



Infomat

A Weekly Review

Friday, June 14, 1996

OVERVIEW

◆ Labour market unchanged

Overall labour market conditions were virtually unchanged in May, with little change in employment and the unemployment rate remaining at 9.4%.

◆ Passenger car sales plunge

In April, passenger car sales plunged to their lowest level in over a quarter century. Total new motor vehicle sales fell 6.5% from March.

◆ Capacity use declines marginally

In the first quarter of 1996, the rate of capacity use by industries fell for a fourth straight quarter.

◆ New house prices still falling

In April, the new housing price index for Canada decreased 2.7% from a year earlier, continuing the longest period of negative annual price changes since 1981.

◆ Good news for job seekers

For the first time since January 1995, the number of help-wanted ads increased in May, led by Ontario and the Prairie provinces.

◆ Dual-earner families little changed

The economic downturn of the early 1990s had less of an impact on the incomes of dual-earner families than on families where only one spouse earned income.

◆ Defined benefit plans remain dominant

Despite what many pension analysts believe, increases in defined contribution pension plans have not been at the expense of defined benefit plans.

Labour market unchanged

Overall labour market conditions were virtually unchanged in May, with little change in employment and the unemployment rate remaining at 9.4%.

Employment among persons aged 25 and over remained steady after five straight monthly increases. Despite little overall change in May, employment declined for adult men (-18,000) and rose for adult women (+16,000). Since November 1995, adult employment has grown by 145,000, with nearly 90% of these jobs being full-time. This gain in full-time employment was highly concentrated (93%) among women.

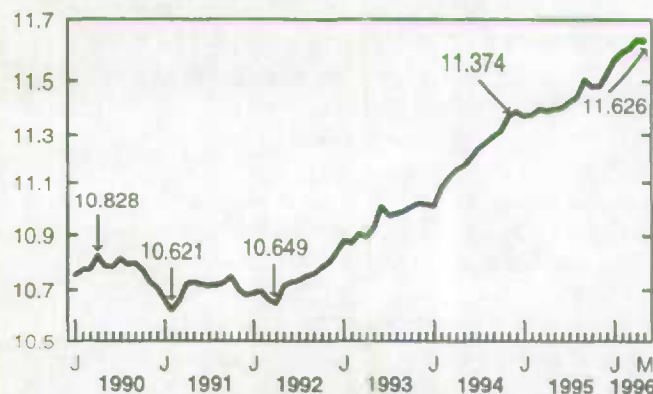
Youth employment remained stalled, with the large losses experienced during the last recession not yet recouped. In May, the youth unemployment rate edged up to 15.4%.

Though students entering the labour force in search of summer employment have also been affected by the difficult conditions in the youth labour market, their situation seems slightly more encouraging than in 1995. In May, 70.1% of students aged 20 to 24 either had a job or were looking for a job, compared with 67.3% a year earlier. Additionally, 59.6% of students held jobs in May, up 2.4 percentage points from May 1995. While their unemployment rate (15.0%) was little changed from a year ago, it is an improvement over the average May rate of 19.3% for the years 1992 to 1994.

(continued on page 2)

Adult employment

Millions, seasonally adjusted



... Labour market unchanged

Large declines in other primary industries and the construction industry pushed employment in the goods-producing industries down by 46,000. Employment in manufacturing grew by 19,000 in May, following a gain of 23,000 in April. These advances followed a lack of job creation in manufacturing over the past year. May saw little change in the service-producing industries.

Across the country, employment rose by 1,000 in Prince Edward Island for the second straight month. A 3,000 advance in Nova

Scotia brought its gain over the past two months to 5,000. Employment has been stagnant for the last few months in Quebec (-10,000 from January) and Ontario (-17,000 from April). In Alberta, employment fell by 10,000 after rising by 39,000 over the previous five months. 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 6.)

