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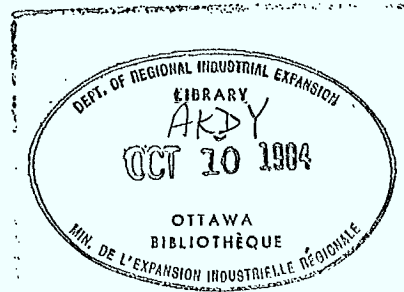
1983

STAT. PROFILE OF
SMALL BUSINESS IN
CANADA



STATISTICAL PROFILE OF SMALL BUSINESS IN CANADA

1983



SMALL BUSINESS SECRETARIAT

DEPARTMENT OF REGIONAL INDUSTRIAL
EXPANSION

Statistical Profile of Small Business in Canada 1983

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Message from the Minister

This statistical profile, prepared by the Small Business Secretariat, Department of Regional Industrial Expansion, depicts trends which demonstrate the significant social and economic contribution made by small businesses in recent years. It is designed to improve an understanding of the small business sector in Canada and to show its vital role in generating output and employment.

It is intended to be of benefit to business associations, policy researchers in federal and provincial governments, and researchers in general.

I want to thank the personnel of Statistics Canada for their co-operation in providing the source data required for the preparation of this publication.

David Smith
Minister of State (Small Business and Tourism)

Introduction and Methodology

Small business is an integral part of the industrial and commercial fabric of nations, making substantial contributions to their economic development. Canada is no exception. There is general recognition and agreement that a viable and competitive small business sector is essential for continued Canadian economic and industrial development.

The purpose of this statistical profile is to provide an overview of smaller businesses in the context of the Canadian economy and to highlight their contribution to the creation of output, employment and economic growth.

Data Sources

The statistics in this publication were, unless otherwise stipulated, developed using source data from Statistics Canada. Specifically, data were obtained from the Business Finance Division and the Tax Record Access Sub-Division. The data was derived by Statistics Canada from representative samples of unincorporated and incorporated businesses' tax returns.

Comparability Over Time

The figures for the 1972-80 period were not compiled in precisely the same manner in each year; some differences in methodology and coverage occur. However, it is the view of the Small Business Secretariat that these differences do not have significant effect on the overall trendline depicted in the tables.

Size Categories

The relative size of businesses can be discussed in terms of a variety of attributes, such as assets, sales, number of employees and types of ownership.

The definition of sales is somewhat different for unincorporated and incorporated businesses. For unincorporated businesses, sales consist of total reported gross business income. Generally this does not include investment, rental or employment income which are reported separately by the owner. For incorporated businesses, all major revenues, including corporate dividends may, depending on the particular industry sector, be included in sales.

Unincorporated businesses reporting less than \$10 000 in annual gross business income were not considered full-time businesses and, therefore, were excluded from the tables.

Five sales classes were selected to provide a continuum of small, medium and large businesses. These sales classes are:

- Class 1 - Annual sales up to \$50 000
- Class 2 - Annual sales between \$50 000 and \$250 000
- Class 3 - Annual sales between \$250 000 and \$2 000 000
- Class 4 - Annual sales between \$2 000 000 and \$20 000 000
- Class 5 - Annual sales greater than \$20 000 000.

Where possible, statistics are provided for all five classes. However, in some cases classification constraints require that one or more of the sales classes be collapsed.

To facilitate the statistical analysis, small businesses have arbitrarily been described as those businesses with sales of under \$2 million. Medium-sized businesses are those with sales between \$2 and \$20 million whereas large businesses are those with sales of more than \$20 million.

Employment estimates are provided, for 1980, by three employee size groups: less than 50 employees, 50 to 499 employees and 500 and over employees. These groupings are not equivalent to the sales size categories mentioned above and represent another way to view the relative size of businesses.

Industry Classifications and Breakouts

The industrial sectors used in this publication were derived from the 1970 Standard Industrial Classifications employed by Statistics Canada. The finance sector was not examined in a separate sales profile because of the sales class allocation errors that can occur in that sector. For example, the value of sales, as reported by holding companies, consists mainly of dividends paid by business entities that are under the umbrella of the holding company. That specific holding company would appear in a sales class that reflected profits, rather than the intended attribute sales. The extent of industrial detail provided in each table varies with the data available in each case. Thus Table 17 shows, for instance, data for only four sectors whereas Tables A1-All show data for 28 industries.

