



# The Daily

Statistics Canada

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## MAJOR RELEASES

### Adult literacy: International results 1995

Canadian adult literacy test results are strong overall when compared with other major industrialized countries.

Out of seven nations, Sweden had the strongest skill distribution. Canada, the Netherlands, Germany and the United States fell into the second tier of tested countries.

The distribution of literacy in Canada and the United States was similar, with both countries having relatively high proportions of adults at both the high and low ends of the literacy scale. European countries, especially the Netherlands and Germany, had more of their population falling in the middle range. This range included individuals who had adequate reading skills and those who tested at higher levels.

But in Canada, there is no room for complacency.

A significant proportion of Canadian adults demonstrated difficulties with their literacy skills. Four out of every 10 Canadian adults possessed reading skills that limit their ability to deal with much of the written material they encounter every day.

A perceived relationship between literacy and economic performance prompted the seven national governments to conduct the survey. The International Adult Literacy Survey found strong links in all countries among literacy skills, employment and occupational status, and income.

The IALS report drew several main conclusions:

- Education strongly influences literacy, but does not determine it alone. In all countries, adults who have had more initial formal education are, on average, more literate. But in every country, some less-educated people have high levels of literacy and some well-educated people show low levels of literacy;
- Literacy improves with practice, and deteriorates if not used. People with a given level of education are, on average, more literate if they continuously use their ability to read and work with numbers at home and at work, and throughout their daily lives;
- Few adults acknowledge that literacy is a problem for them. In most countries, a majority of adults, even among those with the lowest levels of literacy,

#### Note to readers

Today, Statistics Canada releases data from the first International Adult Literacy Survey (IALS), which measures literacy skills in seven developed nations.

The survey is the result of a unique collaboration among Statistics Canada, the U.S. National Center for Education Statistics in Washington, the Organisation for Economic Co-operation and Development in Paris, the Educational Testing Service in Princeton, N.J., and sponsors and study teams in the various countries. Statistics Canada provided overall co-ordination and international management of the survey.

Nations now releasing data are Canada, Germany, the Netherlands, Sweden, Switzerland, Poland and the United States. Ireland will release its data early next year. The survey covered more than 23,000 respondents aged 16 and over, including about 5,660 in Canada.

Respondents were interviewed for about 20 minutes in their homes in their national language. They were also administered a 45-minute test involving practical tasks requiring literacy skills. These ranged from the understanding of instructions on a medicine bottle to the assimilation of information from a personnel office.

The survey identified five successive levels of literacy for three scales — prose, document and quantitative. A full description of the framework, methodology and results is contained in the document *Literacy, Economy and Society* (89-545E, \$50), which is now available. See "How to order publications".

More extensive data on literacy in Canada, including results for the provinces, will be released in the spring of 1996. This report will also compare the IALS results with Statistics Canada's 1989 survey of Literacy Skills Used in Daily Activities (LSUDA).

For purposes of the IALS, literacy was defined as the ability to understand and employ printed information in daily activities, at home, at work and in the community in order to achieve one's goals, and to develop one's knowledge and potential.

did not consider that reading skills limited their job opportunities.

#### Wide variation in literacy skills in Canada

What distinguishes Canada — and the United States — is that, compared with the other countries participating in this survey, both nations had relatively large numbers at both the top and the bottom of the literacy scale.

Almost 6 out of 10 Canadians (57.8%) possess skills in the top three literacy levels, meaning that they can meet most everyday reading requirements. These results are in line with the 62% identified in the 1989

LSUDA survey (Literacy Skills Used in Daily Activities), who had similar skill characteristics.

At the same time, one in six (16.6%) fell into the lowest level, which means that they have serious difficulty dealing with printed materials and most likely identify themselves as people who have difficulties reading. Another 25.6% fell in the second lowest level. Such people generally do not report that they have reading problems, but their tested scores are weak.

Canada's share of those with the strongest literacy skills reflects the large number of individuals with postsecondary education, and a substantial proportion of highly skilled immigrants. Its share at the low end of literacy reflects a complex mix — older people who had little formal education, school drop-outs and some consequences of low-skilled immigration.

### **Literacy only partly linked to education**

The survey results demonstrated that adult literacy skills are only partly attributable to the impact of schooling. There are many examples of people with modest education and high literacy skills, and of well-educated individuals with marginal literacy skills.

For example, almost 9 in 10 Canadian university graduates possessed satisfactory reading skills or better, while 1 university graduate in 10 was only able to deal with material that is simple or clearly laid out.

