

personal and household services major groups. Generally, the services are consumed by individuals, although business demand can be significant, as in the case of linen supply.

The amusement and recreation, and personal and household services major groups had combined earnings of \$8 billion from 52,000 businesses, according to estimates for 1986. Amusement and recreation, with over 16,000 companies, had earnings of \$4.5 billion (over a third of which originated in the motion picture production, distribution and exhibition industries). Small businesses, generating less than \$250,000 in sales, accounted for 84% of the businesses in the industry group, and earned 19% of the total income. By comparison, in the personal and household services major group, nearly 95% of the businesses earned less than \$250,000, yet they generated almost half of the total revenue.

Table 17.10 presents total revenue and number of businesses for 1984 to 1986, for the industries included in these two major groups.

17.2.3 Food and beverage service industry

In January 1980, a sample survey of the food and beverage service industry was introduced by Statistics Canada to produce monthly estimates of receipts for licensed, unlicensed and take-out restaurants, and for caterers and taverns.

In 1987, restaurant, caterer and tavern receipts were estimated at \$14.2 billion, an increase of 10% over the 1986 estimate of \$12.9 billion. The 1987 estimate for licensed restaurants was \$6.3 billion; unlicensed restaurants, \$4.1 billion; take-out restaurants, \$1.8 billion; caterers, \$1.1 billion; and taverns, \$1.0 billion. More detailed information is available monthly in the Statistics Canada publication 63-011, *Restaurants, Caterers and Taverns*.

17.3 Wholesale trade

Wholesalers are primarily engaged in buying merchandise for resale to retailers; to industrial, commercial, institutional and professional users; to other wholesalers; to farmers for use in farm production; or for export. Or they act as agents in connection with such transactions. Businesses engaged in more than one activity, such as wholesaling and retailing or wholesaling and manufacturing, are considered to be primarily in wholesale trade 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 measure the total volume of trade conducted by all wholesale

businesses operating in Canada, whether they are Canadian-owned or subsidiaries of foreign companies and include both domestic and export sales. 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 two principal types of operation:

Wholesale merchants — establishments or locations primarily engaged in buying and selling goods on their own account. Included in this category are wholesalers known as: drop shippers or desk jobbers, export merchants, import merchants, mail-order wholesalers, rack jobbers or voluntary general wholesale distributors.

Agents and brokers — establishments or locations primarily engaged in buying or selling, on a commission basis, products owned by others. They may be known as an auction company, commission merchant, import agent or broker, export agent or broker, manufacturer's agent, purchasing agent or resident buyer and selling agent.

17.3.1 Wholesale merchants

Preliminary data for 1986 placed the total volume of trade (merchants and agents) at \$235.2 billion, up slightly from \$231.7 billion reported in 1985. Wholesale merchants accounted for approximately 85% of the volume of trade in both years, \$199.7 billion in 1986 and \$195.3 billion in 1985. The most noticeable increases in the volume of trade were reported by wholesalers of household furniture and house furnishings (17.6%), apparel and dry goods (17.4%), lumber and building materials (16.5%) and electrical machinery, equipment and supplies (15.7%). Contrasted to these increases were significant decreases reported in 1986 over 1985 by wholesalers of coal, coke and petroleum products (-22.4%), farm products (-8.8%), and wholesalers of paper and paper products (-1.7%). With these decreases, the 1986 volume of trade rose only 2.2% over 1985.

Wholesalers of electrical, farm and industrial machinery accounted for 20.3% of the total volume of trade in 1986. The previous year, the same group accounted for 19.3%. The food group, which had reached 16.0% in 1985, increased its share slightly to 16.7% in 1986. The share of dealers in petroleum products (including coal and coke) declined to 11.6% in 1986, compared with 15.3% in 1985, while the share of