

industrial goods financing. The latter class of paper now comprises 69.8% 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 1978 these companies held balances of \$1,471 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 37.7% of their total holdings. In Table 19.12 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 \$5,741 million.

**Consumer credit.** Estimates of total consumer indebtedness for 1978 and selected earlier years are shown in Table 19.13. These estimates are based on the outstanding balances recorded in the books of various financial institutions, retail merchandising establishments, public utilities and other credit-granting organizations. The consumer credit extended to individuals and families for non-commercial purposes can be in the form of cash advances, or the provision of goods and services on credit or through use of credit cards, and is generally repaid by regular instalments which include interest and other finance charges. Statistics on consumer indebtedness exclude fully-secured bank loans, home-improvement loans, and long-term indebtedness such as residential mortgages. Data are not available on certain other forms of consumer credit such as interpersonal loans, bills owed to dentists and other professional practitioners, and to clubs or other personal service establishments. A survey of families and unattached individuals, *The distribution of income and wealth in Canada, 1977* (Statistics Canada Catalogue 13-570), showed that consumer debt accounted for 22% of all personal indebtedness, residential mortgages accounted for another 72%, and other miscellaneous debt accounted for the remaining 6%.

By the end of 1978 the total amount of balances outstanding with the above-mentioned selected holders amounted to \$35,762 million, an expansion of \$4,599 million, up 14.8% over the level reached at the end of 1977. Chartered banks, with outstanding balances of \$21,621 million, held 60.5% of total outstandings. Other major grantors of consumer credit were credit unions and caisses populaires with holdings of \$5,468 million, 15.2% of the total; sales finance and consumer loan companies with holdings of \$2,847 million, 8.0% of the total; and retail merchandising establishments with holdings of \$2,841 million, 7.9% of the total outstanding.

In the present situation in the consumer credit market, the cash-lending institutions — chartered banks, credit unions and caisses populaires, consumer loan companies and life insurance companies' policy loans — account for the overwhelming share (86.3%) of consumers' credit needs. This is in marked contrast to the situation in earlier years when consumer credit requirements were mainly serviced by department stores and other retail establishments and sales financing companies, which arranged and financed instalment credit for household effects and other consumer durables including passenger cars.

## Service trades

### 19.1.3

Service trades generally encompass those businesses, both commercial and non-commercial, which perform a service and in which the sale of goods constitutes only a minor function. Commercial service trades are classified generally into six principal groups: amusement and recreational services (such as movie theatres, bowling alleys, billiard parlours and health clubs); personal services (barber shops, beauty parlours, laundromats, laundry and dry cleaning and shoe repair shops); restaurant services (restaurants, take-out food shops, and other eating and drinking places); miscellaneous services (photographers, automobile and truck rentals and driving schools); services to business (lawyers, accountants, computer services, consultants, advertising agencies and media representatives); and accommodation services (hotels, motels and tourist camps). Non-commercial services include religious institutions, trade and professional associations, fraternal organizations and service clubs. Services related to education, health and finance are not included in this section. Automotive services, such as garages and other repair shops, are covered under retailing.