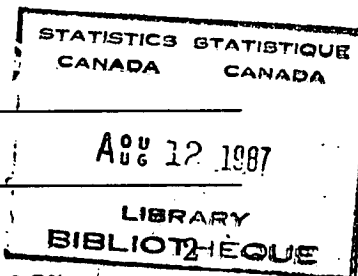


The Daily

Statistics Canada

Wednesday, August 12, 1987



Major Releases

Composite Leading Indicator, May 1987

- The leading indicator continued to strengthen in May, rising 0.7% as nine of the 10 components increased.

Capital Expenditures of Domestic and Foreign Controlled Establishments in Manufacturing, Mining and Forestry, 1987

- Domestically controlled firms in the manufacturing sector intend to increase their capital spending by 13.4% while foreign controlled firms anticipate a rise of only 3.7%.

Non-residential Construction Output Price Indexes, Second Quarter 1987

- Non-residential construction prices in Montreal rose 2.8%, the largest quarterly increase in this city since 1981.

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Statistics
Canada

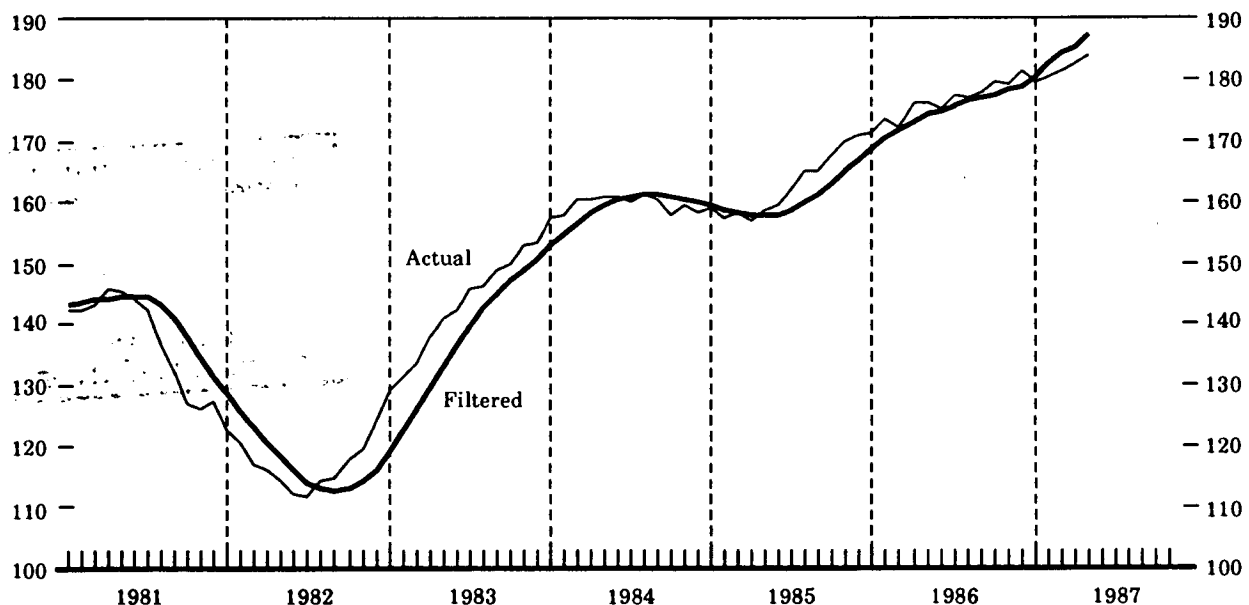
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Major Releases

The Canadian Composite Leading Index (1971 = 100)

Jan. 1981 to May 1987



Composite Leading Indicator May 1987

In May, the Canadian composite leading index rose by 0.7%, compared to 0.6% the previous month. Gains continued to be widespread, with nine of the 10 components posting increases in the month. The largest increases occurred in housing and in sales of durable goods, while the stock market showed a sharp rise for the fourth consecutive month.