Labour Force Survey, May 1996

Seasonally adjusted

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	Rate (%)
Canada	15,096	-0.1	13,678	-0.1	1,418	9.4
Newfoundland	234	-1.7	189	-1.0	45	19.2
Prince Edward Island	70	-0.4	61	1.3	9	13.2
Nova Scotia	440	-0.7	386	0.8	54	12.3
New Brunswick	352	-1.1	316	-0.6	36	10.2
Quebec	3,638	-0.1	3,243	0.2	395	10.9
Ontario	5,808	-0.2	5,282	-0.3	526	9.1
Manitoba	569	0.7	524	0.2	45	7.9
Saskatchewan	495	-0.6	462	-0.4	33	6.7
Alberta	1,517	-0.3	1,407	-0.7	110	7.3
British Columbia	1,970	0.5	1,800	0.0	170	8.6

Passenger car sales plunge

In April, passenger car sales plunged to their lowest level in over a quarter century, due partly to the growing popularity of minivans and sport utility vehicles. Total new motor vehicle sales fell 6.5% from March.

Dealers sold 48,856 new cars, down 5.2% from the previous month; April's decline continued an eight-month downward trend.

Consumer preference for minivans and sport utility vehicles has been growing since the minivan first hit the streets in the fall of 1983. That year, dealers sold 3.5 cars for every truck sold. By the first four months of 1996, the gap between car and truck sales had narrowed to 1.2 cars per truck sold.

Despite the expansion of the truck market over the last decade, truck sales have started to level off. In 1995, sales dropped to a low in April then regained strength during the remainder of the year. Sales in 1996 have fluctuated greatly around a flat trend. Truck sales in April fell 7.9% from March. However, sales were only 0.9% below the average monthly level recorded in 1995.

Total new motor vehicle sales dropped 6.5% from March, to 89,833 vehicles. The truck market tempered the effects of recent declines in the car market. Total new motor vehicle sales were up 1.2% from the decade low of April 1995, when sales plunged to 88,766. Despite the year-over-year increase, sales were well below the monthly average for 1995 of over 97,000 vehicles.

Early indications from the auto industry point to a month-to-month increase in May in both the passenger car and truck markets. Sales are generally quite volatile from month to month.

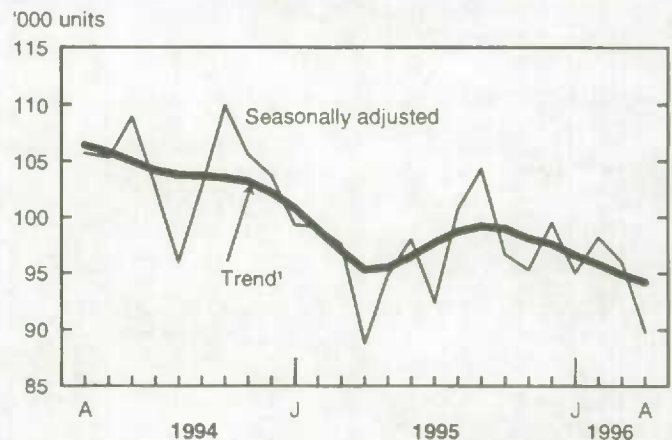
For further information, order *New motor vehicle sales* (catalogue 63-007-XPB), available in shortly or contact Mary Beth Lozinski Garneau, Industry Division at (613) 951-9824.

Note to readers

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

All data have been seasonally adjusted unless otherwise specified.

New motor vehicle sales



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

Capacity use declines marginally

In the first quarter of 1996, industries operated at 82.8% of capacity, a marginal decline from 82.9% in the previous quarter. This fourth consecutive drop was fuelled by weak exports, which more than offset the slight strengthening in consumer spending. Capacity use now stands four percentage points below the 1988 peak.

Despite moderate production gains, industrial capacity use remains low enough to keep prices from rising. Falling industrial and raw material prices, high inventories, restrained labour costs, and subdued consumer demand all suggest that the consumer price index should not be reflecting any strong price movements in the near future.

Manufacturers reduced their capacity use for a fourth straight quarter, to 82.7%. Fifteen of the 22 manufacturing industries decreased their capacity use; in 12 of those 15 industries, production was cut due to the recent decline in exports and weak domestic demand. Export-based industries posted the most significant declines.

