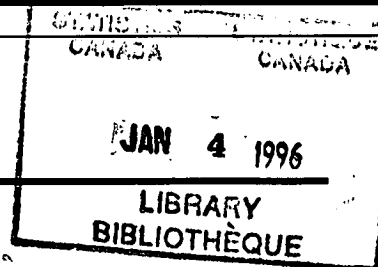


# The Daily

Statistics Canada

Thursday, January 4, 1996

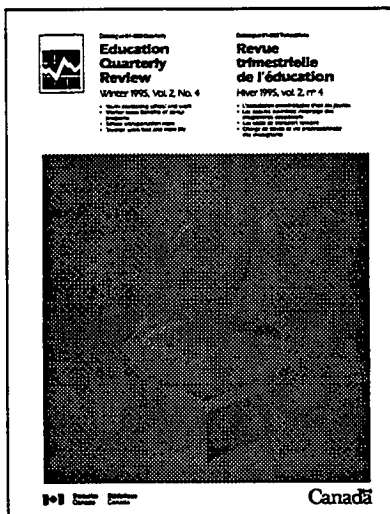
For release at 8:30 a.m.



## MAJOR RELEASES

- **Industrial product price index, November 1995** 3  
November's 0.3% increase left industrial prices 5.5% higher than a year earlier. If the effect of November's fall in the value of the Canadian dollar against the U.S. dollar were ignored, industrial prices would have remained virtually unchanged.
- **Raw materials price index, November 1995** 6  
In November, manufacturers paid significantly more for their raw materials. Overall prices increased 1.8%, mainly due to crude oil, metals and vegetable products. This marked the first month of increasing prices after four successive months of declining raw material prices.

(continued on following page)



### Education quarterly review Winter 1995

The winter 1995 issue of *Education quarterly review* presents four articles on various education issues. The first study uses Labour Force Survey data to examine the effect that working has on the academic progress of 15- to 20-year-old students. The second uses data from the National Graduates Survey to assess the differences in education and labour market outcomes of co-op and non-co-op university graduates. The third analyses trends in student transportation, from 1970 to the early 1990s, in public elementary and secondary schools. And the fourth looks at recent research into the workload and work life of a sample of teachers in Saskatchewan's public school system.

Each issue of *Education quarterly review* also includes "Survey insights", a section that reviews other education-related surveys, their variables and their potential for research. Another section, "Education at a glance," provides a series of social, economic and education indicators for Canada, the provinces and territories, and the other G-7 countries.

The winter 1995 issue of *Education quarterly review* (81-003, \$20/\$66) is now available. See "How to order publications".

For further information, contact Jim Seidle (613-951-1500; fax: 613-951-9040; the Internet: seidjim@statcan.ca), Education, Culture and Tourism Division.



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**OTHER RELEASES**

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Help-wanted index, December 1995	9
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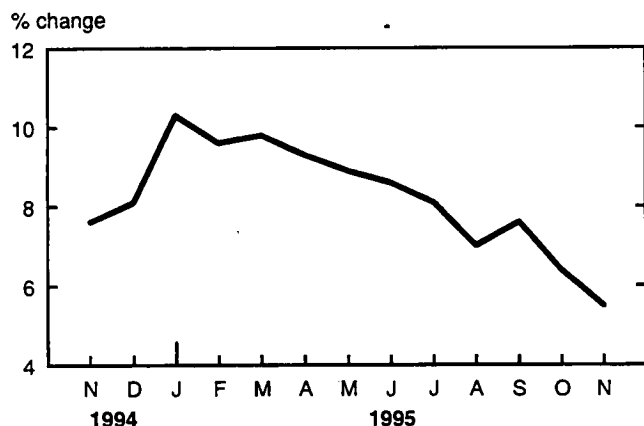
## MAJOR RELEASES

### Industrial product price index

November 1995 (preliminary)

November's 0.3% increase left industrial prices 5.5% higher than a year earlier. If the effect of November's fall in the value of the Canadian dollar against the United States dollar were ignored, industrial prices would have remained virtually unchanged.

#### The declining 12-month change in manufacturers' prices



Between mid-October and mid-November, the value of the Canadian dollar fell from about US74.8 cents to US73.8 cents, a decline of about 1.4%. This drop meant that manufacturers selling goods priced in U.S. dollars received more Canadian dollars for their products. Most affected were exporters of motor vehicles, lumber, pulp, paper, and non-ferrous metal products.

The 12-month change in industrial prices declined from +6.4% in October to +5.5% in November. It has been moving downward since January, when it peaked at +10.3%. The 12-month change in industrial prices declined noticeably for: primary non-ferrous metals; lumber, sawmill and other wood products; chemicals and chemical products; and printing and publishing.

