

These statistics assist merchants by permitting a comparison of their own operations with the average for their trade and enable them to assess the efficiency of their own phases of operation or indicate areas of operation where economies might be effected. Expenses were grouped into three sections—selling; warehouse and delivery; general and administrative—with a further classification of expense items under each function. Results were presented by sales-size groups for each trade. In addition to profit and loss data, information was obtained on sales composition, sales distribution, floor space, and other factors having a bearing on operating ratios.

### 20.—Operating Ratios for Selected Kinds of Wholesale Business, 1947

| Kind of Business                   | Cost of Goods Sold | Gross Profit | Selling Expense | Ware-house and Delivery Expense | General and Administrative Expense | Net Operating Profit <sup>1</sup> | Stock Turnover Rate <sup>2</sup> | Sales to Retailers |
|------------------------------------|--------------------|--------------|-----------------|---------------------------------|------------------------------------|-----------------------------------|----------------------------------|--------------------|
|                                    | p.c.               | p.c.         | p.c.            | p.c.                            | p.c.                               | p.c.                              | No.                              | p.c.               |
| Groceries.....                     | 91.93              | 8.07         | 1.31            | 2.17                            | 2.91                               | 1.68                              | 9.9                              | 92.5               |
| Fruit and vegetables.....          | 90.87              | 9.13         | 1.34            | 3.22                            | 3.21                               | 1.36                              | 62.0                             | 73.3               |
| Tobacco and confectionery.....     | 93.15              | 6.85         | 1.85            | 1.24                            | 2.08                               | 1.68                              | 20.0                             | 98.7               |
| Dry goods.....                     | 83.36              | 16.64        | 4.39            | 1.64                            | 6.10                               | 4.51                              | 6.4                              | 92.2               |
| Piece goods.....                   | 81.60              | 18.40        | 3.93            | 1.53                            | 5.40                               | 7.49                              | 5.0                              | 38.3               |
| Footwear.....                      | 87.36              | 12.64        | 3.95            | 1.56                            | 4.55                               | 2.58                              | 4.8                              | 97.3               |
| Automotive parts.....              | 75.52              | 24.48        | 6.76            | 3.61                            | 8.37                               | 5.74                              | 5.4                              | 69.2               |
| Hardware.....                      | 79.86              | 20.14        | 3.56            | 2.82                            | 7.15                               | 6.61                              | 4.0                              | 68.5               |
| Heating and plumbing supplies..... | 79.55              | 20.45        | 2.51            | 2.74                            | 6.34                               | 8.86                              | 6.3                              | 70.7               |
| Drugs.....                         | 87.23              | 12.77        | 2.44            | 2.42                            | 5.76                               | 2.15                              | 5.1                              | 84.8               |

<sup>1</sup> Before addition of miscellaneous income or deduction of income tax. divided by average of beginning and year-end inventories.

<sup>2</sup> Cost of goods sold

**Retail Trade.**—Canada's retail trade for 1948 has been estimated at approximately \$8,110,000,000. The year was a prosperous one for retail merchants and sales volume exceeded the 1947 total of \$7,138,000,000, by 14 p.c. Early indications are that a further, but smaller, increase occurred in 1949. On the basis of preliminary information it is estimated that trade in 1949 was approximately \$7,700,000,000.

Expansion of Canada's retail trade was shared by each of the kinds of business reporting. Price changes undoubtedly accounted for a substantial part of the gains in several sectors where heavy increases were evident such as in food, departmental and variety merchandising outlets. Continued expansion in the construction industry helped produce the demand for lumber and building materials, which at retail level showed a substantial gain over the previous year.

Early 1949 figures indicate some slackening in consumer buying for personal goods and household durables, with food and lumber and building materials sales holding firm. With increased production of new motor-vehicles, the automotive trades absorbed a greater portion of the consumer dollar.

Retail merchants in all provinces enjoyed an increased volume of sales in 1948. Oil developments and supplementary grain payments in Western Canada helped to stimulate activity in the Prairie Provinces where the largest gains were to be found.

In Table 21 the analysis by kinds of business has been recently modified, as shown below, and does not correspond with the presentation given in earlier Year Books. Comparison for the years 1947 and 1941, however, has been made on a comparable basis.