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## MAJOR RELEASES

- **Private and public investment, 1995 revised intentions** 3  
Business and governments plan to invest \$104.7 billion in plant and equipment in 1995, a 7.2% increase from 1994. The latest survey shows that spending plans have increased from an earlier estimate of \$103.3 billion.
- **Unemployment insurance, May 1995** 6  
In May, 712,000 Canadians received regular UI benefits, down 1.2% from April. The number of beneficiaries has been on a downward trend since mid-1992.

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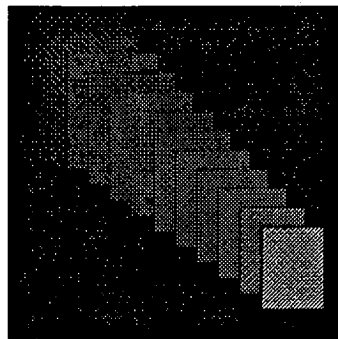
### Research Paper Series

Analytical Studies Branch

Why Has Inequality in Weekly Earnings Increased in Canada?

by René Morissette

No. 80



1-877-272-6222

Canada

## Why has inequality in weekly earnings increased in Canada?

This research paper narrows the range of factors that explain the growing gap between low- and high- income earners. Roughly 30% of that widening gap can be explained by the movement of employment away from manufacturing toward the service sector, together with changes in the unionization rate.

Very little of the growth in the earnings gap between younger and older workers can be explained by lower minimum wages (in real terms) and the smaller size of firms (in terms of average size). And little evidence supports the idea that the highly paid put in longer work weeks following changes to their marginal tax rates.

The major factors behind the growth of inequality in weekly earnings may be: growth in competition; possible shifts in bargaining power from labour toward firms; greater mobility of firms to new locations; increased openness to international trade; and, a rise in the fixed cost of labour and, possibly, training costs.

*Why has inequality in weekly earnings increased in Canada?* is part of the Analytical Studies Branch Research Paper Series. To order the paper (No. 80 in the series), contact Hélène Lamadeleine (613-951-5231), or obtain a copy from the Internet ([www.statcan.ca](http://www.statcan.ca)).

For further information on this release, contact René Morissette (613-951-3608), Business and Labour Market Analysis Division.



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## **OTHER RELEASES**

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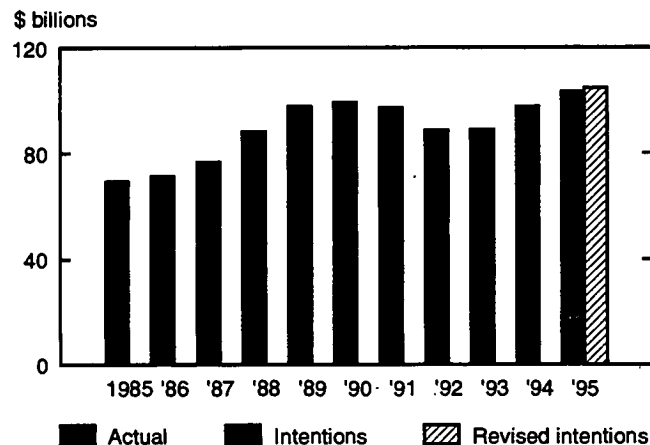
## MAJOR RELEASES

### Private and public investment

1995 revised intentions

Business and governments plan to invest \$104.7 billion in plant and equipment in 1995, a 7.2% increase from 1994. The latest survey shows that spending plans have increased from an earlier estimate of \$103.3 billion. The greater bullishness is largely due to a spending surge on machinery and equipment, as companies appear to be relying more and more on new technologies and labour-saving equipment. Increased spending on non-residential construction is due to the infrastructure programs of local governments.

#### Plant and equipment investment continues growing



#### Pulp and paper and airlines lead the growth in machinery and equipment investment

This year's growth in machinery and equipment investment within the manufacturing sector is mostly due to the pulp and paper industry, where such spending is expected to increase 84% to \$3.2 billion. This industry's performance reflects very strong exports of wood pulp and newsprint and an improved balance sheet (due to the return of countervailing duties from the United States).

Orders for new aircraft have caused spending to increase in the air transport industry, in order to service the new routes that became available after deregulation.

#### Note to readers

*This is the first time that the private and public investment data have been based on a probability sample from a central frame of businesses. This change will ease comparisons between the capital investment series and other economic data series. A special analysis comparing the previously published investment data for 1994 and 1995 with the current estimates is included in Private and public investment in Canada, revised intentions 1995 (61-206).*

Though down from the first data on investment intentions for 1995, spending by leasing companies on cars and trucks will still increase 6.6% to \$5.1 billion. This spending will be buoyed by first quarter net profits, which exceeded any previous quarter in 1994.