Compared with the most recent figures for the other G-7 nations, this decline put Canada's 12-month change in producer prices in third place, below Italy (+8.7%, September) and France (+7.8%, August), but above the United Kingdom (+4.6%, October).

#### Note to readers

The industrial product price index (IPPI) reflects the prices producers receive as goods leave their plants. It does not reflect what consumers pay. Unlike the consumer price index, the IPPI excludes indirect taxes and all costs (including the transportation, wholesale, and retail costs) occurring from the time a good leaves a plant until a final user takes possession.

Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp, paper, and wood products. A rise or fall in the value of the Canadian dollar against the U.S. dollar therefore affects the IPPI. A 1% change in the value of the Canadian dollar against the U.S. dollar has been estimated to change the IPPI by about 0.2%.

#### Changes to the publication

The format of Industry price indexes (62-011) will change effective with the January 1996 issue. The new format will illustrate monthly data for only the current year and the previous year. Annual averages for the current and previous years will be shown as well. The consulting engineering services price indexes tables 7 and 8 will be discontinued because they are currently published in the quarterly Construction price statistics (62-007, \$23/\$76).

If readers need to refer to historical data, particularly from 1991 to 1994, we recommend keeping one issue of Industry price indexes (62-011) from the July 1995 to December 1995 period as a reference. Effective with the January 1996 release, that publication will contain only data for the current and previous years.

For further information on these changes, or to comment, contact Lorne Stanton (613-951-9602, fax: 613-951-2848) or Pierre Després (613-951-9603), Prices Division.

### Motor vehicle exports, pulp, paper, and non-ferrous metal products supported the industrial price level

The most significant price increases in November came from transportation equipment (+0.8%), non-ferrous metal products (+0.9%), paper (+1.1%) and pulp (+1.2%). The increases in transportation equipment prices were principally due to higher export prices for automobiles and trucks. These mainly resulted from the decline in the value of the Canadian dollar. Domestic prices of vehicles remained virtually unchanged.

The price increases for non-ferrous metal products included copper and copper alloy products (+3.8%), nickel products (+7.4%) and refined zinc (+4.8%). Aluminum product prices edged down 1.5%, partly offsetting the increases elsewhere.

It has been suggested that speculation played a role in November's increase in copper prices.

The higher price of nickel has been attributed to concern over inventory levels for 1996. Zinc's price increase occurred as strong world demand for this metal coincided with some decline in German zinc production. The gradual slowing of the world economy may have been responsible for the decline in aluminum prices. The fall in the value of the Canadian dollar contributed to nickel's price increase and reduced the effect of the decline in aluminum prices.

Compared with October, pulp prices were up 1.2% and paper prices rose 1.1%. Excluding the effect of the fall in the Canadian dollar, both rose about half a percentage point. In the case of pulp, demand pressure has eased somewhat as buyers have built up inventories and as some new capacity in Asia has come on stream. In the case of newsprint, demand has remained strong overall, but there is some doubt that projected price increases will occur.

Compared with November 1994, pulp prices were up 46.5% while paper prices rose close to 41%. Over the same period, pulp prices in the United States were up close to 49% while paper prices rose about 24%.

**The 12-month price change at the manufacturer level continued to exceed the change at the retailer level**

In November, the 12-month change in the prices of domestic consumer goods paid to manufacturers dropped to close to +3% from a little under +3.5%. It thus remained noticeably higher than the 12-month change in consumer goods prices; this dropped to +1.8% from +2.2%. Retail profits, however, were up in the third quarter compared with the second quarter. Only about half of what the consumer pays goes to manufacturers. The rest is divided among retailers, wholesalers, indirect taxes, and transporters. The

retailer is thus able to cover manufacturers' price increases by a lower percentage increase in the prices charged to consumers.

**Perspective**

Canadian industrial prices are being affected by economic weakness at home and abroad. Manufacturing shipments declined in four of the five months from June to October. Canadian exports, after surging in August, declined in both September and October. Capacity utilization in manufacturing edged down marginally in the third quarter. It was pulled down by industries hurt by weak domestic demand. November's decline in employment indicates a continuing weakness in the domestic economy.

Canada's main export market, the United States, is not showing signs of rapid growth either. In November, U.S. factory production edged up 0.2%, sufficient only to offset October's decline. Total industrial production rose only 0.2%, less than October's 0.3% decline. October's factory orders were down slightly, and inventory levels continued to increase.