Output by industry strengthened further in April and May, following the 1.6% increase in the first quarter. The average level of output in April and May stood 1.2% above the first quarter average. The labour force survey estimate of employment rose by 1.1% in the second quarter.

Available on CANSIM: matrix 161.

(see table on page 3)

Additional data and further analysis of the Leading Indicator are available in the monthly *Current Economic Indicators* (13-005, \$10/\$100). This publication also contains the *Monthly Economic Review*. The July issue of this publication will be released on the 19th of this month. For further information on data published in this issue and the next release dates, or about ordering, contact L. Bussière (613-990-1640). For general information, contact P. Cross (613-990-9162), International and Financial Economics Division.

Canadian Leading Indicators

	Percentage Change			Level
	March	April	May	May
Composite Leading Index (1971 = 100)				
Filtered	0.6	0.6	0.7	183.8
Unfiltered	1.0	0.5	1.1	187.5
Retail Trade				
Furniture and appliance sales	0.7	0.7	1.0	134,816 ⁴
New motor vehicle sales	0.8	1.9	2.0	731,815 ⁴
Residential construction index¹	6.1	5.9	5.4	132.7
Manufacturing				
New orders - durable	1.1	1.0	1.3	3,546 ⁵
Shipment to inventory				
ratio - (finished goods ²)	.01	.01	.01	1.73
Average workweek (hours)	0.0	0.0	0.0	38.8
Percentage change in price per unit				
labour cost ²	-.12	-.12	-.10	-0.5
United States				
composite leading index (1972 = 100)	0.7	0.6	0.5	187.3
TSE 300 stock price index (excluding				
oil and gas)	3.2	3.3	2.4	3,498
Money supply (M1) (\$1971)³	0.9	1.2	1.4	10,877 ⁵

¹ Composite index of housing starts (units), building permits (constant dollars) and mortgage loan approvals (numbers).

² Difference from previous month.

³ Deflated by the consumer price index for all items.

⁴ Thousands of 1971 dollars.

⁵ Millions of 1971 dollars.

Capital Expenditures of Domestic and Foreign Controlled Establishments in Manufacturing, Mining and Forestry, 1987

In the manufacturing sector, capital spending in 1987 is expected to advance 8.7% from 1986 to \$15,119 million, according to the investment intentions survey. Domestically controlled firms, who plan a 13.4% increase to \$8,104 million, are largely behind the overall advance in manufacturing. Spending by foreign controlled firms is anticipated to rise by only 3.7% to \$7,015 million.

Mining Sector

Investment in mining (including crude petroleum and natural gas) is expected to fall for the second consecutive year. Planned spending in 1987 is set at \$6,131 million, a decrease of 14.5%. Firms in all three country of control groups plan contractions to their spending levels, led by firms controlled outside the United States at 32%. Canadian controlled firms intend to spend 16% less while United States controlled firms are expected to register a reduction of 5%.

While planned investment in all mining industry groups is down in 1987, the most dramatic reduction is for the petroleum and natural gas industry. Expected capital spending in 1987, at \$4,388 million, is \$1 billion (19%) less than the 1986 level. This follows an even more extreme drop of \$3,217 million (37%) in 1986. The most significant impact in 1987 comes from plans by Canadian controlled firms to have their investment fall by \$818 million (28.5%) to \$2,047 million. Foreign controlled firms intend to reduce spending by \$183 million (7%) to \$2,340 million.

Note to Users

This report, based on projections of capital spending for 1987 from a survey taken in the latter part of 1986, focuses on capital spending intentions by country of control in the manufacturing, mining and forestry sectors. These sectors account for 22% of the intended total capital expenditures in 1987.

Statistics Canada produces a number of series which indicate the degree of foreign control of various sectors of the Canadian economy. The measure used in this release is based on establishments which might differ from corporate or enterprise measures.

It should be noted that this report is based on overall capital expenditure figures already published in *Private and Public Investment in Canada, Intentions 1987* (61-205, \$25) and not on the more recent mid-year review published in *Public and Private Investment in Canada, Revised Intentions* (61-206).

