traditional retailing outlets (Table 18.10). Major product lines handled by direct-selling businesses include dairy products ($246.6 million), newspapers ($185.2 million), cosmetics and costume jewellery ($149.9 million), household electrical appliances, including vacuum cleaners ($139.0 million), and dinnerware, kitchenware and utensils ($92.0 million).

Door-to-door selling is the best known of the various channels of direct selling and accounted for 59.1%, or $942.1 million, of the $1,593.4 million (Tables 18.10 and 18.11) spent on direct sales in 1976. Sales made by mail are another mode of direct selling by which specialized retailers contact the household consumer. In 1976, mail-order business accounted for 16.1%, or $256.9 million, of direct sales. Commodities which rely heavily on this channel of distribution include magazines and phonograph records (100% in each case), books (66.7%), clothing (41.0%), pharmaceuticals and medicines (11.4%). It should be noted that these figures of mail-order purchases do not include data on foreign mail-order sales made to Canadians or the mail-order sales of Canadian department stores.

Other methods of direct selling which bypass the regular retail outlet and are included in the approximate $1.6 billion total sales figure are sales made from showrooms and premises of manufacturing companies and primary producers (which in 1976 accounted for 18.8%) and the miscellaneous sales made from temporary roadside stands and market stalls, at exhibitions and shows, and purchases of meals and alcoholic beverages on airlines, ferries and railways (6.0%).

18.1.2 Sales financing and consumer credit

Sales financing. Ancillary to the retailing industry are the financial institutions which facilitate consumer instalment purchases, particularly of the more expensive consumer durables such as automobiles and household appliances. Separate statistics have for many years been maintained by Statistics Canada on the retail instalment financing undertaken by the sales finance industry, especially their participation in the financing of automobile purchases. The firms in this industry include independent sales finance companies, the sales finance company subsidiaries of car, truck and farm implement manufacturers, and the sales financing business of consumer loan companies.

Not reported in these statistics are the instalment sales financing done by acceptance companies which are the subsidiaries of, or which are associated exclusively with, large retailing organizations. The sales financing activity of these companies is regarded as an extension of the merchandising function, and their statistics are included with the accounts receivable reported by department stores and other retail merchandising establishments. At year-end 1976 about a dozen such acceptance companies reported accounts receivable of $1,353.6 million for purchases of consumer goods through their associated retail outlets.

By year-end 1976 the sales finance industry, as delineated above, held outstanding balances of $3,392 million covering the retail instalment financing of both consumer goods ($1,134 million) and commercial and industrial goods ($2,258 million) (Table 18.12). During the course of the year, the industry augmented its purchases of new finance paper by $2,804 million, $1,074 million of consumer goods paper and $1,730 million of commercial and industrial finance paper.

Since 1970 the composition of the portfolios of sales finance companies has shifted from a preponderance of consumer goods paper to an emphasis on commercial and industrial goods financing. The latter class of paper now comprises 66.6% of all paper whereas in 1970 it amounted to 49.5%. The financing of passenger car sales still plays a significant role in the activity of sales finance companies. At year-end 1976 these companies held balances of $1,326 million for this class of finance paper (including balances on new passenger cars acquired for business use such as taxis and commercial fleets) amounting to 39.1% of their total holdings. In Table 18.12 these business purpose passenger cars are shown as commercial vehicles. The chartered banks have also increased their participation in passenger car financing over the years and now hold balances of $4,401 million.