Provincial Profile

Smaller-sized businesses are classified according to their province of location and operation, as reported on tax forms. However, a problem arises when this same protocol is applied to medium and large businesses; i.e., larger businesses often operate in more than one province and the tax source data may not reflect this. Sales of medium and large businesses are thus not provided at the provincial level of disaggregation.

Gross Domestic Product - Commercial Components

The commercial sector components of GDP here consist of pre-tax operating profits, capital consumption allowances and wages and salaries (including fringe benefits). The estimates of the distribution by size and industry classification of commercial sector components of GDP are derived from tax data for all incorporated and unincorporated business operations.

CHAPTER ONE

Overview

There were 775 661 businesses in all industry sectors in Canada in 1980. This number compares with a total of 537 738 businesses in 1972 - an increase of 44 per cent. Almost 95 per cent of the additional 237 923 businesses comprised businesses having less than \$2 million in annual sales.

The total annual volume of sales increased from \$193.6 billion to \$581.9 billion from 1972 to 1980. This amounts to an increase of 201 per cent in terms of current dollars. However when adjustments are made for inflation the increase in real terms is only 53.8 per cent. The table below summarizes the changes by sales class in constant 1972 dollars.

<u>Sales Class</u> ((\$000))	<u>1972</u>		<u>1980</u>	
	<u>Sales</u> <u>millions of \$</u>	<u>%</u>	<u>Sales</u> <u>millions of</u> <u>constant 1972 \$</u>	<u>%</u>
0 - 2,000	51 300.8	26.5	81 566.7	27.4
2 000 - 20 000	142 287.4	73.5	56 501.3	20.0
20 000+			159 620.7	52.6
TOTAL	193 588.4	100.0	297 688.7	100.0

The above data exclude unincorporated firms engaged in the following types of economic activities: farming, fishing, professional practices, commission sales totalling approximately 450 000 entities in 1980. These are depicted in the table below. Also excluded are: unincorporated firms reporting less than \$10 000 in sales, and selected industry groups considered to be out of scope, such as investment holding companies and financial institutions. These latter two groups totalled approximately 400 000 entities in 1980.

	<u>1972</u>		<u>1980</u>	
	<u>Number</u>	<u>Income</u> <u>(millions of \$)</u>	<u>Number</u>	<u>Income</u> <u>(millions of \$)</u>
Farmers	142 456	990.7	276 523	3 668.1
Fishermen	16 409	106.4	39 138	422.5
Self-employed Professionals	59 674	1 714.4	104 818	4 201.0
Self-employed Salesmen	21 028	210.4	33 588	480.5
TOTAL	239 567	\$3 021.9	454 067	\$8 772.1

