringing the gain over the past four months to 82,000. Growth in part-time employment has been on an upward climb since the first quarter of 1995, with the gains since March totalling 143,000.

Employment in the services-producing industries grew by 33,000 jobs. Job growth since July (+163,000) has been concentrated in trade and in community, business and personal services. Employment in the goods-producing industries has shown little change since July. Gains in agriculture have been offset by small losses in other areas.

Across the country, Newfoundland's employment declines of 4,000 in both January and February left the province with 10,000 fewer jobs than in February 1995. Ontario, on the other hand, posted its largest monthly increase in two years (+31,000 jobs). Following a decline of 29,000 jobs in the first eight months of 1995, employment in Ontario has rebounded by 76,000 jobs, thanks to manufacturing and trade. Both Manitoba and Alberta created 7,000 new jobs. Manitoba's gain followed a loss of 10,000 jobs over the previous five months; Alberta's increase brought its advance since November to 18,000 jobs. Employment was little changed in the other provinces.

For further information, order ***The labour force*** *(catalogue 71-001-XPB) or contact Doug Drew, Household Surveys Division at (613) 951-4720. (See also "Current trends" on page 7.)*

Labour Force Survey, February 1996
Seasonally adjusted

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	Rate (%)
Canada	**15,105**	**0.4**	**13,658**	**0.3**	**1,447**	**9.6**
Newfoundland	239	-0.4	189	-2.1	50	20.9
Prince Edward Island	71	0.0	61	0.0	10	14.1
Nova Scotia	441	0.0	389	-0.5	52	11.8
New Brunswick	351	-0.8	311	-0.6	40	11.4
Quebec	3,671	0.5	3,257	0.1	414	11.3
Ontario	5,812	0.7	5,292	0.6	520	8.9
Manitoba	566	0.5	523	1.4	43	7.6
Saskatchewan	493	0.0	458	0.0	35	7.1
Alberta	1,514	0.7	1,396	0.5	118	7.8
British Columbia	1,952	-0.8	1,784	-0.1	168	8.6

Composite index grows faster

The growth of the composite index picked up in February, increasing 0.6% from the month before. Together with modest gains in employment, this suggests that the December slip in GDP will not carry over into the new year. Led by financial markets and services, five of the 10 components posted increases, two were unchanged and three fell.

Household demand continued to show few signs of firming at the start of the year. Housing starts regained some of the ground they lost in January, but all of the rebound was in the volatile multiple units component; vacancy rates remained very high. A drop in single-family dwelling starts offset the marginal gains posted in 1995. As a result of weak housing, furniture and appliance sales fell for a ninth consecutive month. Expenditures for durable goods tumbled due to slow car sales, reversing four months of increases.

Manufacturing activity weakened, as the recent slump in household demand was reinforced by slowing demand for capital goods. Planned business investment spending, one of the pillars of growth in 1995, was trimmed for the first time since 1992. The ratio of shipments to stocks of finished goods remained at the same level. The average work week was unchanged after two consecutive increases.

The financial market indicators, along with services, increasingly dominated the growth of the overall index. The U.S. leading indicator posted its eleventh consecutive drop.

For further information, order ***Canadian economic observer*** *(catalogue 11-010) or contact Francine Roy at (613) 951-3627 or Dominique Pérusse at (613) 951-1789, Current Economic Analysis Group. (See also "Current trends" on page 7.)*