Ontario dominates the increase in spending on machinery and equipment, as 68% of the expected rise in investment is attributable to this one province. Quebec and British Columbia follow, with each capturing 10% of the increase.

#### Infrastructure program still leads non-residential construction

The growth in non-residential construction investment for 1995 has been mainly due to local government spending. The growth has been helped by the infrastructure program and increases in communications, utilities, provincial governments and manufacturing. Total non-residential construction is up 5.6% to \$49.1 billion.

#### Housing pulls down total investment

Housing continues to slide in 1995, although recent improvements in the resale market and lower mortgage rates might translate into a housing upturn in the second half.

Available on CANSIM: matrices 3101-3133.

*Private and public investment in Canada, revised intentions 1995 (61-206, \$42) will be available shortly. See "How to order publications".*

For further information on this release, contact Susan Horsley (613-951-2209) or John Foley (613-951-2591), Investment and Capital Stock Division.

# Capital spending intentions of private and public organizations

	1994 preliminary actual	1995 intentions	1995 revised intentions	1995 intentions to 1995 revised intentions	1994 preliminary actual to 1995 revised intentions
	\$ millions			% change	
<b>Total</b>	<b>131,926.0</b>	<b>136,432.0</b>	<b>137,434.6</b>	<b>0.7</b>	<b>4.2</b>
Plant and equipment	97,646.1	103,275.9	104,651.5	1.3	7.2
Housing	34,279.9	33,156.1	32,783.1	-1.1	-4.4
Goods-producing industries	42,459.7	46,120.1	47,684.7	3.4	12.3
Services-producing industries	55,186.4	57,155.8	56,966.9	-0.3	3.2
<b>Divisions</b>					
Agriculture	3,403.0	3,276.9	3,276.9	0.0	-3.7
Fishing and trapping	131.9	132.0	132.0	0.0	0.1
Logging and forestry	445.6	358.3	562.3	56.9	26.2
Mining, quarrying and oil wells	11,805.2	12,406.1	12,622.8	1.7	6.9
Manufacturing	15,473.1	18,231.4	19,318.3	6.0	24.9
Construction	1,946.3	1,945.1	1,992.6	2.4	2.4
Transportation and storage	6,604.2	7,409.8	7,328.9	-1.1	11.0
Communication and other utilities	14,371.6	15,505.3	15,363.1	-0.9	6.9
Wholesale trade	2,345.7	2,459.8	2,453.8	-0.2	4.6
Retail trade	4,561.4	2,977.1	3,463.3	16.3	-24.1
Finance and insurance	6,507.0	7,893.3	7,126.6	-9.7	9.5
Real estate operators	1,991.2	2,059.4	1,913.9	-7.1	-3.9
Business services	1,947.7	1,831.0	2,081.1	13.7	6.8
Government	14,084.5	15,498.3	15,385.3	-0.7	9.2
Educational	3,033.9	2,931.7	2,941.0	0.3	-3.1
Health and social	2,097.7	2,026.1	2,244.5	10.8	7.0
Accommodation, food and beverage	1,007.5	1,141.8	1,296.4	13.5	28.7
Other services	5,888.6	5,192.4	5,148.6	-0.8	-12.6