Elsewhere, there are signs of economic weakness in Western Europe. In Japan, industrial production is continuing to fluctuate in the same range as in the preceding five quarters.

**Available on CANSIM: matrices 2000-2008.**

The November 1995 issue of *Industry price indexes* (62-011, \$21/\$210) will be available at the end of January. See "How to order publications".

For further information on this release, contact Paul-Roméo Danis (613-951-3350, fax: 613-951-2848), Client Services Unit, Prices Division. □

**Industrial product price indexes**  
 (1986=100)

	Relative importance	Nov. 1994	Oct. 1995 <sup>r</sup>	Nov. 1995 <sup>p</sup>	Nov. 1994 to Nov. 1995	Oct. 1995 to Nov. 1995
					% change	
<b>Industrial product price index (IPPI)</b>	<b>100.0</b>	<b>122.7</b>	<b>129.1</b>	<b>129.5</b>	<b>5.5</b>	<b>0.3</b>
IPPI excluding petroleum and coal products	93.6	124.7	131.6	131.9	5.8	0.2
<b>Intermediate goods<sup>1</sup></b>	<b>60.4</b>	<b>124.4</b>	<b>133.0</b>	<b>133.3</b>	<b>7.2</b>	<b>0.2</b>
First-stage intermediate goods <sup>2</sup>	13.4	133.3	146.7	147.4	10.6	0.5
Second-stage intermediate goods <sup>3</sup>	47.0	121.9	129.1	129.3	6.1	0.2
<b>Finished goods<sup>4</sup></b>	<b>39.6</b>	<b>120.0</b>	<b>123.3</b>	<b>123.6</b>	<b>3.0</b>	<b>0.2</b>
Finished foods and feeds	9.9	121.5	123.8	123.8	1.9	0.0
Capital equipment	10.4	122.1	125.6	126.2	3.4	0.5
All other finished goods	19.3	118.2	121.8	122.1	3.3	0.2
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	7.4	116.3	120.6	120.4	3.5	-0.2
Fruit, vegetable, feed, miscellaneous food products	6.3	123.6	126.2	126.9	2.7	0.6
Beverages	2.0	127.7	128.0	128.1	0.3	0.1
Tobacco and tobacco products	0.7	164.5	172.3	172.3	4.7	0.0
Rubber, leather, plastic fabric products	3.1	124.3	127.7	127.7	2.7	0.0
Textile products	2.2	113.7	118.6	118.6	4.3	0.0
Knitted products and clothing	2.3	116.2	118.7	118.7	2.2	0.0
Lumber, sawmill, other wood products	4.9	159.3	154.1	153.2	-3.8	-0.6
Furniture and fixtures	1.7	122.7	125.3	125.3	2.1	0.0
Paper and paper products	8.1	126.4	169.4	170.9	35.2	0.9
Printing and publishing	2.7	149.5	176.6	175.7	17.5	-0.5
Primary metal products	7.7	130.6	131.2	132.3	1.3	0.8
Metal fabricated products	4.9	121.2	128.4	128.4	5.9	0.0
Machinery and equipment	4.2	124.0	126.7	126.9	2.3	0.2
Autos, trucks, other transportation equipment	17.6	116.9	120.2	121.2	3.7	0.8
Electrical and communications products	5.1	116.0	117.8	118.0	1.7	0.2
Non-metallic mineral products	2.6	117.3	123.6	123.6	5.4	0.0
Petroleum and coal products <sup>5</sup>	6.4	93.6	93.1	93.2	-0.4	0.1
Chemicals and chemical products	7.2	129.6	132.3	131.7	1.6	-0.5
Miscellaneous manufactured products	2.5	119.7	123.2	123.4	3.1	0.2
Miscellaneous non-manufactured commodities	0.4	94.7	95.8	95.9	1.3	0.1

<sup>1</sup> Intermediate goods are goods used principally to produce other goods.

<sup>2</sup> First-stage intermediate goods are items used most frequently to produce other intermediate goods.

<sup>3</sup> Second-stage intermediate goods are items most commonly used to produce final goods.

<sup>4</sup> Finished goods are goods most commonly used for immediate consumption or for capital investment.

<sup>5</sup> This index is estimated for the current month.

