

While dry cleaning remained the dominant revenue source for dry-cleaning and dyeing plants, rental services continued to increase, both in absolute terms and in relation to other sources of revenue, for power laundries. The \$55.5 million revenue from rental services reported by power laundries in 1970 represented 51.5% of total revenue as compared to 48.4% in 1969 and 28.0% in 1960.

The decline in revenues of power laundries and dry-cleaning and dyeing plants between 1968 and 1970 was felt in all provinces. The highest losses were recorded in Saskatchewan and New Brunswick — 12.7% and 10.3%, respectively — while Manitoba, with an almost negligible decline of 0.1%, showed the least effect of this change.

Advertising agencies. Billings of advertising agencies rose during 1970 to a new high of \$470.4 million, an increase of 3.1% from 1969. Advertising billings rose to \$462.7 million, up 2.8%, while billings for market surveys, research and other fees jumped 31.2% to \$7.6 million. Although gross revenues rose 5.1% in 1970 to \$82.9 million, net revenue reported by advertising agencies totalled only \$7.7 million, a decline of 18.3% from the record high of \$9.4 million posted in 1969 (Table 17.38).

Table 17.39 provides a breakdown of advertising billings by medium and by kind of service (media billings vs production charges) for 1969. The print and television media jointly accounted for \$367.5 million or 79.4% of total advertising billings, with radio (13.4%) and the other advertising media trailing far behind.

17.4.3 Merchandising inventories

An important function of merchandising is the exercise of control by the merchant over stocks held for resale. Seasonal variability in sales for most kinds of business is reflected in the seasonal differences in inventory holdings of marketable goods. Likewise, the expanding volume of both wholesale and retail sales is mirrored in growing levels of inventory investment. Table 17.40 is a consolidation of statistics on stocks held for resale in the retail and wholesale sectors, showing the quarter-to-quarter movement of stocks for selected categories of trade. Monthly estimates on dollar value of inventory held by wholesalers, department stores and chain stores, together with quarter-to-quarter percentage changes in sample stocks of independent retailers, are now available in a new Statistics Canada publication, *Merchandising inventories* (Catalogue No. 63-014). Stock-sales ratios, derived by dividing the dollar volume of inventories by the dollar volume of sales, are included also.

Changes in merchandising inventories between 1971 and 1972 varied over different kinds of business within the wholesale and retail sectors. In wholesale trade, in both the consumer and industrial goods categories, holdings of marketable stocks increased significantly. Department stores also experienced a strong 12.6% increase in stocks over this period, led by a 16.1% increase in stocks of furniture, TV, radio, and household appliances. In the retail chain store category, a decrease of 5.6% occurred in the grocery and other food group, while all other groups reported increases. In contrast to the other merchandising categories, the value of stocks held by independent retailers at year-end 1972 remained at precisely the same level as three months earlier. The normal seasonal decline in retail inventories following the Christmas sales period was offset by a sudden surge in stocks held by independent motor vehicle dealers during the final quarter of 1972.

17.4.4 Sales financing and consumer credit

Sales financing. A major change affecting the concept of values reported was made in the 1971 survey of sales financing in Canada. From January 1971, all values reported for paper purchases and balances outstanding were changed to a "net" basis, showing only the original amount financed and excluding all unearned income charges. This follows two important changes made in 1970. In January 1970, coverage was extended to include the sales financing done by consumer loan companies and, as well, a transfer was made of passenger cars known to be financed for commercial purposes, from the consumer goods to the commercial vehicles category. The comparability of data in 1970 and 1971 has been seriously affected by these changes.

In order to measure the effect of the last change, a special sample survey of sales finance companies was carried out for the month of December 1970. As a result, a comparison of 1970 and 1971 figures on a "net" basis was made possible. Total "net" balances outstanding of \$1,997 million in 1970 could therefore be seen to drop to \$1,943 million in 1971, a 1.7%