More than four out of five Canadians with only primary education or less perform at the bottom two tested levels. But about 1% of individuals with only primary education possess the highest level of proficiency. These individuals have found ways to acquire strong skills outside of formal schooling.

Education provides a basic platform for developing literacy skills. But after school, the answer — and the key — to literacy is practice. Literacy skills, like muscles, appear to be maintained and strengthened through regular use.

For example, reading books has a strong effect on the level of literacy skills. Fewer than 40% of all respondents in any country reported reading books daily. In Sweden, which showed the strongest literacy skills, 9 out of every 10 individuals read newspapers daily.

There is a negative relationship between watching television and literacy. Adults most likely to watch television for significant periods of time are those at lower literacy levels. In Canada, 17% of those scoring at the lowest level watched television five hours or more a day compared with 1% for the highest level.

### **Immigration boosts levels at both the high and the low end**

In Canada, immigration boosts the proportions at both the high and the low end of the literacy scale.

Canada is unusual among the participating countries in that it has a large proportion of immigrants with high literacy skills. This reflects Canada's immigration policy, which has, as one of its objectives, the attraction of high-skilled immigrants.

However, basic skills are less central to other kinds of immigrant entries, such as those for reasons of family reunification or certain refugee cases. These appear to boost numbers in the lowest literacy levels.

In addition to immigration, employment status, occupation, income and age are all linked to literacy skills in Canada.

An individual's sex, however, has little noticeable impact. Women tended to score a bit better on the high end of the prose scale, while men did marginally better handling numbers.

Individuals who were employed or were attending school were more likely to be at higher literacy levels than those who were unemployed or outside the workforce.

Similarly, there is a strong and consistent relationship between literacy skills and income levels. One in four Canadians who had top literacy skills also had incomes in the top 20% of the population. Only 5% of the people in the same high income group had marginal literacy skills.

Surprisingly, individuals aged 36 to 45 had the highest literacy scores of all age groups on the prose and quantitative scales. After middle age, skills appear to decline gradually.

Occupational categories such as managers and professionals dominate high literacy levels, while machine operators and agricultural workers had the lowest literacy skills.

### **Sweden leads all other participating nations**

Sweden's literacy skill distribution was stronger than all other participating nations. It had substantial proportions of respondents at all the higher literacy levels on all three scales.

Germany and the Netherlands had similar levels of adult literacy proficiency, with more people scoring in the middle to high range. The United States was similar to Canada in terms of using numbers and dealing with prose. But American respondents did less well on document literacy, that is, on such skills as using job applications, payroll forms, transit schedules and so on.

Swiss results were lower than those of Canada and the United States in prose literacy.

In Poland, only about one individual in five had the reading skills necessary to achieve test scores in one of the top two levels.

*Literacy, economy and society: Results of the first International Adult Literacy Survey (89-545E, \$50) is now available. See "How to order publications".*

For further information on this release, contact Special Surveys Division (613-951-9476) or the Statistics Canada media hotline (613-951-4636), Internet: <http://www.statcan.ca>. ■

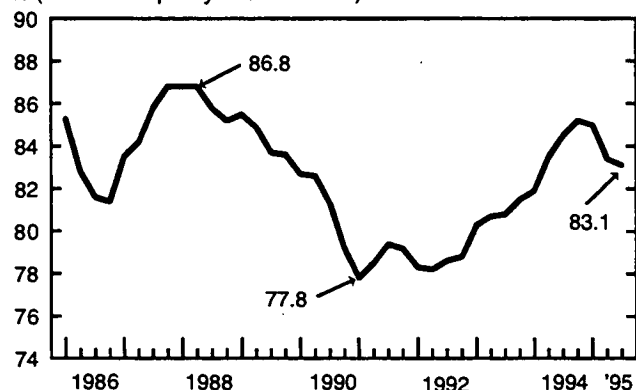
## Industrial capacity utilization rates

Third quarter 1995

Additional industrial capacity coming on stream more than absorbed a modest increase in production in the third quarter of 1995. As a result, capacity use dropped, albeit marginally, for the third consecutive quarter. Industries operated at 83.1% of capacity, down 0.3 percentage points from the previous quarter and somewhat below the recent peak of 85.2% in the fourth quarter of 1994. This is another sign that there is little, if any, upward pressure on goods prices.