Help-wanted index continues to drop

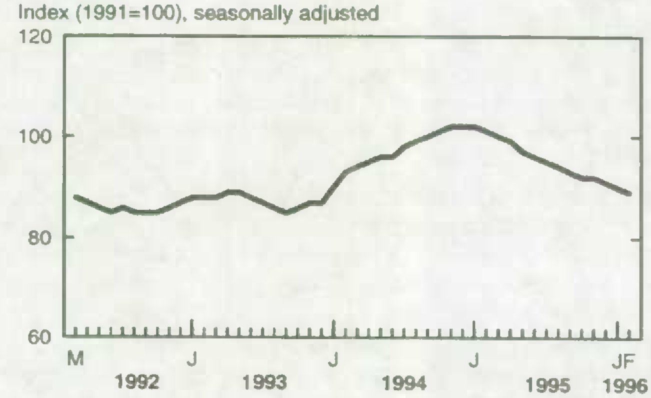
The help-wanted index fell 1% in February to 89. After gaining 13% throughout 1994, it stalled at 102 between November 1994 and January 1995. Since then, the index has lost all the gains made in 1994. This downward trend is consistent with the slow growth in both real gross domestic product and the composite index.

Compared with February 1995, the index fell in Quebec (-12%), Ontario (-16%), the Prairie provinces (-9%) and British Columbia (-15%). The index was unchanged in the Atlantic provinces.

Note to readers

The help-wanted index is compiled from the number of help-wanted ads published in 22 newspapers in 20 metropolitan areas. The index is an indicator of the intent of employers to hire new workers. These indexes have been seasonally adjusted and smoothed to ease month-to-month comparisons.

Help-wanted index



For further information, contact Michael Scrim, Labour Division at (613) 951-4090; fax: (613) 951-4087; the Internet: labour@statcan.ca.

Car sales off to slow start

New motor vehicle sales got off to a slow start in January, when sales fell 4.7% from December. New vehicle dealers sold 94,898 vehicles, the fewest since July 1995.

The passenger car market led the decline. Sales fell 6.5% to 52,707 cars, slightly above the 13-year low recorded in April 1995.

The Big Three automakers were hardest hit by the decline in car sales, selling 6.7% fewer cars in January. Despite their weakness in car sales, the Big Three automakers captured 71% of the passenger car market. The other automakers reported a 6.2% decline in car sales.

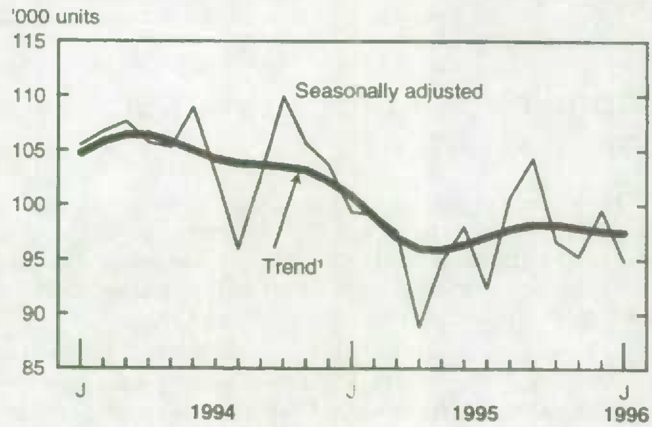
North American-made passenger car sales fell 3.7% in January, while sales of cars made overseas plunged 21.8%. Over 89% of new cars sold in January were made in North America, compared with 82% in January 1995. Imported vehicles have been following a long downward sales trend, as foreign automakers continue to move more of their automobile production to North America.

Note to readers

Motor vehicles are divided into two categories: passenger cars and trucks. Passenger cars include cars used for personal and commercial purposes (such as taxis or rental cars). Trucks include minivans, sport utility vehicles, light and heavy trucks, vans, coaches and buses.

All data have been seasonally adjusted unless otherwise specified. Market share is calculated from unadjusted data.

New motor vehicle sales



[1] The short-term trend represents a moving average of the data.

Truck sales fell 2.3% to 42,191 in January. This was still above the average number of trucks sold per month in 1995 (41,362).

Sales reports released by the automotive industry indicate a sales increase in February.

For further information, order ***New motor vehicle sales*** *(catalogue 63-007-XPB) or contact Mary Beth Lozinski, Industry Division at (613) 951-9824.*

New house prices still on the slide

In January 1996, the new housing price index decreased 2.1% from a year earlier. January marked the 19th consecutive month in which the annual percentage change in home prices was negative. Compared with December 1995, the index dropped 0.1%.