Metropolitan Area Detail

Detail on capital expenditures for Canada's 15 major metropolitan areas shows that investment in Vancouver is expected to increase by \$141 million (58%) to \$383 million. The expansion is planned almost entirely by domestically controlled firms. A projected spending advance for Montreal of \$215 million (21%) brings the level of investment there to \$1,227 million. Capital spending in this city by Canadian and foreign controlled firms is roughly equivalent as is their expected increase for 1987.

(see tables on pages 5 and 6)

Order *Capital Expenditures of Domestic and Foreign Controlled Establishments in Manufacturing, Mining and Forestry, 1987* (61-215, \$15). Contact Barry Mersereau (613-991-3611), Structural Analysis Division.

**Capital Expenditures in Manufacturing, Mining and Forestry
by Country of Control, 1978-1987**

Industry and year	Country of control					
	United States			Other Foreign Countries		
	Value	Year-to year change	Share of total	Value	Year-to year change	Share of total
	\$Millions	%	%	\$Millions	%	%
Manu- facturing						
1978	2,325.5	1.5	37.6	643.3	0.4	10.4
1979	2,684.5	15.4	36.1	762.9	18.6	10.2
1980	3,601.1	34.1	37.0	892.9	17.0	9.2
1981	4,681.6	30.0	36.7	1,225.0	37.2	9.6
1982	3,751.5	-19.9	32.6	1,966.3	60.5	17.1
1983	3,138.3	-16.3	35.4	1,423.6	-27.6	16.1
1984	3,140.9	.1	35.3	1,247.5	-12.4	14.0
1985	3,833.8	22.1	33.3	1,921.9	54.1	16.7
1986	4,787.3	24.9	34.4	1,975.6	2.8	14.2
1987	5,083.5	6.2	33.6	1,931.3	-2.2	12.8
Mines, Quarries and Oil Wells						
1978	1,800.6	-12.6	46.1	476.4	-3.8	12.2
1979	2,613.4	45.1	46.2	695.0	45.9	12.3
1980	3,578.2	36.9	42.4	1,021.7	47.0	12.1
1981	3,252.4	-9.1	32.5	1,083.8	6.1	10.8
1982	3,150.0	-3.1	30.4	882.5	-18.6	8.5
1983	2,628.0	-16.6	27.3	514.9	-41.7	5.4
1984	2,746.0	4.5	27.8	608.5	18.2	6.2
1985	3,031.7	10.4	27.8	945.0	55.3	8.7
1986	2,180.2	-28.1	30.4	907.1	-4.0	12.7
1987	2,076.1	-4.8	33.9	615.3	-32.2	10.0
Forestry						
1978	76.1	-2.3	31.6	13.7	23.4	5.7
1979	91.8	20.6	30.5	10.9	-20.4	3.6
1980	96.0	4.6	28.0	22.4	105.5	6.5
1981	66.5	-30.7	23.6	21.9	-2.2	7.8
1982	26.3	-60.5	17.8	21.7	-.9	14.7
1983	21.7	-17.5	14.0	20.8	-4.1	13.4
1984	30.9	42.4	15.5	14.2	-31.7	7.1
1985	25.2	-18.4	12.3	9.2	-35.2	4.5
1986	26.2	4.0	12.4	10.5	14.1	5.0
1987	42.8	63.4	16.4	21.4	103.8	8.2