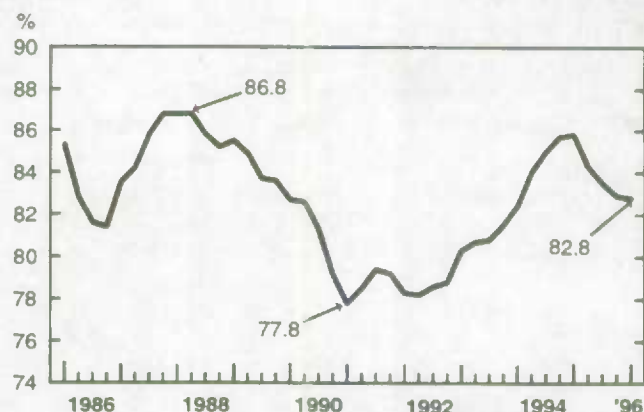
Capacity use fell in the transportation equipment, wood, machinery, and paper and allied products industries. The decline in transportation equipment was mostly due to the U.S.-based brake-plant strike which affected Canadian assembly plants and auto parts manufacturers in March. The most notable increase was recorded by primary metals, where improved production followed the previous quarter's strike in smelting and refining. Capacity use also rose in the refined petroleum and coal, and plastic products industries.

Non-manufacturing industries were generally down. In logging and forestry, lower production and increased production capacity, resulting from strong investment in machinery and equipment in 1994 and 1995, pulled down capacity use. Capacity use fell in the construction industry despite an increase in residential

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.

Industrial capacity utilization rate



construction. Increased production capacity and lower output pushed down the rate for the gas distribution industry. Capacity use in the electric power industry was unchanged.

Meanwhile, capacity use in the mining sector increased, due mainly to mining and quarrying industries. Capacity use by producers of crude petroleum and gas also advanced slightly.

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

Industrial capacity utilization rates

Industry	1st quarter 1995	4th quarter 1995	1st quarter 1996	Change	
				previous year*	previous quarter*
Non-farm goods-producing	85.8	82.9	82.8	-3.0	-0.1
Logging and forestry	85.7	89.0	83.7	-2.0	-5.3
Mining, quarrying and oil wells	87.5	86.4	88.5	1.0	2.1
Manufacturing	86.0	83.1	82.7	-3.3	-0.4
Durable goods	86.3	83.3	82.7	-3.6	-0.6
Non-durable goods	85.7	82.8	82.7	-3.0	-0.1
Construction	84.6	77.9	77.5	-7.1	-0.4
Electric power and gas distribution systems	84.0	84.9	84.6	0.6	-0.3

* Change expressed in percentage points

New house prices still falling

In April 1996, the new housing price index for Canada decreased 2.7% from a year earlier, continuing a declining trend for the 22nd consecutive month — the longest period of negative annual price changes since 1981. In fact, over the 22-month period, the rate has been slipping at an ever faster pace.

Note to readers

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

Compared with a year earlier, the prices of new houses dropped in 16 urban centres and increased in 5. The largest decreases

(continued on page 4)

... New house prices still falling

occurred in Victoria (-8.3%) and Vancouver (-7.0%); the largest advances were in Saskatoon (+1.2%) and Halifax (+0.9%).

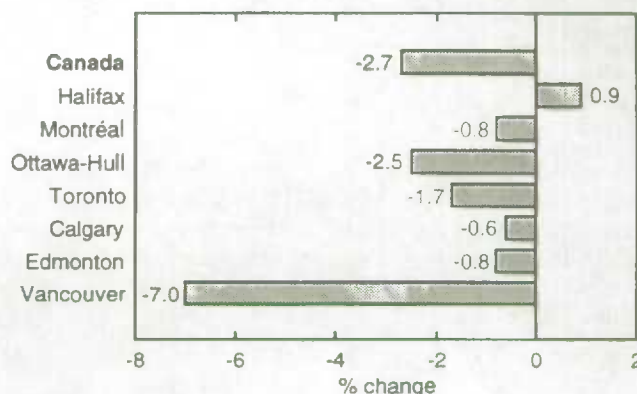
From March to April 1996, the index for Canada dropped 0.5%. In 6 of the 21 cities surveyed, contractors reported stable or offsetting new home selling prices resulting in no monthly changes in their total city indexes. In the five cities showing monthly price increases, the largest recorded was for Halifax (+0.3%). Of the 10 cities registering decreases, the largest were for Vancouver (-1.2%) and Ottawa-Hull (-0.8%). Across Canada, builders cited competitive market conditions as the main reason for the declines.

