

17.—Operating Ratios of Wholesalers, for Selected Kinds of Business, 1949

NOTE.—All figures except stock turnover are percentages of net sales.

Kind of Business	Cost of Goods Sold	Gross Profit	Selling Expense	Ware-house and Delivery Expense	Administrative and General Expense	Net Operating Profit ¹	Stock Turnover Rate ²
	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	No.
Automotive equipment.....	74.82	25.18	6.86	4.19	8.90	5.23	4.6
Drugs.....	87.52	12.48	1.76	2.41	5.74	2.57	5.6
Footwear.....	87.22	12.78	3.83	1.86	5.61	1.48	4.5
Dry goods.....	84.27	15.73	4.40	2.18	6.81	2.34	5.0
Piece goods.....	84.07	15.93	4.11	1.86	6.67	3.29	4.3
Fruits and vegetables.....	89.43	10.57	1.86	3.82	3.76	1.13	40.4
Groceries.....	92.27	7.73	1.46	2.25	3.38	0.64	9.7
Hardware.....	80.74	19.26	4.01	2.95	7.06	5.24	4.4
Heating and plumbing supplies	80.93	19.07	2.55	2.38	6.97	7.17	6.7
Tobacco and confectionery...	92.86	7.14	2.00	1.32	2.33	1.49	19.5

¹ Before addition of other income or deduction of income tax.² Times per year—cost of goods sold divided by the average of beginning and year-end inventories.

Those trades whose sales included foods in one form or another had the smallest profit ratios, both gross and net. The lowest gross profit percentage was that for tobacco and confectionery wholesalers at 7 p.c. followed by grocery wholesalers with a gross profit of 8 p.c. and fruit and vegetable wholesalers with a gross profit of 11 p.c. In other cases gross profit ranged from 12 p.c. for drugs to 25 p.c. for automotive equipment.

Expenses also varied within a wide range in the different functions with administrative and general expenses greater than either selling or warehouse and delivery. Net profits were lowest in the food trades and ranged from 0.64 p.c. for grocery wholesalers to 7.17 p.c. for wholesalers of heating and plumbing supplies.

Subsection 2.—Retail Trade Statistics

From Canadian fields and farms, forests, mines, stockyards, factories and mills, from foreign lands through Canadian Atlantic and Pacific seaports, goods travel through innumerable channels to finally converge on the retail outlets before being dispersed again, but this time in small parcels made up to individual tastes for the consumer trade. Thus the retailer occupies an important place between producer and consumer and, in a real sense, is the keystone of the distribution arch, for it is through the retail outlets that every necessary operation of production for consumption is brought to its intended conclusion.

Retail Sales.—The volume of retail sales in Canada reached a peak in 1949, with total trade estimated at \$8,428,000,000, 7 p.c. higher than that attained in 1948 when sales totalled \$7,842,000,000. Corrections have not been made for changes in prices of consumer goods and dollar sales are, therefore, not indicative of changes in actual quantities of merchandise sold.

The motor-vehicle trade, with an aggregate volume of \$1,030,000,000, spearheaded the upward sales movement in recording a gain of 23 p.c. over 1948. Total sales for grocery and combination grocery and meat stores amounted to \$1,337,000,000 and gained 7 p.c. over 1948. Department stores ranked third with a total of \$856,000,000 and a gain of 6 p.c. over the previous year. The majority of the remaining trades showed increased sales volumes but, apart from the substantial gains recorded by motor-vehicle dealers and garages and filling stations, increases were of moderate proportions. Consumer commitments for automotive purchases probably caused some moderation in sales of other consumer goods.