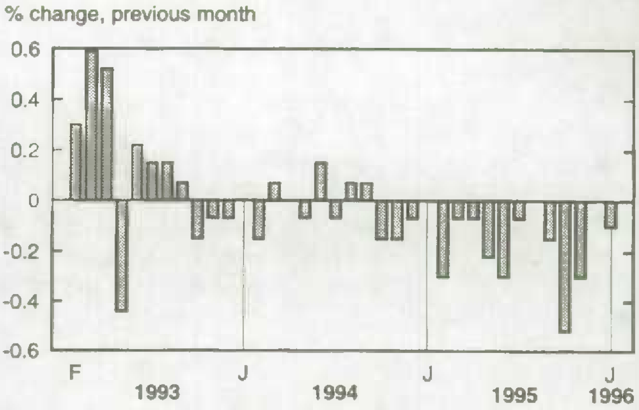
Compared with a year earlier, the prices of new houses declined in 15 urban centres and climbed in 6. The largest drops occurred in Victoria (-8.8%), Vancouver (-6.5%) and London (-3.8%), and the largest increases in Regina (3.2%), Saskatoon (1.9%) and Halifax (1.4%).

Between December 1995 and January 1996, contractors reported stable or offsetting new home prices in 9 of the 21 cities surveyed, resulting in no monthly changes in the indexes for those cities. Of the 6 cities with monthly decreases, the largest were for Charlottetown (-0.5%) and Québec (-0.5%). In the 6 cities with increases, the largest was for Regina (+0.3%). Of the other rises, none exceeded 0.2%.

The house-only index for Canada as a whole dropped 2.0% from the year before and 0.1% from the month before. The land-only index declined 1.7% from last year and 0.1% from the previous month.

For further information, order ***Construction price statistics*** *(catalogue 62-007-XPB) or contact Paul-Roméo Danis, Prices Division at (613) 951-3350; fax: (613) 951-2848; the Internet: shadsan@statcan.ca.*

New housing price index



> ***Note to readers***
>
> *The new housing price index measures fluctuations in the prices of new single-family dwellings, townhouses and semi-detached dwellings.*

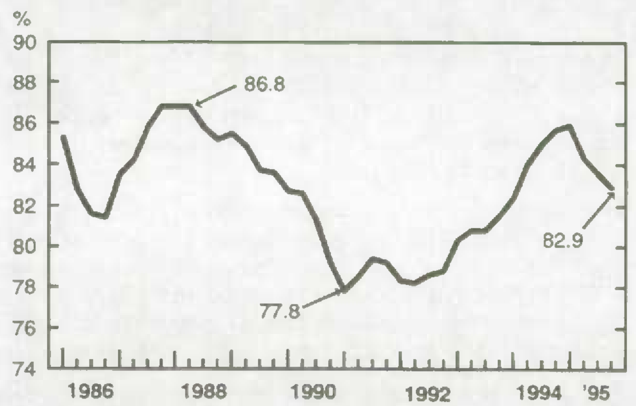
Capacity use drops another notch

In the fourth quarter of 1995, the rate of capacity use fell 0.7 percentage points to 82.9%. This third straight quarterly cut, the result of weak consumer spending and reduced capital investment, represented a sharp drop from the latest peak of 85.9% in the first quarter of 1995.

The situation does not look better for early 1996. Production slowdowns and the leveling-off of corporate profits in 1995 have reduced the incentive among industries to expand production capacity this year. Inventory buildups have generally dampened industrial production, lowering capacity use rates, thereby all but eliminating upward pressure on industrial prices. In the fourth quarter of 1995, growth in industrial prices slowed noticeably.

Manufacturers reduced their capacity use for a third straight quarter to 83.2%. Eighteen of the 22 manufacturing industries reduced their capacity use; production was cut in 15 of these industries, mostly in response to continuing weak domestic demand. Rates of capacity use declined in the primary metals, non-metallic mineral products and rubber industries. Capacity use in the paper and allied industries also fell, due to a strong decline in pulp exports. In contrast, two export-oriented industries — furniture and fixtures, and transportation equipment — posted strong production gains leading to increased rates of capacity use.