### Capacity use edges down

% (industrial capacity utilization rate)

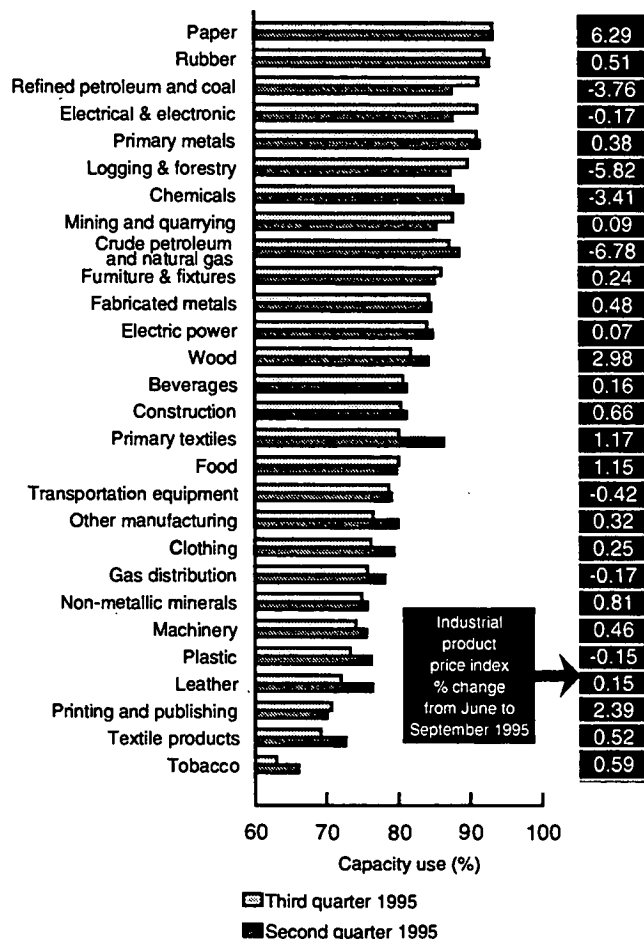


Encouraged by strengthened profits, business has invested heavily in high-tech plants and equipment in the past few years, increasing the productive potential of the economy and creating room for a non-inflationary expansion. In October, industrial prices resumed their downward movement after a small increase in September and the price of raw materials fell for the fourth month in a row. In September, the consumer price index held steady. Slack labour markets and sluggish domestic demand are also signs that price pressures are in check.

### 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. In addition, since 1987, Statistics Canada has been surveying companies for their estimates of annual capacity use in order to produce survey-based industry measures. A company's measure of its level of operation, as a percentage of potential, takes into account changes in the obsolescence of facilities, capital-to-labour ratios and other characteristics of production techniques. The surveyed rates anchor the calculated quarterly series and ensure they reflect such changes.

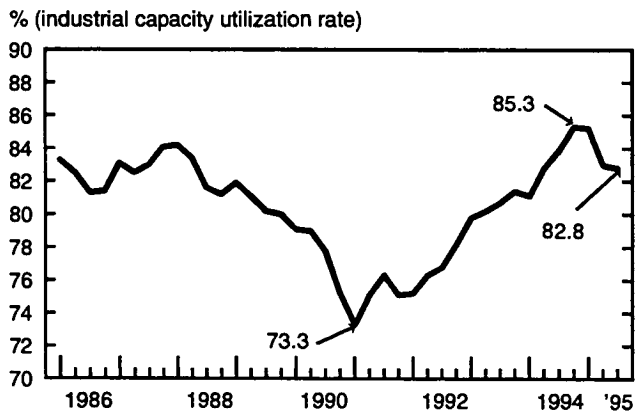
### Industrial prices in check



## Exports shape manufacturing performance

After recording a historical peak of 85.3% in the fourth quarter of 1994, manufacturers have reduced their use of capacity for three consecutive quarters, to 82.8% in the third quarter of 1995. Although production by manufacturers has recovered to 1994 levels, new productive capacity has led to these reduced rates of capacity use. Out of the 22 manufacturing industries, 17 recorded lower levels of capacity use in the third quarter.

### Small drop in manufacturing



Rising exports, the factor behind the 0.8% increase in manufacturing production, were responsible for increased rates of capacity use in two industries. Exports of coal led producers in the refined petroleum and coal industry to raise their rate by 3.6 percentage points and producers of furniture and fixtures increased their rate by 0.9 percentage points. Meanwhile, in the electrical and electronic products industry, the rate of capacity use rose by 3.4 percentage points, as both foreign and domestic purchasers of office machines and equipment contributed to increased production.