**Note:** Figures may not add to totals due to rounding.

## Capital spending intentions of private and public organizations

	Capital expenditures				1995 intentions to 1995 revised intentions	1994 preliminary actual to 1995 revised intentions
	Construction	Machinery and equipment	Total			
	\$ millions			% change		
Canada <sup>1</sup>						
1994	80,781.2	51,144.8	131,926.0			
1995	81,433.5	54,998.4	136,432.0			
1995	81,895.9	55,538.6	137,434.6	0.7		4.2
Newfoundland						
1994	2,328.8	444.9	2,773.7			
1995	2,304.4	572.6	2,877.0			
1995	2,303.2	576.0	2,879.2	0.1		3.8
Prince Edward Island						
1994	333.5	157.6	491.1			
1995	323.6	156.6	480.1			
1995	338.2	173.4	511.6	6.6		4.2
Nova Scotia						
1994	1,649.0	1,013.9	2,663.0			
1995	1,676.5	920.7	2,597.2			
1995	1,831.3	1,033.3	2,864.6	10.3		7.6
New Brunswick						
1994	1,408.1	839.4	2,247.6			
1995	1,396.4	1,044.6	2,441.0			
1995	1,469.1	1,050.5	2,519.7	3.2		12.1
Quebec						
1994	16,449.0	11,307.5	27,756.5			
1995	16,198.6	11,802.9	28,001.5			
1995	15,864.0	11,713.9	27,577.9	-1.5		-0.6
Ontario						
1994	25,666.3	21,734.2	47,400.5			
1995	26,522.2	23,632.2	50,154.4			
1995	27,145.1	24,722.3	51,867.3	3.4		9.4
Manitoba						
1994	2,038.0	1,870.4	3,908.4			
1995	2,304.0	1,648.1	3,952.1			
1995	2,452.0	1,744.6	4,196.6	6.2		7.4
Saskatchewan						
1994	2,875.1	1,521.5	4,396.6			
1995	2,572.1	1,658.0	4,230.1			
1995	2,676.6	1,808.1	4,484.7	6.0		2.0
Alberta						
1994	13,225.4	5,822.5	19,047.9			
1995	13,161.3	6,182.6	19,343.9			
1995	13,247.0	5,884.9	19,131.9	-1.1		0.4
British Columbia						
1994	14,323.2	6,297.1	20,620.3			
1995	14,485.2	7,234.8	21,720.1			
1995	14,043.5	6,677.3	20,720.8	-4.6		0.5
Yukon						
1994	172.9	40.6	213.4			
1995	197.0	45.6	242.6			
1995	196.8	46.0	242.8	0.1		13.8
Northwest Territories						
1994	311.8	95.2	407.0			
1995	292.1	99.7	391.9			
1995	329.1	108.5	437.6	11.7		7.5

<sup>1</sup> 1994 preliminary actual, followed by 1995 intentions, then 1995 revised intentions.

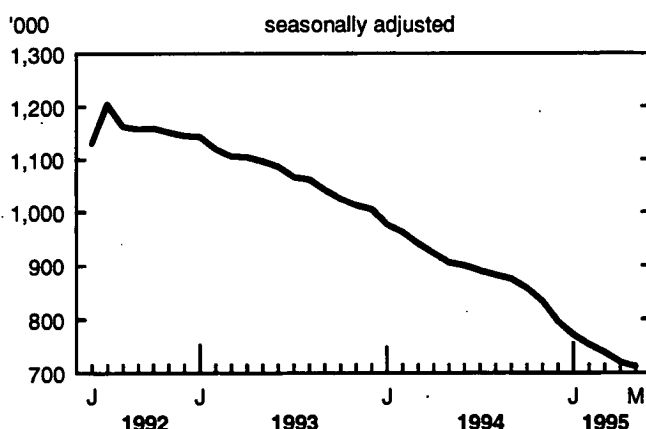
Note: Figures may not add to totals due to rounding.

## Unemployment insurance

May 1995 (preliminary)

The number of Canadians receiving regular UI benefits dropped 1.2% to 712,000 between April and May 1995. This was 40.9% below the peak reached in July 1992, when 1.2 million received UI payments.

**Number of beneficiaries\* has been declining since July 1992**



\* Receiving regular benefits.

Except for increases in Manitoba (+3.2%), Saskatchewan (+1.0%) and the Northwest Territories (+0.3%), the number of people receiving regular benefits was down in all other jurisdictions. Year-over-year decreases were observed in all provinces and territories, ranging from -14.3% in the Northwest Territories to -28.1% in Newfoundland.

The decline in the number of beneficiaries that started in mid-1992 has continued into 1995. Employment levels (as recorded by the Labour Force Survey) have shown little change in 1995. Long-term unemployment (that is, those who have been looking for work for more than a year) has also continued at high levels in 1995. This suggests that fewer people are eligible for UI benefits. In addition, tighter eligibility requirements were introduced in July 1994.

### Note to readers

Unless noted, all figures in this release are seasonally adjusted.

Most who collect unemployment insurance benefits receive regular benefits (76.4% in May). To qualify for regular benefits, a person must have experienced an interruption of earnings, be capable of and available for work, and be unable to find suitable employment.

In addition to regular benefits, claimants can qualify for special benefits (e.g., training, maternity, sickness, and fishing benefits).

Data on the number of beneficiaries relate to a specific week of the reference month. Data on benefit payments, benefit weeks and claims refer to a complete calendar month.