The Canada house-only index fell 3.0% from the preceding year and 0.7% from the month before. The land-only index also dropped, by 1.6% from April 1995 and 0.1% from March.

For further information, order *Construction price statistics* (catalogue 62-007-XPB), available in September or contact Sandra Shadlock, Prices Division at (613) 951-9606, fax: (613) 951-2848, the Internet: shadsan@statcan.ca.

New housing price indexes

April 1995 to April 1996



Good news for job seekers

For the first time since January 1995, the help-wanted index advanced in May (+1% to 88), lead by Ontario and the Prairie provinces. Ontario's index increased 2% from April to 92, the first sign of growth since December 1994. In the Prairie region, for the third consecutive month, the index grew by 2%, to 91. While the number of help-wanted ads increased in each of the Prairie provinces, Alberta was responsible for most of the growth.

The three remaining regions recorded monthly declines. Atlantic Canada posted a 3% drop, to stand at 103; decreases were widespread in all four provinces. Quebec registered a decline of 2% and now stands at 87, 16% below its most recent peak in April 1995. British Columbia's index fell 1%, to 66. This level is 26% below its last peak in March 1994.

Help-wanted index, May 1996

(1991=100)

Seasonally adjusted

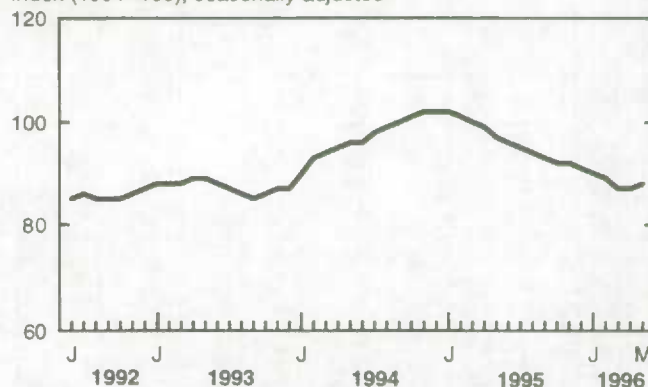
	Level	% change, previous year	% change, previous month
Canada	88	-9	1
Atlantic provinces	103	1	-3
Quebec	87	-16	-2
Ontario	92	-12	2
Prairie provinces	91	3	2
British Columbia	66	-14	-1

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 a measure of the intention of companies to hire new workers. These indexes have been seasonally adjusted and smoothed to ease month-to-month comparisons.

Help-wanted index

Index (1991=100), seasonally adjusted



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

Dual-earner families little changed

The economic downturn of the early 1990s did not have the same effects on all families. In 1994, the average income of dual-earner families was \$67,527, virtually the same as in 1989. In contrast, the average income of single-earner families was \$51,285, an 8.1% drop over the same period.

In 1994, just over 60% of husband-wife families were dual-earners. But while the proportion of dual earners in these families had been rising between 1967 and 1988, it had begun to decline in 1988 before stabilizing in 1993. The employment rate of married women levelled off in the 1990s, halting growth in the proportion of dual-earner families.

(continued on page 5)

... Dual-earner families little changed

Between 1989 and 1993, the number of wives who earned more than their husbands increased steadily, and the number of women working full-year full-time showed only a slight decline. Meanwhile, men accounted for almost all the decrease in full-year full-time earners. In 1994, however, men made up most of the growth in full-year full-time employment and their average annual earnings improved. Conversely, the number of women in full-year full-time jobs was unchanged from a year earlier, resulting in fewer women out-earning their husbands.