**Capital Expenditures in Manufacturing, Mining and Forestry
by Country of Control, 1978-1987 – Concluded**

Industry and year	Country of control					
	Canada			Total		
	Value	Year-to year change	Share of total	Value	Year-to year change	Share of total
	\$Millions	%	%	\$Millions	%	%
Manu- facturing						
1978	3,209.3	2.0	51.9	6,178.2	1.6	100.0
1979	3,996.0	24.5	53.7	7,443.6	20.5	100.0
1980	5,251.7	31.4	53.9	9,745.8	30.9	100.0
1981	6,832.3	30.1	53.6	12,739.3	30.7	100.0
1982	5,774.6	-15.5	50.2	11,492.5	-9.8	100.0
1983	4,295.8	-25.6	48.5	8,857.9	-22.9	100.0
1984	4,498.8	4.7	50.6	8,887.2	.3	100.0
1985	5,760.6	28.0	50.0	11,516.4	29.6	100.0
1986	7,146.2	24.1	51.4	13,909.0	20.8	100.0
1987	8,104.0	13.4	53.6	15,118.8	8.7	100.0
Mines, Quarries and Oil Wells						
1978	1,626.4	24.3	41.7	3,903.4	1.0	100.0
1979	2,346.2	44.3	41.5	5,654.6	44.9	100.0
1980	3,843.8	63.8	45.5	8,443.7	49.3	100.0
1981	5,668.4	47.5	56.7	10,004.6	18.5	100.0
1982	6,329.1	11.7	61.1	10,361.6	3.6	100.0
1983	6,480.1	2.4	67.3	9,623.0	-7.1	100.0
1984	6,521.4	.6	66.0	9,875.9	2.6	100.0
1985	6,928.3	6.2	63.5	10,905.0	10.4	100.0
1986	4,079.9	-41.1	56.9	7,167.2	-34.3	100.0
1987	3,439.8	-15.7	56.1	6,131.3	-14.5	100.0
Forestry						
1978	151.1	14.9	62.7	240.9	9.3	100.0
1979	197.9	31.0	65.8	300.6	24.8	100.0
1980	224.6	13.5	65.5	343.0	14.1	100.0
1981	193.3	-13.9	68.6	281.7	-17.9	100.0
1982	100.0	-48.3	67.6	148.0	-47.5	100.0
1983	112.4	12.4	72.6	154.9	4.7	100.0
1984	154.4	37.4	77.4	199.5	28.8	100.0
1985	170.9	10.7	83.2	205.3	2.9	100.0
1986	174.1	1.9	82.6	210.9	2.7	100.0
1987	197.5	13.4	75.5	261.7	24.1	100.0

Non-residential Construction Output Price Indexes

Second Quarter 1987

In the second quarter, the price index for non-residential construction at the Canada level increased 1.2% from the first quarter of 1987 and 7.5% from the second quarter of 1986. There was a strong surge in prices in Montreal but more modest gains elsewhere.

Montreal posted by far the largest quarterly increase for non-residential construction work, at 2.8%, while all the other cities registered increases in the range of 0.7% to 1.0%. Toronto recorded a 0.9% gain after a large increase in the first quarter (4.8%). Over the last four quarters Toronto showed the greatest change at 10.7%, followed by Montreal at 7.2%, Ottawa 3.9%, Edmonton 2.4%, Vancouver 2.1%, Halifax 1.9% and Calgary 0.9%.

Building permits issued for non-residential construction in the first four months of 1987 showed a sharp rise in the province of Quebec while holding fairly steady in the other provinces. This increased volume of construction in Quebec is undoubtedly contributing to the higher price of construction work. In the rest of the country markets are very competitive.

Available on CANSIM: matrices 414 and 415.

Order the second quarter issue of *Construction Price Statistics* (62-007, \$15/\$60), available in September. Contact the Prices Division (613-990-9608).

Output Price Indexes of Non-residential Construction

Second Quarter 1987
(1981=100)

Seven Cities and Canada Indexes								
	Halifax	Montreal	Ottawa	Toronto	Calgary	Edmonton	Vancouver	Canada
Quarterly Indexes								
1986 Q2	119.7	123.0	123.7	128.1	93.1	92.1	107.0	110.7
1986 Q3	120.0	125.2	124.4	130.3	93.9	92.5	108.1	112.3
1986 Q4	120.4	127.9	126.1	134.2	93.4	92.9	108.7	114.5
1987 Q1	121.2 ^r	128.3	127.6 ^r	140.6	93.0	93.6 ^r	108.2	117.6
1987 Q2	122.0	131.9	128.5	141.8	93.9	94.3	109.2	119.0
Percentage Change								
Q4 '86/Q3 '86	0.3	2.2	1.4	3.0	-0.5	0.4	0.6	2.0
Q1 '87/Q4 '86	0.7 ^r	0.3	1.2 ^r	4.8	-0.4	0.7 ^r	-0.5	2.7
Q2 '87/Q1 '87	0.7	2.8	0.7	0.9	1.0	0.7	0.9	1.2
Q2 '87/Q2 '86	1.9	7.2	3.9	10.7	0.9	2.4	2.1	7.5

^r revised.

