

Wholesalers are primarily engaged in buying merchandise for resale to retailers; to industrial, commercial, institutional and professional users; to farmers for farm use; to other wholesalers; or acting as agents in connection with such transactions. Businesses engaged in more than one activity, e.g. wholesaling and retailing or wholesaling and manufacturing, are considered to be primarily in wholesale trade if, and only if, the greater part of their gross margin (the difference between the total sales and the cost of goods sold) is due to their wholesaling activity.

Wholesale trade statistics give a measure of the total volume of Canadian wholesale trade, i.e. the total volume of trade (domestic and export sales) conducted by all wholesalers operating in Canada, whether they are Canadian-owned or subsidiaries of foreign companies. The total volume of trade measured by Statistics Canada cannot be equated with the value of goods passing through the wholesale sector of the economy because at times wholesale businesses sell to each other and thus the value of the same merchandise may be recorded more than once.

According to certain common characteristics each wholesale establishment and location (wholesale outlet) is assigned to one of the following types of operation: primary product dealers (grain, livestock, raw furs, fish, leaf tobacco, pulpwood, etc., including co-operative marketing associations); wholesale merchants (buying and selling goods on own account); agents and brokers (buying and selling goods for others on a commission basis); manufacturers' sales branches (wholesale businesses owned by manufacturing firms for marketing their own products); or petroleum bulk tank plants and truck distributors (wholesale distribution of petroleum products).

Wholesale merchants, one of the main types of operation, accounting for about 60% of the total wholesale volume of trade had estimated sales in 1974 of \$43,210 million up by 26.8% from the 1973 volume of \$34,081 million. Consumer goods trades accounted for \$18,866 million of the 1974 total volume of trade while the remaining \$24,344 million is in industrial goods trades, which showed an accelerated growth for the year of 35.7% as compared with the consumer group of 16.9%. Data for 1972-74 are given in Table 18.21.

Farm implement and equipment sales. Data are collected annually from manufacturers and importers active in the farm implement and equipment field. Dollar sales are reported at dealers' buying price before the deduction of dealers' cash discounts, value of trade-ins, volume or performance bonuses and export sales are excluded. The value of repair parts is excluded from Table 18.22 but their dollar value in 1974 of \$143.0 million was 33.3% greater than the \$107.3 million reported for 1973.

Farm equipment sales reached a low point in 1970 but in subsequent years have been showing a steady recovery. The two most important products were farm use tractors with a sales volume of \$212.5 million, representing 37.0% of the total sales volume of \$573.9 million, and harvesting machinery with sales of \$114.1 million or 19.9% of all farm implement and equipment sales in 1973.

Construction machinery and equipment sales include sales by Canadian distributors, direct sales by manufacturers to end-users (at actual final selling price) and revenue derived from the renting of equipment to users. In 1973 new machinery entering the market (by outright sale, first lease or rental) was valued at \$1,067.8 million, 31.6% above 1972 (Table 18.23). The sale of used machinery rose by 37.5% from \$129.8 million in 1972 to \$178.5 million in 1973. Rental income increased 31.8% from \$81.1 million to \$106.9 million. Of the \$1,067.8 million, \$330.9 million was accounted for by repair and consumable parts. The largest single item in terms of dollar sales was crawler-type tractors: 3,016 units entered the market for a value totalling \$148.3 million. Sales of new equipment by distributors totalled \$969.7 million, while sales by manufacturers amounted to \$98.1 million.

Diesel and natural gas engine sales. In 1973, 20,787 diesel engine units were sold in Canada for a total of \$176.2 million. In addition, 11,026 engine units were exported or re-exported with a value of \$55.8 million. In 1973, 784 natural gas engines were sold in Canada for a value of \$5.8 million.

18.1.5 Co-operatives

In 1973 the gross business volume of Canadian co-operatives reached \$3,565 million, \$773 million or 28% more than in the previous year. Part of the increase resulted from higher