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

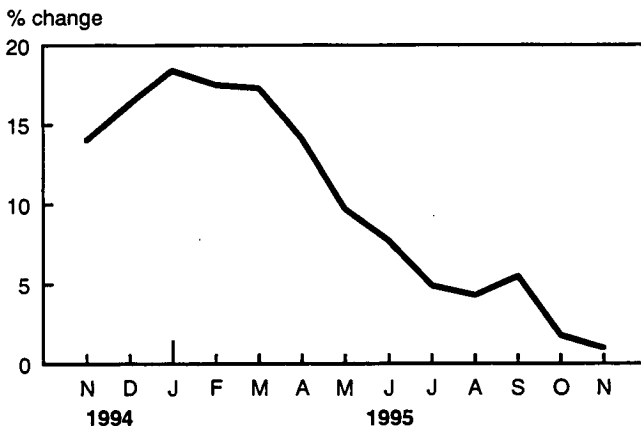
## Raw materials price index

November 1995 (preliminary)

In November, manufacturers paid significantly more for their raw materials. Overall prices increased 1.8%, mainly due to crude oil, metals and vegetable products. This marked the first month of increasing prices after four successive months of declining raw material prices.

On an annual basis, raw material prices have been declining since January 1995. In November, the 12-month change was only +1.0%, compared with +18.4% in January. Commodity prices have tended to weaken overall with the economic slowdown, particularly in Western Europe and Japan.

### The declining 12-month change in raw material prices



Excluding mineral fuels, raw material prices increased 1.0% in November, and the 12-month change fell to +2.2% from +3.2% in October.

### Crude oil prices climbed back up

Crude oil prices were up 4.1% in November after declining almost 15% from April to October. November prices were down 2% compared with 12 months earlier. Prices strengthened in November as OPEC agreed to maintain the production status quo for at least the next six months. As well, tropical storms in the Gulf of Mexico and a rupture in the interprovincial pipeline—the world's largest—in Manitoba caused supply problems.

### Metal prices rebounded

Metal prices rebounded in November (+3.2%) following three months of declining prices. Higher

#### Note to readers

The raw materials price index (RMPI) reflects the prices that Canadian manufacturers pay for key raw materials. Many of these prices are set in world markets. Unlike the industrial product price index, the RMPI includes goods that are not produced in Canada.

#### Changes to the publication

The format of Industry price indexes (62-011) will change effective with the January 1996 issue. The new format will illustrate monthly data for only the current year and the previous year. Annual averages for the current and previous years will be shown as well. The consulting engineering services price indexes tables 7 and 8 will be discontinued because they are currently published in the quarterly Construction price statistics (62-007, \$23/\$76).

If readers need to refer to historical data, particularly from 1991 to 1994, we recommend keeping one issue of Industry price indexes (62-011) from the July 1995 to December 1995 period as a reference. Effective with the January 1996 release, that publication will contain only data for the current and previous years.

For further information on these changes, or to comment, contact Lorne Stanton (613-951-9602, fax: 613-951-2848) or Pierre Després (613-951-9603), Prices Division.

prices for copper (+5.9%), lead (+6.6%), gold (+1.8%) and nickel (+7.2%) were the major contributors. Lower prices for aluminum materials (-2.5%) somewhat offset the higher prices. Manufacturers using copper for brass, wire and tubing have added to the upward price pressure. Also, copper prices appeared to have been subject to speculative forces as well as concerns that inventories may be too low to accommodate demand in 1996.

Prices for lead concentrates recovered almost to their January 1995 level. At that time, lead prices were at their highest in more than four years. Tight lead supplies and demand for lead-acid batteries have put upward pressure on prices.

Precious metal prices moved up in November, led by gold (+1.8%), silver (+0.8%) and platinum (+2.3%). Gold prices rose amid speculation about interest payments of U.S. government debt and reports of low gold supplies not keeping pace with demand.

Nickel concentrate prices increased 7.2%. Compared with November 1994, prices were up more than 16%. Nickel prices appeared firm, with some potential weakness coming from stainless steel producers in Southeast Asia and Germany.

Aluminum material prices weakened for a third consecutive month, falling more than 16% since August. Because of the lower prices, less idle manufacturing capacity for aluminum may come on

stream in the near future. If this occurs, then further downward pressure on prices will be somewhat dampened.

Wood prices increased almost 1% in November. Higher prices for logs (+0.9%) and pulpwood (+0.7%) contributed to the increase. Wood prices declined 3.5% over the 12 months to November. Future price changes for wood will depend on how much the lumber inventories are replenished for the 1996 construction season, as well as on the demand for pulp by papermakers.

#### **Grain prices rose, hog prices fell**

Grain prices rose almost 4% in November. Higher prices for barley, wheat and corn were the major contributors. All these grains have increased almost or more than 40% since November 1994. The Canadian wheat harvest was forecast to increase by 1.7% to 900.2 million bushels. The return of the European Union and Australia to the export market could weaken

prices. Other notable vegetable product price increases in November were rubber (+18%) and raw tobacco (+7.5%).