The income of dual-earner families in which the wife earned more than her spouse was typically less (\$60,985) than that of families where the husband was the principal earner (\$69,806). This difference was almost entirely due to the earnings of the main earner. In 1994, primary-earner wives earned, on average, \$32,513, compared with \$43,959 for primary-earner husbands.

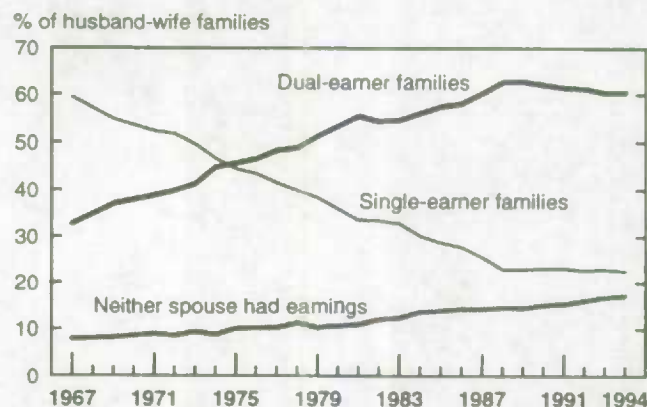
A number of factors may have contributed to this difference in earnings. Wives who were primary earners were a few years younger than primary-earner husbands, which may in turn affect their work experience, job tenure, and, therefore, salary level. As well, the occupational mix was different. Finally, fewer primary-earner wives worked full-year full-time than primary-earner husbands. Personal and family responsibilities may account for the shorter work year.

In dual-earner families, wives who were the primary earners were more likely to work in professional or managerial occupations than wives who were secondary earners: 51.8% compared with 36.8%. As well, families where the wife was the principal earner were less likely to have children at home (46.5%) than families in which the husband was the primary earner (56.8%).

Note to readers

The term "husband-wife family" includes common-law relationships. The classification of husband-wife families as "dual-earner", "single-earner" and "no earner" is based strictly on the earning status of the spouses. Although the earning status of other family members is ignored, reported earnings of these members are included in the family income.

Incidence of dual-earning in husband-wife families



For further information, order *Characteristics of dual-earner families, 1994* (catalogue 13-215-XPB) or contact Réjean Lasnier, Household Surveys Division at (613) 951-5266; the Internet: income@statcan.ca.

Defined benefit plans remain dominant

Despite what many pension analysts believe, the increase in defined contribution plans, particularly in group RRSPs, has not been at the expense of defined registered pension plan (RPP) coverage. In spite of the reports of growing disenchantment with defined benefit plans, the percentage of Canadian workers with such plans has remained stable over the years.

The main difference between the two types of plans is that in defined benefit schemes, retirement payouts are set in advance and are guaranteed by the employer. In defined contribution arrangements, the employer (and the employee, where required) commits only to pay a set amount each year into a fund. These funds then earn investment income and provide a pension at retirement based simply on what was accumulated.

Even if employees have similar earnings and length of service, those with a defined benefit plan tend to accumulate higher retirement pensions than do those participating in defined contribution arrangements. This is why some pension analysts consider membership in a defined benefit plan an indication of a "good" job.

Among the reasons given for the growing dissatisfaction with defined benefit RPPs are the extensive regulations and additional administrative costs of such plans. Another issue is the erosion of retirement savings by workers switching jobs in a highly mobile workforce.

From 1986 to 1994, the number of employees participating in defined contribution RPPs grew six percentage points in the public sector and fell by only two points in the private sector. Overall, the decline was just one percentage point. This stability is surprising considering that between 1986 and 1994, almost 100,000 RPP members were lost because of layoffs in industries which have traditionally had such plans. Some offsetting gains were doubtless made through jobs created in other industries.

In 1994, of those participating in new plans established during the 1986 to 1994 period, more than half had a defined benefit formula. Membership in defined contribution RPPs grew almost 60% between 1986 and 1994. These plans, however, cover relatively few workers. Although 55% of all RPPs in effect in 1994 were defined contribution plans, they covered only 10% of all RPP members.

