

their gross margin (the difference between the total sales and the cost of goods sold) is due to their wholesaling activity.

Wholesale trade statistics measure the total volume of Canadian wholesale trade, 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 and pulpwood, 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 account for about 60% of the total wholesale volume of trade and had estimated sales in 1978 of \$62,023 million, up 11.6% from the 1977 volume of \$55,576 million. Industrial goods trades accounted for \$33,725 million of the 1978 total volume of trade while the remaining \$28,298 million was in consumer goods trades. Data for 1976-78 are given in Table 19.18.

**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. In 1977 the dollar value of repair parts of \$161.7 million was 4.5% greater than the \$154.7 million reported for 1976.

Farm equipment sales declined by 0.8% to \$1,124.6 in 1977 after attaining a record level of \$1,134.0 million in 1976. The two most important products were farm tractors with a sales volume of \$430.6 million or 38.3% of total sales volume, and harvesting machinery with sales of \$245.2 million or 21.8% of all farm implement and equipment sales in 1977.

**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 renting equipment to users. In 1977 new machinery entering the market (by outright sale, first lease or rental) was valued at \$1,638.4 million, up 4.8% from 1976 (Table 19.20). The sale of used machinery rose by 10.8% from \$241.8 million in 1976 to \$268.0 million in 1977. Rental income increased 22.8% from \$123.5 million to \$151.6 million. Of the \$1,638.4 million, \$619.1 million was accounted for by repair and consumable parts. The largest single item in terms of dollar sales was crawler-type tractors: 2,351 units entered the market for a value totalling \$172.9 million. Sales of new equipment by distributors totalled \$1,505.6 million, while sales by manufacturers amounted to \$132.8 million.

**Diesel and natural gas engines** sold in Canada in 1977 totalled 20,583. This included 19,581 diesel engines, an increase of 7.6% from the 18,201 sold in 1976 (Table 19.21) and 1,002 natural gas engines. In addition, 20,779 diesel engines were exported or re-exported (compared to 17,523 in 1976); one natural gas engine was exported in 1977.

### Co-operatives

The rising level of co-operative business activity in Canada eased somewhat in 1977 along with the general economy. Aggregate dollar volume at \$6.5 billion was up 5% but the inflation rate was about 9.5% and real gross national product expanded at less than 3%. The cost price squeeze was a fact of life for many co-operatives as costs persistently outran prices.

On a component basis service revenue turned in the most impressive performance, up 19% with a major boost from British Columbia and Alberta riding a surge in medical