Hog prices, after showing significant strength over the previous few months, declined almost 13% in November. But compared with November 1994, hog prices were still up 28%. Because hogs do not winter well, farmers have brought more hogs to market, pushing prices down. Also, higher November prices for cattle (+4.1%) dampened the overall monthly price decline for animals and animal products.

#### **Available on CANSIM: matrix 2009.**

The November 1995 issue of *Industry price indexes* (62-011, \$21/\$210) will be available at the end of January. See "How to order publications."

For further information on this release, contact Paul-Roméo Danis (613-951-3350, fax: 613-951-2848), Client Services Unit, Prices Division. □

**Raw materials price index**  
(1986=100)

	Relative importance	Nov. 1994	Oct. 1995 <sup>r</sup>	Nov. 1995 <sup>p</sup>	Nov. 1994 to Nov. 1995	Oct. 1995 to Nov. 1995
					% change	
<b>Raw materials price index (RMPI)</b>	<b>100.0</b>	<b>125.6</b>	<b>124.5</b>	<b>126.8</b>	<b>1.0</b>	<b>1.8</b>
Mineral fuels	31.7	107.2	100.6	104.6	-2.4	4.0
Vegetable products	10.3	119.2	127.5	132.2	10.9	3.7
Animals and animal products	25.5	104.1	111.7	110.7	6.3	-0.9
Wood	13.1	207.8	198.9	200.6	-3.5	0.9
Ferrous materials	3.6	120.2	120.9	119.6	-0.5	-1.1
Non-ferrous metals	13.2	140.8	135.4	139.7	-0.8	3.2
Non-metallic minerals	2.6	101.6	106.7	106.8	5.1	0.1
RMPI excluding mineral fuels	68.3	134.1	135.7	137.1	2.2	1.0

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.



## OTHER RELEASES

### Help-wanted index

December 1995

The help-wanted index decreased 1% in December to 92 (1991=100). The index has been on a downward trend since April 1995. Before that, it gained 15% in 1994 and remained stalled at 102 between November 1994 and March 1995.

The downward trend of recent months could be explained by a weakening economy: retail sales have dropped as have manufacturers' shipments and unfilled orders.

Compared with December 1994, the index for Canada dropped 10%, while the index declined in all regions except the Atlantic provinces, where it remained unchanged. The decreases were as follows: British Columbia (-13%), the Prairie provinces (-11%), Ontario (-9%) and Quebec (-4%).

**Note:** The help-wanted index is compiled from the number of help-wanted ads published in 22 newspapers in 20 major 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

(1991=100)

	Dec. 1995	Dec. 1994 to Dec. 1995	Nov. 1995 to Dec. 1995
	seasonally adjusted		
	% change		
<b>Canada</b>	<b>92</b>	<b>-10</b>	<b>-1</b>
Atlantic provinces	104	0	-1
Quebec	96	-4	0
Ontario	97	-9	-1
Prairie provinces	85	-11	-2
British Columbia	71	-13	-3

Available on CANSIM: matrix 105 (levels 8-10).

Help-wanted indexes for the metropolitan areas surveyed are available on request.

For further information on this release, contact Ruth Barnes (613-951-4046) or Carole Fraser (613-951-4039), Labour Division (fax: 613-951-4087, the Internet: labour@statcan.ca). ■



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## PUBLICATIONS RELEASED

### Rubber and plastic products industries, 1993

#### Catalogue number 33-250

(Canada: \$38; United States: US\$46; other countries: US\$54).

### Electric lamps, November 1995

#### Catalogue number 43-009

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

### Asphalt roofing, November 1995

#### Catalogue number 45-001

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

### Gas utilities, September 1995

#### Catalogue number 55-002

(Canada: \$16/\$160; United States: US\$20/US\$200; other countries: US\$23/US\$230).

### Labour force information, for the week ended December 16, 1995

#### Catalogue number 71-001P

(Canada: \$10/\$100; United States: US\$12/US\$120; other countries: US\$14/US\$140).

Available at 7:00 a.m. on Friday, January 5

### Education quarterly review, winter 1995, vol. 2, no. 4

#### Catalogue number 81-003

(Canada: \$20/\$66; United States: US\$24/US\$80; other countries: US\$28/US\$93).

### Science statistics: Research and development expenditures of private non-profit organizations, 1994. Vol. 19, no. 9

#### Catalogue number 88-001

(Canada: \$8/\$76; United States: US\$10/US\$92; other countries: US\$12/US\$107).

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