Industrial capacity utilization rate



> ***Note to readers***
>
> *An industry's capacity use is the ratio of its actual output to its estimated potential output. Statistics Canada derives estimates of an industry's potential output from measures of its capital stock.*

(continued on page 5)

... Capacity use drops another notch

In the non-manufacturing sector, weakness in residential and non-residential construction kept capacity use in construction at 77.9%. In the electric power and gas distribution industries, higher production in November and December (thanks to an early winter) was not enough to offset October's decline. As a result, capacity use rose in the gas distribution industry, but fell in the electric power industry.

Greater activity at sawmills increased capacity use in the logging and forestry industries. Capacity use in the mining sector as a whole was down; it dropped in the mining and quarrying industries and remained unchanged in the crude petroleum and natural gas industries.

For further information, contact Susanna Wood, Investment and Capital Stock Division at (613) 951-0655.

Industrial capacity utilization rates

Industry	4thQ 1994	3rdQ 1995	4thQ 1995	Change	
				previous year*	previous quarter*
Non-farm goods-producing	85.7	83.6	82.9	-2.8	-0.7
Logging and forestry	85.5	87.8	88.3	2.8	0.5
Mining, quarrying and oil wells	87.6	87.2	86.1	-1.5	-1.1
Manufacturing	85.8	83.9	83.2	-2.6	-0.7
Durable goods	86.0	83.9	83.4	-2.6	-0.5
Non-durable goods	85.6	83.9	82.8	-2.8	-1.1
Construction	85.4	77.9	77.9	-7.5	0.0
Electric power and gas distribution systems	83.4	87.5	86.0	2.6	-1.5

* *change expressed in percentage points*

New from Statistics Canada

Canadian social trends

Spring 1996

The Spring 1996 issue of *Canadian social trends* features three articles examining government sponsored income security programs for seniors (an overview, an article on Old Age Security, and another on the Canada and Quebec Pension Plans). Other articles in this issue are "Canadians working at home", Distance education: Beyond correspondence courses", "Health facts from the 1994 National Population Health Survey" and "1996 Census: Count yourself in!".

Each quarter, *Canadian social trends* integrates data from many sources to examine emerging social trends and issues. It also features the latest social indicators, as well as information about Statistics Canada's products and services.

The Spring 1996 issue of ***Canadian social trends*** *(catalogue 11-008E, $10/$34) is now available. For further information, contact Cynthia Silver, Housing, Family and Social Statistics Division at (613) 951-2556.*