### Number of UI beneficiaries receiving regular benefits

	May 1995	April 1995 to May 1995
	seasonally adjusted	
	% change	
<b>Canada</b>	<b>712,170</b>	<b>-1.2</b>
Newfoundland	37,420	-0.2
Prince Edward Island	9,970	-3.1
Nova Scotia	37,430	-1.6
New Brunswick	41,380	-4.8
Quebec	247,060	-1.1
Ontario	176,760	-1.8
Manitoba	19,500	3.2
Saskatchewan	14,720	1.0
Alberta	50,160	-3.5
British Columbia	75,900	-1.4
Yukon	1,190	-7.5
Northwest Territories	1,220	0.3

### Proportion receiving special benefits is increasing

On an unadjusted basis, the proportion of beneficiaries receiving special benefits (including benefits for sickness, training, family-related responsibilities, fishing, work sharing, job creation and self-employment) increased from 19.7% to 23.6% between May 1994 and May 1995. The proportion of male beneficiaries receiving special benefits (mainly training benefits) increased from 12.5% to 14.6%; for females (mainly family-related benefits), the proportion advanced from 28.1% to 33.8%.

This trend has continued over the past decade. In May 1995, 76.4% of all beneficiaries received regular benefits. The remainder received special benefits. A decade ago, the comparable proportion receiving

regular benefits was 88.3%. The increase in the proportion of beneficiaries receiving special benefits may reflect the 1990 legislative changes, which provided more assistance for training unemployed workers and additional benefits to natural and adoptive parents. For example, during the past decade, the proportion of beneficiaries of both sexes receiving training benefits increased, but the proportion of females increased at a faster pace (from 1.5% in May 1985 to 7.2% in May 1995).

### Number of claims increased

In May, 260,000 individuals submitted applications (claims) for assistance under the UI program, up 2.7% from April. Since mid-1994, the trend for the number of claims received has edged upward. On an unadjusted basis, during the first five months of 1995, 1,182,000 people filed claims, 0.6% higher than during the same period last year.

### Year-to-date payments declined

In May, Canadians received \$1.3 billion (unadjusted) in UI benefits, including regular and special benefits, down 11.4% from May 1994. Comparing the same month in previous years, this was the lowest level since May 1990, when \$1.2 billion was paid. For the first five months of 1995, \$6.9 billion was paid to UI beneficiaries, down 14.3% from the same period last year.

### Number of UI beneficiaries<sup>1</sup>

	May 1995	May 1994 to May 1995
	unadjusted	
		% change
<b>Census metropolitan area</b>		
St. John's	9,840	-12.1
Halifax	10,240	-23.9
Saint John	5,090	-10.2
Chicoutimi-Jonquière	8,230	-14.2
Québec	25,460	-13.5
Sherbrooke	5,080	-12.6
Trois-Rivières	5,570	-18.4
Montréal	109,600	-16.7
Hull	8,330	-9.5
Ottawa	14,070	-10.6
Oshawa	5,300	-22.4
Toronto	94,390	-18.0
Hamilton	11,500	-28.1
St. Catharines-Niagara	8,370	-32.3
Kitchener	6,600	-30.1
London	7,320	-16.7
Windsor	5,370	-17.5
Sudbury	4,120	-18.1
Thunder Bay	3,630	-23.9
Winnipeg	15,280	-18.8
Regina	2,970	-24.4
Saskatoon	4,310	-22.6
Calgary	20,240	-15.5
Edmonton	23,490	-18.8
Vancouver	42,110	-23.9
Victoria	6,640	-14.1

<sup>1</sup> Beneficiaries include all claimants who receive regular benefits (for example, because of layoff) or special benefits (for example, in case of sickness)

**Available on CANSIM: matrices 26 (series 1.6), 5700-5717 and 5735-5736.**

The May 1995 issue of *Unemployment insurance statistics* (73-001, \$16/\$160), will contain data for March, April and May. It will be available in August. See "How to order publications".

For further information on this release, contact Adib Farhat (613-951-4045), Labour Division (fax: 613-951-4087). □

