

is defined as one who operates one to three stores, even if he is a member of a voluntary group organization.

Table 17.2 provides data on the retail sales of chain and independent stores by kind of business in the years 1979-82 with percentage changes from year to year. For these years, chain stores played a dominant role in retailing in such kinds of business as combination (groceries and meat), department, general merchandise and variety stores. On the other hand, independent stores tend to predominate in other kinds of business such as grocery, confectionery and sundries stores, general stores, motor vehicle dealers, service stations, automotive parts and accessories stores, household furniture stores, pharmacies, patent medicine and cosmetics stores, florists, and sporting goods and accessories stores.

Independent stores were the largest segment of the retail trade in 1982, posting sales of \$54.9 billion or 56.2% of total trade while the market share held by the chain stores was 43.8% with sales of \$42.8 billion. Table 17.3 indicates that over a four-year period more than half of the 28 kinds of businesses have recorded a constant shift toward an increasing share of the market held by chain organizations. This was particularly accentuated in such groups as furniture, television, radio and appliance stores (up from 19.4% in 1979 to 33.1% in 1982) and grocery, confectionery and sundries stores (up from 19.0% in 1979 to 27.1% in 1982).

### 17.1.2 Department stores

Department stores are known as general merchandise stores carrying different lines of commodities such as wearing apparel, furniture, appliances and home furnishings and could also include hardware, toiletries, cosmetics, photographic equipment, jewellery, toys and sporting goods, with no one merchandise line representing more than 50% of the total revenue. Within the retail location the goods are usually displayed to customers by arranging them in distinct departments and the accounting is done on a departmental basis.

Table 17.4 shows data on department stores for 1979-82. With retail sales of \$10.2 billion in 1982, department stores alone represent 10.5% of the total retail activity, the fourth biggest component of the retail trade after combination stores (20.4%), motor vehicle dealers (14.8%) and the all other stores group (12.2%). Facing strong competition by other chain stores eager to maintain or increase their market share during the precarious economic conditions that prevailed in 1982, department store organizations had declines in both their market share (down from 10.8% in 1981) and sales level (down \$10 million from 1981). Junior department stores, defined as retailing entities selling the same wide range of goods sold in the more traditional major department stores but popularly described as discount operations, had

sales of \$3.6 billion, up 3.1% from 1981. Major department store organizations recorded total sales of \$6.6 billion, down 1.8% from 1981.

At the department level, 21 of the 40 departments covered by the Statistics Canada survey recorded lower sales than in 1981, with the largest decreases in furniture (-15.1%), major appliances (-12.0%) and piece goods (-9.2%). Major gains were reported in millinery (10.5%), women's and girls' hosiery (10.4%) and in toiletries, cosmetics and drugs (7.9%).

In the 1970s the rate of concentration in this kind of business had accelerated with the number of department store organizations shrinking due to closure or amalgamation. This tendency seems to have stopped in 1982 when 25 firms were counted as department store organizations, the same number as in 1981. But the organizations continued a geographical expansion in an effort to reach more customers and the number of retail locations rose from 787 stores at the end of 1981 to 803 in December 1982, an increase of 16 stores.

Of the 25 department store organizations surveyed, 19 were considered major department store organizations in 1982, operating a total of 343 stores. Six firms were considered junior department store organizations and operated in 460 locations.

### 17.1.3 New motor vehicle sales

Because of the tremendous importance of the automobile industry in Canada, retail sales of new cars in Canada constitute one of the leading economic indicators of the health of the national economy, accounting for one of the largest components of total personal spending for consumer goods and services in the gross national product. Consumer wariness in 1982 about the economy, when interest rates reached a summit, was largely reflected in the sales figures of such price-sensitive commodities as new cars. Table 17.5 shows that the constant decline from 1979, recorded in new motor vehicle sales in terms of units, was accentuated in 1982 with total sales dropping by 22.7% from 1,190,882 units sold in 1981 to 920,902 units in 1982. For the first time in a 10-year period, dollar sales fell 17.6% from \$11.9 billion in 1981 to \$9.8 billion in 1982. Commercial vehicles were the category most affected by the recession when sales dropped by 27.6% from 1981 to 207,421 units. Passenger cars sales decreased 21.1% to 713,481 units.

In this sector of the economy a major turnaround in consumer habits and attitudes was induced by the energy crisis (the two successive oil price shocks) in the 1970s and the unprecedented growth in world trade of automobiles. In a major transformation Canadian preferences shifted toward smaller, more fuel-efficient cars. In 1982, a total of 224,046 new passenger cars manufactured overseas were sold in Canada, accounting for 31.4% of the 713,481 units sold. This phenomenon was judged serious enough