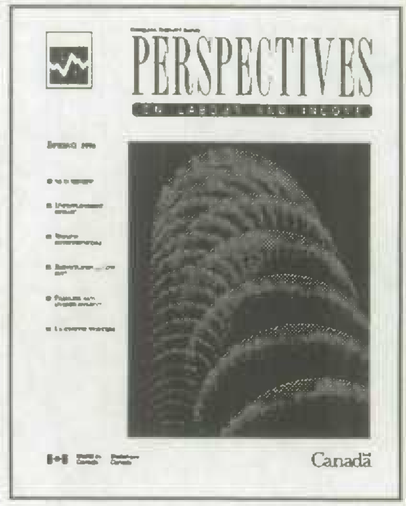
Perspectives on labour and income

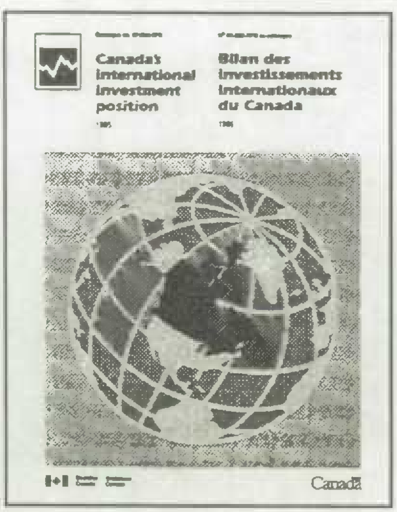
Spring 1996

The Spring 1996 issue of *Perspectives on labour* and income presents a study that compares the average weekly earnings of paid workers in the service sector with those of the goods sector. It also features an article that looks at the growth in entrepreneurship among women, and compares their characteristics with those of their male counterparts. Another article examines different measures of unemployment, while another study explores the trends in unionization rates by industry over the last two decades. Also included is a review of the changes and trends in the labour market in 1995, along with a focus on the unemployment rates by census metropolitan area (both these reports were pre-released on January 29).

Each quarter, *Perspectives* draws on many data sources for insights on emerging income issues and reviews recent developments in the labour market.

The Spring 1996 issue of ***Perspectives on labour and income*** (catalogue 75-001-XPE, $17/$56)*is now available. For further information, contact Jeffrey Smith at (613) 951-6894 or Doreen Duchesne at (613) 951-6893, Labour and Household Surveys Analysis Division.*





Canada's international investment position

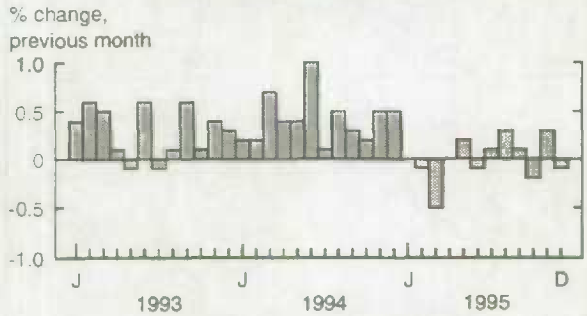
1995

International investment, both in Canada and abroad, forms one of the cornerstones of Canada's economy. *Canada's international investment position* presents statistics on Canadian investment abroad, classifying the data by geographic area, industry and type of investment. It profiles foreign investment trends in a wide range of industries, sorting them by selected countries. As well, the report provides data series on portfolio investment instruments (including stocks, bonds and money market paper) and investment income.

Canada's international investment position, 1995 *(catalogue 67-202-XPB, $50), which includes annual data from 1985 to 1995, is now available. For historical data, refer to* ***Canada's international investment position, historical statistics, 1926 to 1992*** *(catalogue 67-202-XPB, $50). For further information, contact Christian Lajule, Balance of Payments Division at (613) 951-2062.*

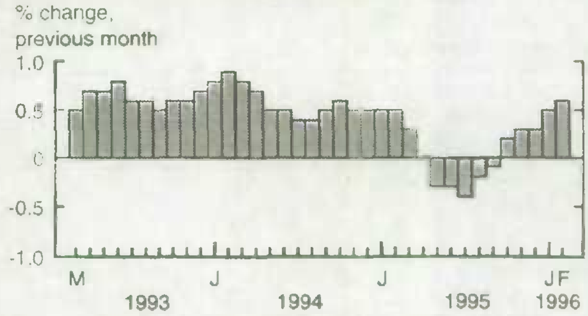
Current trends

Gross domestic product



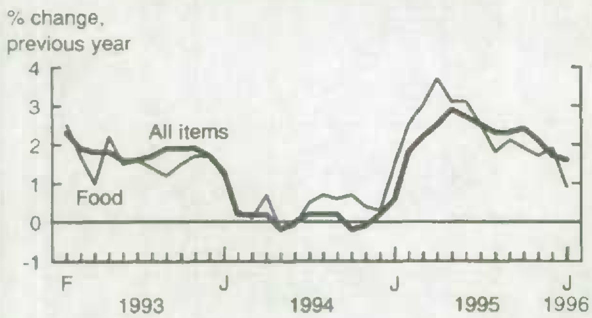
Real gross domestic product at factor cost fell 0.1% in December.