Data Availability Announcements

Public Libraries 1985

The preliminary results of the 1985 survey of the 1,034 public libraries boards showed expenditures of \$473.8 million. Adjusted for inflation, this represents a real increase of 4% over 1984 and continues a trend of real increases in expenditures since 1980. Since 1983, the increases have been larger in each succeeding year. Total income for 1985 was \$481.7 million.

Salary expenses showed a real increase of 2.5%, which was matched by staff increases of 2.6%. Actual salary expenses were \$272.6 million for a total staff of 11,898 – measured in full-time equivalent positions. Adjusting for both inflation and a 14% staff increase since 1980, salaries have shown a real increase of 4% over this period.

Circulation of all library materials in Canadian public libraries in 1985 rose by 3% from 1984 while total holdings (books and other print materials catalogued as books) increased by 3.2%. Since 1980 the total increases in these areas are 29% and 20% respectively, resulting in total circulation of 163.9 million volumes of catalogued print material in 1985 with total holdings of 55.4 million items.

Available on CANSIM: tables 00600101-00600109.

Contact Donna Owens (613-991-1562), Culture Sub-division, Education, Culture and Tourism Division. An announcement will be made shortly as to when *Public Libraries in Canada 1982 to 1984* (87-205) will be available.

Railway Financial and Operating Statistics January 1987

The seven major railways reported a combined net operating income of \$23.6 million in January 1987. Operating revenues of \$603.2 million were up \$10.8 million from the January 1986 figure.

Revenue freight tonne-kilometres were up 0.1% during the month. Freight train-kilometres registered an increase of 1.2% while freight car-kilometres decreased by 0.9%.

Available on CANSIM: matrix 142.

Order the January 1987 issue of *Railway Financial and Operating Statistics* (52-003, \$9.50/\$95), to be released the third week of August. Contact the Rail Unit (613-991-2484), Transportation Division.

Electric Storage Batteries June 1987

Canadian manufacturers sold 185,105 automotive replacement batteries in June 1987, an increase of 6.3% from the 174,053 batteries sold a year earlier.

Year-to-date sales totalled 856,800 automotive replacement batteries in June 1987, down 11.5% from 967,698 for the same period in 1986.

Information on sales of other types of storage batteries is also available.

Order the June 1987 issue of *Factory Sales of Electric Storage Batteries* (43-005, \$4/\$40), available the week of August 17. Contact J.P. Beauparlant (613-991-3526), Industry Division.

Grain Marketing Situation Report July 1987

The situation report for July is now available. This report presents up-to-date information on the Canadian and world grain supply and market situation.

Contact Allister Hickson (204-983-2856), Agriculture Division, Room 600, 266 Graham Avenue, Winnipeg, Manitoba R3C 0K4.

Publications Released

Capital Expenditures of Domestic and Foreign Controlled Establishments in Manufacturing, Mining and Forestry, 1987.
Catalogue number 61-215
(Canada: \$15; Other Countries: \$16).

Exports by Commodity, May 1987.
Catalogue number 65-004
(Canada: \$50/\$500; Other Countries: \$60/\$600).

Statistics Canada publications may be purchased by mail order from Publication Sales, Room 1710, Main Building, Statistics Canada, Ottawa K1A 0T6 or phone 613-993-7276.

Please enclose cheque or money order payable to the Receiver General for Canada/Publications and provide full information on publications required (catalogue number, title, issue).

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