In contrast, generally weak domestic demand translated into drops in capacity use in leather (-4.4

percentage points), primary textiles (-6.3 percentage points), textile products (-3.5 percentage points), and clothing (-3.2 percentage points). The plastic products industry recorded its fourth consecutive decline, reaching 73.3% in the third quarter of 1995, its lowest level since early 1991. As a result of a strike in tire production in September, capacity use in the rubber products industry slipped by 0.7 percentage points but was still operating at 92.1% in the third quarter of 1995.

## Non-manufacturing generally down

The decreases during the third quarter in residential construction (new homes as well as alterations and improvements), and in engineering construction, more than offset increases in commercial and industrial building construction. As a result, capacity use in the construction industry fell by 0.8 percentage points to 80.4%, the third decline this year.

After four straight increases, capacity use in the forestry industries reached 89.8% — a level surpassed only by the 92.0% peak recorded in the second quarter of 1989.

Capacity use in the mining sector as a whole (87.4%) was unchanged from the second quarter. Capacity use in the mining and quarrying industries increased by 2.3 percentage points to 87.7%, mainly due to increased activity in non-ferrous metal mining. Offsetting this increase, the rate for crude petroleum and natural gas industries fell by 1.4 percentage points to 87.2%.

The decrease in the rate for gas distribution (-2.4 percentage points) was due both to a decline in production (-1.6%) and an increase in capacity.

### Available on CANSIM: matrix 3140.

For further information on this release, contact Susanna Wood (613-951-0655) or Richard Landry (613-951-2579), Investment and Capital Stock Division. □

# Industrial capacity utilization rates

	Third quarter 1994	Second quarter 1995	Third quarter 1995	Third quarter 1994 to Third quarter 1995	Second quarter 1995 to Third quarter 1995
	percentage point change				
<b>Total non-farm goods-producing industries</b>	<b>84.5</b>	<b>83.4</b>	<b>83.1</b>	<b>-1.4</b>	<b>-0.3</b>
Logging and forestry	84.9	87.4	89.8	4.9	2.4
Mining (including milling), quarrying and oil wells	88.4	87.4	87.4	-1.0	0.0
Mining (including milling) and quarrying	90.9	85.4	87.7	-3.2	2.3
Crude petroleum and natural gas	86.9	88.6	87.2	0.3	-1.4
<b>Manufacturing</b>	<b>83.9</b>	<b>83.0</b>	<b>82.8</b>	<b>-1.1</b>	<b>-0.2</b>
Durable goods	83.5	83.2	83.3	-0.2	0.1
Wood	91.9	84.3	81.8	-10.1	-2.5
Furniture and fixture	79.8	85.2	86.1	6.3	0.9
Primary metal	93.6	91.4	91.0	-2.6	-0.4
Fabricated metal products	83.1	84.7	84.4	1.3	-0.3
Machinery	77.7	75.5	74.1	-3.6	-1.4
Transportation equipment	80.6	79.1	78.7	-1.9	-0.4
Electrical and electronic products	82.5	87.7	91.1	8.6	3.4
Non-metallic mineral products	77.8	75.6	74.9	-2.9	-0.7
Other manufacturing	80.5	80.0	76.5	-4.0	-3.5
Non-durable goods	84.4	82.7	82.1	-2.3	-0.6
Food	80.4	79.8	80.1	-0.3	0.3
Beverage	81.4	81.2	80.7	-0.7	-0.5
Tobacco products	78.1	66.1	63.0	-15.1	-3.1
Rubber products	93.3	92.8	92.1	-1.2	-0.7
Plastic products	83.6	76.2	73.3	-10.3	-2.9
Leather and allied products	74.6	76.4	72.0	-2.6	-4.4
Primary textile	89.4	86.4	80.1	-9.3	-6.3
Textile products	76.6	72.7	69.2	-7.4	-3.5
Clothing	81.3	79.4	76.2	-5.1	-3.2
Paper and allied products	92.8	93.3	93.2	0.4	-0.1
Printing, publishing and allied industries	76.6	70.1	70.7	-5.9	0.6
Refined petroleum and coal products	86.3	87.6	91.2	4.9	3.6
Chemical and chemical products	89.0	89.1	87.8	-1.2	-1.3
<b>Construction</b>	<b>84.1</b>	<b>81.2</b>	<b>80.4</b>	<b>-3.7</b>	<b>-0.8</b>
<b>Electric power and gas distribution systems</b>	<b>83.6</b>	<b>83.9</b>	<b>82.9</b>	<b>-0.7</b>	<b>-1.0</b>
Electric power	84.4	84.9	84.1	-0.3	-0.8
Gas distribution	78.4	78.1	75.7	-2.7	-2.4

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## OTHER RELEASES

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### Transition home survey

May 31, 1995

More than 2,300 women, accompanied by 2,200 children, were living in shelters that offer housing for abused women and their children on May 31, 1995, according to the 1994/95 Transition Home Survey.