# Unemployment insurance statistics

		May 1994	March 1995	April 1995	May 1995	April 1995 to May 1995
seasonally adjusted						
						% change
Regular beneficiaries	'000	906	739 <sup>r</sup>	721 <sup>P</sup>	712 <sup>P</sup>	-1.2
Amount paid	\$ '000	1,014,811	857,774	841,199	817,020	-2.9
Weeks of benefits	'000	4,019	3,391	3,308	3,219	-2.7
Claims received	'000	245	256	253	260	2.7
unadjusted						
						% change
All beneficiaries	'000	1,117	1,166 <sup>r</sup>	1,083 <sup>P</sup>	904 <sup>P</sup>	-19.1
Regular beneficiaries	'000	896	915 <sup>r</sup>	847 <sup>P</sup>	691 <sup>P</sup>	-23.0
Male	'000	524	578 <sup>r</sup>	536 <sup>P</sup>	412 <sup>P</sup>	-21.4
Female	'000	373	337 <sup>r</sup>	311 <sup>P</sup>	279 <sup>P</sup>	-25.2
Claims received	'000	192	232	190	214	11.5
Amount paid	\$ '000	1,411,843	1,468,970	1,253,544	1,251,309	-11.4
Weeks of benefits	'000	5,374	5,255	4,362	4,702	-12.5
Average weekly benefit	\$	258.75	265.10	264.19	261.43	1.0
Year-to-date (January to May)						
		1994		1995		1994 to 1995
						% change
All beneficiaries, average	'000	1,321		1,108 <sup>P</sup>		-16.2
Regular beneficiaries, average	'000	1,079		870 <sup>P</sup>		-19.4
Claims received	'000	1,175		1,182		0.6
Amount paid	\$ '000	8,006,185		6,861,895		-14.3
Weeks of benefits	'000	29,303		24,753		-15.5
Average weekly benefit	\$	262.82		263.92		0.4

<sup>P</sup> Preliminary figures.

<sup>r</sup> Revised figures.

**Note:** "All beneficiaries" includes all claimants who receive regular benefits (for example, because of layoff) or special benefits (for example, in case of sickness).



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## OTHER RELEASES

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### Quarterly survey of trustee pension funds

First quarter 1995

The market value of the assets held by trustee pension funds reached \$322.4 billion at March 31, 1995, up 4.3% from the fourth quarter of 1994.

After low returns on assets and the financial market conditions together led to three quarterly decreases in 1994, market forces fuelled the healthy increase measured at the end of the first quarter of 1995. A fall in the interest rates of bonds, particularly provincial government issues, helped raise the value of bonds. A stock market rally late in the quarter boosted the value of stocks. Together, these two investment vehicles (bonds and stocks) represented close to 80% of the portfolio of trustee pension funds.

These estimates are derived from a quarterly sample of 182 funds accounting for 86% of total assets. The estimates are supplemented by data from an annual census of all trustee pension funds.

#### Available on CANSIM: matrix 5749.

The first quarter 1995 issue of *Quarterly estimates of trustee pension funds* (74-001, \$18/\$60) will be available in August. See "How to order publications".

For further information on this release, contact Thomas Dufour (613-951-2088), Pensions Section, Labour Division (fax: 613-951-4087). ■

### Corrugated boxes and wrappers

June 1995

Domestic shipments of corrugated boxes and wrappers totalled 222 404 000 square metres in June, a 3.8% decrease from 231 144 000 square metres a year earlier.

For January to June 1995, domestic shipments totalled 1 226 229 000 square metres (revised), a 3.7% increase from 1 182 141 000 square metres shipped during the same period in 1994.

The June 1995 issue of *Corrugated boxes and wrappers* (36-004, \$6/\$60) will be available shortly. See "How to order publications".

For further information on this release, contact Bruno Pépin (613-951-3516), Industry Division.

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## PUBLICATIONS RELEASED

**Crude petroleum and natural gas production, April 1995**

**Catalogue number 26-006**

(Canada: \$18/\$180; United States: US\$22/US\$216; other countries: US\$26/US\$252).

**Production and disposition of tobacco products, June 1995**

**Catalogue number 32-022**

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

**Construction type plywood, May 1995**

**Catalogue number 35-001**

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

**Production, shipments and stocks on hand of sawmills east of the Rockies, May 1995**

**Catalogue number 35-002**

(Canada: \$11/\$110; United States: US\$14/US\$132; other countries: US\$16/US\$154).

**Production, shipments and stocks on hand of sawmills in British Columbia, May 1995**

**Catalogue number 35-003**

(Canada: \$8/\$80; United States: US\$10/US\$96; other countries: US\$12/US\$112).

**New motor vehicle sales, May 1995**

**Catalogue number 63-007**

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

**Imports by commodity, May 1995, microfiche version**

**Catalogue number 65-0070XMB**

(Canada: \$35/\$350; United States: US\$42/US\$420; other countries: US\$49/US\$490).

**Imports by commodity, May 1995, paper version on request**

**Catalogue number 65-0070XPB**

(Canada: \$75/\$750; United States: US\$90/US\$900; other countries: US\$105/US\$1,050).

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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