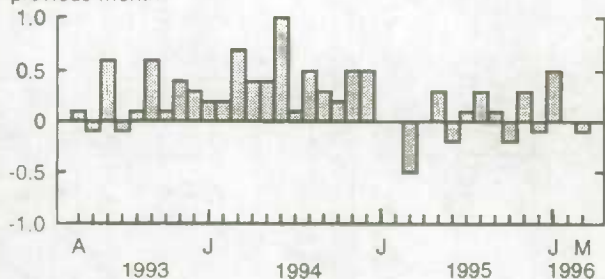
There are indications that the total number of workers covered by group RRSPs has grown considerably over the last 10 years. This dramatic growth may, over time, reduce the defined benefit share of retirement savings. Also, group RPPs are an important consideration when the percentage of workers with some form of pension provision is calculated.

For further information, order the summer 1996 issue of *Perspectives on labour and income* (75-001-XPE) or contact Hubert Frenken, Labour and Household Surveys Analysis Division at (613) 951-7569.

Current trends

Gross domestic product

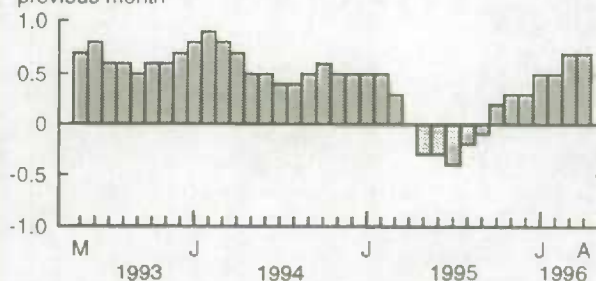
% change,
previous month



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

Composite index

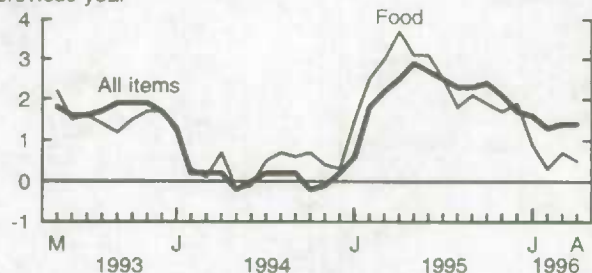
% change,
previous month



The composite index continued to grow by 0.7% in April, the same rate as in March.

Consumer price index

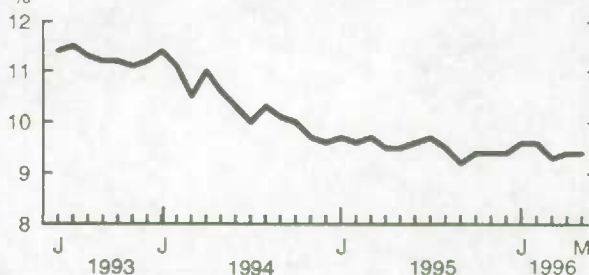
% change,
previous year



Consumers paid 1.4% more for goods and services in April 1996 than the year before. Food prices rose by 0.5%.

Unemployment rate

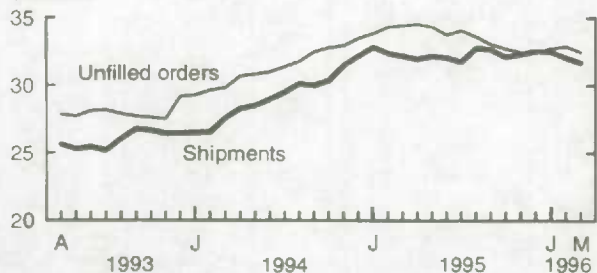
%



In May, the unemployment rate was unchanged at 9.4%.

Manufacturing

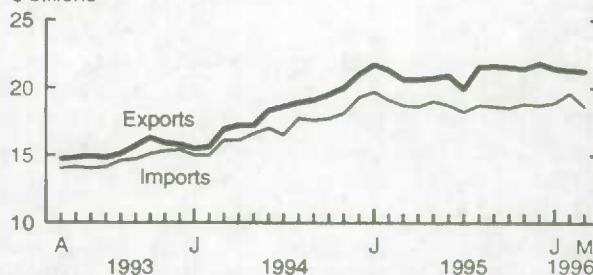
\$ billions



Manufacturers' shipments fell 1.2% to \$31.7 billion in March. The level of unfilled orders dropped 1.4% to \$32.5 billion.