Eight out of 10 of the women were there to escape abuse. Of those cases, 70% involved physical abuse, typically from a current or former spouse or partner.

In the 12 months up to May 31, these shelters recorded more than 85,000 admissions. In addition, on a typical day they received approximately 3,000 requests for services from non-residents.

Nearly one in four of the women fleeing abuse (23%) was under the age of 25, and 43% were aged 25 to 34. Most of the children accompanying these women were under 10 years of age. One in 10 was an infant under one year of age, and about a third were aged between one and four years.

A third of the women who had been abused had reported the latest incident to the police. Charges had been laid in just over half of these cases.

On May 31, 1995, a total of 405 residential facilities in the provinces and territories were providing services

for abused women and their children. The majority of these facilities (74%) were transition homes that offer secure housing for the short- or medium-term (1 day to 11 weeks).

The next most common type of facility (10%) was second-stage houses that offer longer-term (3 to 12 months) residence. Seven percent of facilities were emergency shelters that provide one to three days of respite for a broader population, not necessarily limited to abused women. Another 5% were safe home networks that offer very short-term housing for abused women and their children in private homes. A variety of other types of shelter made up the remaining 4% of establishments.

The most common services offered by the shelters for the benefit of children were individual counselling for children (75%) and parenting skills (73%). Culturally sensitive services for Aboriginal children or for ethnic and visible minorities were available in half the facilities.

Data for the 1994-95 Transition Home Survey are now available. For further information on this release, contact the Information Requests Unit (613-951-1746; fax: 613-951-0792) or Richard Trudeau (613-951-8388), Health Statistics Division. ■



## PUBLICATIONS RELEASED

**Pack of processed beans, green and wax, 1995**

**Catalogue number 32-238**

(Canada: \$14; United States: US\$17; other countries: US\$20).

**Electric lamps (light bulbs and tubes),**

October 1995

**Catalogue number 43-009**

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

**Cement, October 1995**

**Catalogue number 44-001**

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

**Department store sales and stocks,**

September 1995

**Catalogue number 63-002**

(Canada: \$16/\$160; United States: US\$20/US\$192; other countries: US\$23/US\$224).

**As time goes by. . . time use of Canadians**

**Catalogue number 89-544E**

(Canada: \$40; United States: US\$48; other countries: US\$56).

**Literacy, economy and society: Results of the first International Adult Literacy Survey, 1995**

**Catalogue number 89-545E**

(Canada: \$50; United States: US\$40; other countries: US\$40).

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.



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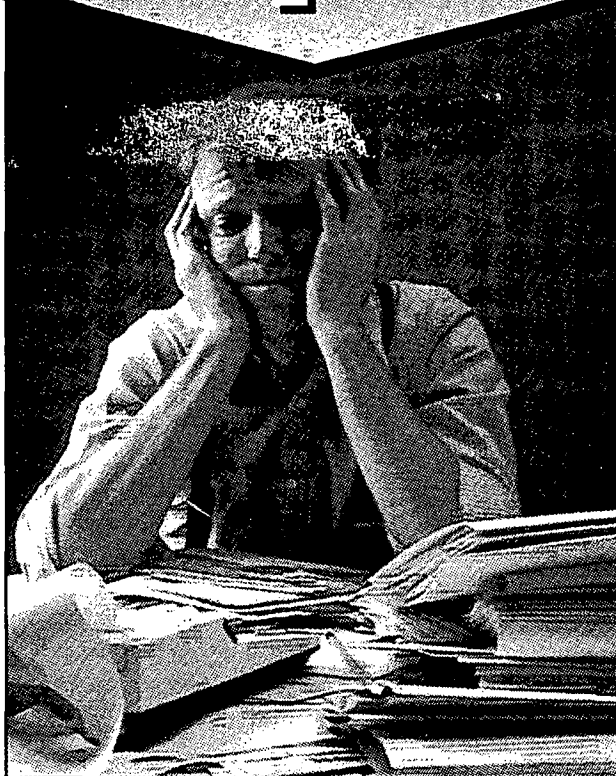
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