Composite index



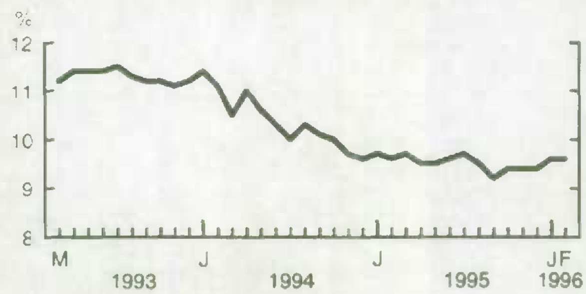
The composite index continued to rise in February, up 0.6% from the month before.

Consumer price index



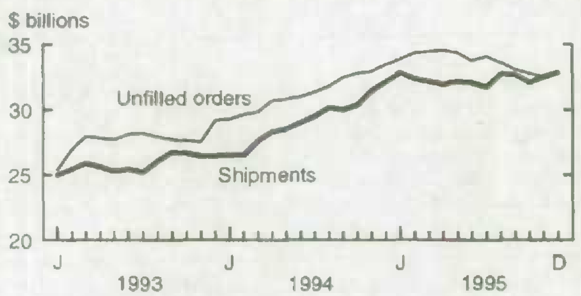
Consumers paid 1.6% more for goods and services in January 1996 than the year before. Food prices rose by 0.9%.

Unemployment rate



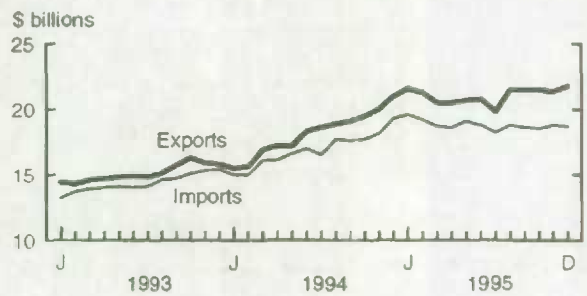
In February, the unemployment rate was unchanged at 9.6%.

Manufacturing



Manufacturers' shipments increased by 1.1% to $32.9 billion in December. The level of unfilled orders rose 0.7% to $32.7 billion.

Merchandise trade



The value of merchandise exports increased to $21.8 billion in December. Imports fell marginally to $18.7 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)	December	543.0	-0.1%	-0.2%
Composite index (1981=100)	February*	174.6	0.6%	0.8%
Operating profits of enterprises ($ billion)	4th quarter	23.7	0.5%	0.5%
DOMESTIC DEMAND				
Retail trade ($ billion)	December	17.6	0.1%	-1.0%
New motor vehicle sales ('000 units)	January*	94.9	-4.7%	-4.5%
LABOUR				
Employment (millions)	February*	13.7	0.3%	1.4%
Unemployment rate (%)	February*	9.6	0.0†	0.0†
Participation rate (%)	February*	65.1	0.2†	0.1†
Labour income ($ billion)	December	35.4	0.9%	2.3%
Average weekly earnings ($)	December	580.63	0.8%	1.7%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	December	21.8	1.8%	3.9%
Merchandise imports ($ billion)	December	18.7	-0.5%	-3.0%
Merchandise trade balance (all figures in $ billion)	December	3.1	0.5	0.1
MANUFACTURING				
Shipments ($ billion)	December	32.9	1.1%	2.1%
New orders ($ billion)	December	33.1	2.7%	1.1%
Unfilled orders ($ billion)	December	32.7	0.7%	-2.3%
Inventory/ shipments ratio	December	1.38	-0.02	0.12
Capacity utilization (%)	4thquarter*	82.9	-0.7†	-2.8†
PRICES				
Consumer price index (1986=100)	January	134.2	0.2%	1.6%
Industrial product price index (1986=100)	January	129.8	-0.3%	2.4%
Raw materials price index (1986=100)	January	128.5	-1.3%	-1.5%
New housing price index (1986=100)	December	133.1	0.0%	-2.0%

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

Infomat
A weekly review

Published by the Communications Division, Statistics Canada, 10-N, R.H. Coats Bldg., Ottawa, Ontario, K1A 0T6.