Merchandise trade

\$ billions



In March, the value of merchandise exports fell 0.6% from February to \$21.2 billion. Imports dipped by 4.8% to \$18.6 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)	March	545.3	-0.1%	0.8%
Composite index (1981=100)	April	176.7	0.7%	1.7%
Operating profits of enterprises (\$ billion)	1st quarter	21.6	-7.5%	-7.2%
Capacity utilization (%)	1st quarter*	82.8	-0.1†	-3.0†
DOMESTIC DEMAND				
Retail trade (\$ billion)	March	17.9	0.1%	2.3%
New motor vehicle sales ('000 units)	April*	89.8	-6.5%	1.2%
LABOUR				
Employment (millions)	May*	13.7	-0.1%	1.4%
Unemployment rate (%)	May*	9.4	0.0†	-0.1†
Participation rate (%)	May*	64.8	-0.1†	..
Labour income (\$ billion)	March*	39.2	-1.1%	2.2%
Average weekly earnings (\$)	March	577.45	0.2%	0.9%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	March	21.2	-0.6%	2.6%
Merchandise imports (\$ billion)	March	18.6	-4.8%	-0.4%
Merchandise trade balance (all figures in \$ billion)	March	2.5	0.8	0.6
MANUFACTURING				
Shipments (\$ billion)	March	31.7	-1.2%	-1.5%
New orders (\$ billion)	March	31.2	-3.1%	-3.2%
Unfilled orders (\$ billion)	March	32.5	-1.4%	-5.7%
Inventory/shipments ratio	March	1.43	0.03	0.10
PRICES				
Consumer price index (1986=100)	April	135.3	0.3%	1.4%
Industrial product price index (1986=100)	April	128.8	-0.1%	0.6%
Raw materials price index (1986=100)	April	139.0	3.0%	3.5%
New housing price index (1986=100)	April*	131.6	-0.5%	-2.7%

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 of Canada/Publication, 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.

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 1996. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission from Licence Services, Marketing Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.





1010216551

Publications**June 7 to 13, 1996**

		1010216551	Price: Issue/Subscription		
Division/title of publication	Period	Catalogue number	Canada (Cdn.\$)	United States	Other countries
			US\$		
AGRICULTURE					
Cereals and oilseeds review	March 1996	22-007-XPB	15/144	18/173	21/202
Grain trade of Canada	1994-1995	22-201-XPB	42	51	59
ENERGY					
Coal and coke statistics	March 1996	45-002-XPB	11/110	14/132	16/154
HOUSEHOLD SURVEYS					
Labour force information	May 1996	71-001-PPB	10/100	12/120	14/140
INDUSTRY					
Department store sales and stocks	April 1996	63-002-XPB	16/160	20/192	23/224
Industrial chemicals and synthetic resins	April 1996	46-002-XPB	6/60	8/72	9/84
Oils and fats	April 1996	32-006-XPB	6/60	8/72	9/84
Production and shipments of steel pipe and tubing	April 1996	41-011-XPB	6/60	8/72	9/84
Steel wire and specified wire products	March 1996	41-006-XPB	6/60	8/72	9/84
INDUSTRY MEASURES AND ANALYSIS					
Gross domestic product by industry	March 1996	15-001-XPB	14/140	17/168	20/196
INVESTMENT AND CAPITAL STOCK					
Building permits					
Microfiche version	April 1996	64-001-XMP	25/135	30/162	35/189
Paper version	April 1996	64-001-XPB	24/240	29/288	34/336
LABOUR					
Employment, earnings and hours	March 1996	72-002-XPB	31/310	38/372	44/434
PRICES					
Industry price indexes	April 1996	62-011-XPB	21/210	26/252	30/294

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: **(613) 951-7277**Or fax your order to us: **(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.