Editor: Anna Kemeny (613) 951-1197
Head of Official Release: Jacques Lefebvre (613) 951-1088

Catalogue: 11-002E. Price: Canada: $4.00 per issue, $140.00 per year; United States: US$5.00 per issue, US$168.00 per year; Other Countries: US$5.00 per issue, US$196.00. Canadian customers please add 7% GST.

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 from Canada and the United States or (613) 951-7277 from all other countries.

Publications released from March 8 to 14, 1996

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription Canada (Cdn.$)	United States US$	Other countries US$
AGRICULTURE					
Cereals and oilseeds review	December 1995	22-007-XPB	15/144	18/173	21/202
Livestock statistics updates	March 1996	10-600E	144	173	202
HOUSEHOLD SURVEYS					
Labour force information	February 1996	71-001-PPB	10/100	12/120	14/140
HOUSING, FAMILY AND SOCIAL STATISTICS					
Canadian social trends	Spring 1996	11-008E	10/34	13/41	15/48
INDUSTRY					
Asphalt roofing	January 1996	45-001-XPB	6/60	8/72	9/84
Cement	January 1996	44-001-XPB	6/60	8/72	9/84
Electric lamps (light bulbs and tubes)	January 1996	43-009-XPB	6/60	8/72	9/84
Industrial chemicals and synthetic resins	January 1996	46-002-XPB	6/60	8/72	9/84
New motor vehicle sales	November 1995	63-007-XPB	16/160	20/192	23/224
Oil pipeline transport	December 1995	55-001-XPB	11/110	14/132	16/154
Oils and fats	December 1995	32-006-XPB	6/60	8/72	9/84
Pack of processed carrots	1995	32-239-XPB	14	17	20
Production and shipments of blow-moulded plastic bottle	4th quarter 1995	47-006-XPB	10/32	12/39	14/45
Production and shipments of steel pipe and tubing	January 1996	41-011-XPB	6/60	8/72	9/84
Retail trade	December 1995	63-005-XPB	20/200	24/240	28/280
INTERNATIONAL TRADE					
Imports by commodity					
Microfiche version	December 1995	65-007-XMB	35/350	42/420	49/490
Paper version	December 1995	65-007-XPB	75/750	90/900	150/1,050
INVESTMENT AND CAPITAL STOCK					
Building permits	January 1996	64-001-XPB	24/240	29/288	34/336
LABOUR					
Unemployment insurance statistics	December 1995	73-001-XPB	16/160	20/192	23/224
LABOUR AND HOUSEHOLD SURVEYS ANALYSIS					
Perspectives on labour and income	Spring 1996	75-001-XPE	17/56	21/68	24/80
PRICES					
Average prices of selected farm inputs	January 1996	62-012	9/48	11/58	13/68
The consumer price index	February 1996	62-001	10/100	12/120	14/140
SERVICES, SCIENCE AND TECHNOLOGIES					
Telephone statistics	1994	56-203-XPB	39	47	55
TRANSPORTATION					
Railway carloadings	January 1996	52-001-XPB	10/100	12/120	14/140
Railway operating statistics	October 1995	52-003-XPB	12/120	15/144	16/168
Surface and marine transport service bulletin	vol. 12, no. 2	50-002-XPB	11/80	14/96	16/112

To order Infomat or other publications by phone:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call: **1-800-267-6677**
From other countries call: **1-613-951-7277**
Or fax your order to us: **1-613-951-1584**

To order a publication by mail, write to: Sales and Service, Marketing Division, Statistics Canada, Ottawa, K1A 0T6.
Include a cheque or money order payable to Receiver General of Canada/Publications. Canadian customers, add 7% GST.

Statistics Canada Regional Reference Centres provide a full range of the Agency's products and services.
For the reference centre nearest you, check the blue pages of your telephone directory under Statistics Canada.

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.

For address changes: Please refer to your customer account number.