Source: Taxation Statistics, Revenue Canada

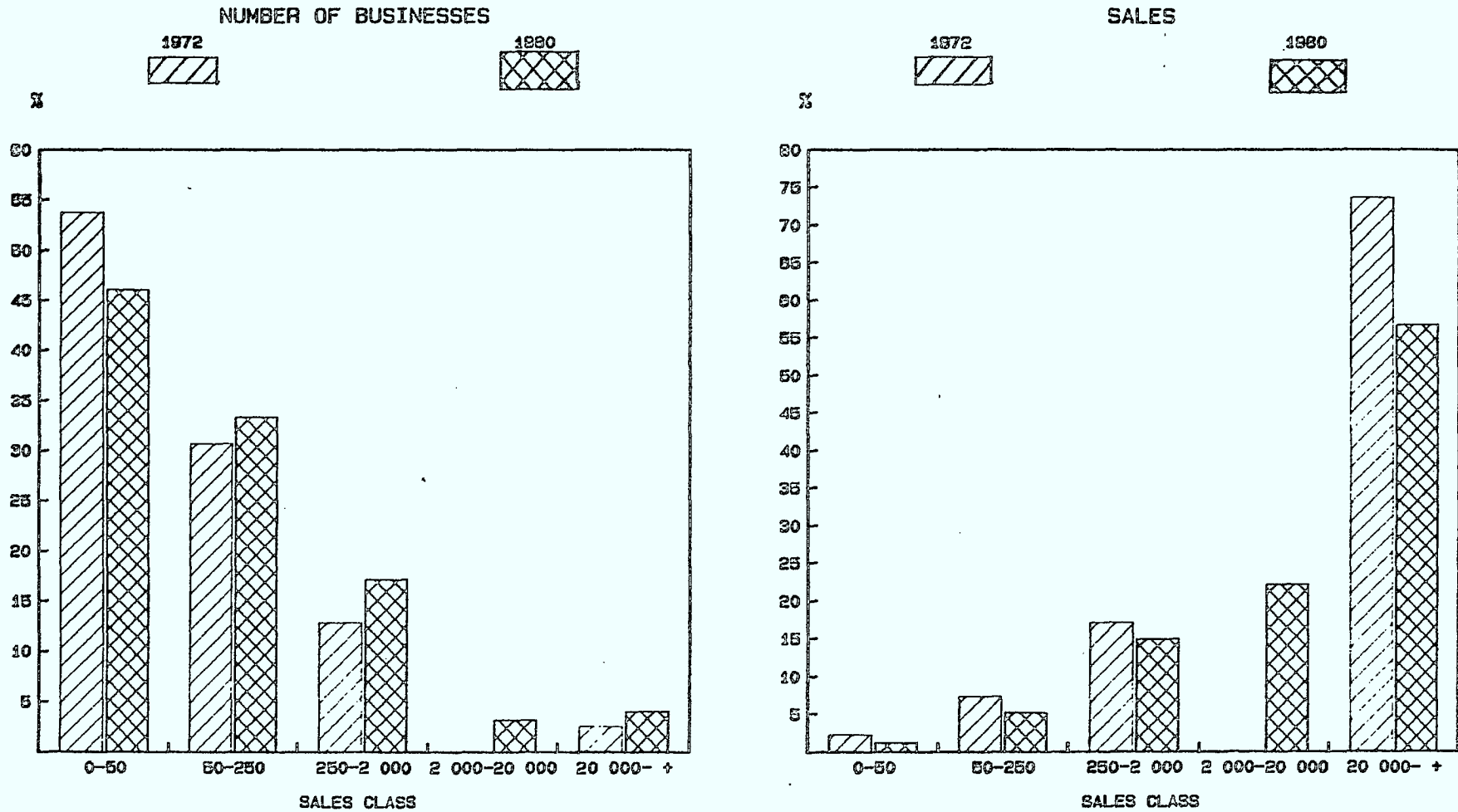
TABLE 1
PROFILE OF ALL BUSINESSES FOR VARIOUS SALES CLASSES
FOR ALL CANADA: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of current dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	288 752	332 381	314 246	344 721	356 952	4 258.9	6 379.4	6 489.6	7 204.2	6 978.0
50-250	164 548	187 831	217 962	240 602	258 022	14 131.9	21 455.6	25 171.8	27 994.0	30 070.9
250-2 000	68 830	78 765	95 799	114 958	132 803	32 910.0	49 995.2	60 320.0	73 605.4	86 703.4
2 000-20 000			16 635	20 972	25 175			90 655.0	109 281.3	128 679.6
	13 443	15 070				142 287.4	216 344.5			
20 000+			1 781	2 338	2 710			192 959.2	271 448.1	329 463.3
TOTAL	537 738	614 047	646 423	723 591	775 661	193 588.4	294 173.7	375 595.6	489 532.9	581 895.3

Source: Small Business Statistics, Statistics Canada

FIGURE 1

PROFILE OF ALL BUSINESSES FOR VARIOUS SALES CLASSES FOR ALL CANADA
1972 - 80



SOURCE: BUSINESS FINANCE DIVISION, STATISTICS CANADA, TAX RECORD ACCESS SUB-DIVISION, STATISTICS CANADA

TABLE 2
PROFILE OF SMALL BUSINESSES FOR NEWFOUNDLAND: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	3 215	4 224	4 105	4 260	4 329	52.7	81.8	94.7	97.6	102.4
50-250	2 008	2 645	2 721	3 493	3 795	195.1	298.1	327.8	398.6	445.7
250-2 000	839	1 103	1 303	1 635	1 919	284.9	433.4	854.7	1 006.9	1 247.5
TOTAL Small Businesses	6 062	7 972	8 129	9 388	10 043	532.7	813.3	1 277.2	1 503.1	1 795.6

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)

PROFILE OF SMALL BUSINESSES FOR PRINCE EDWARD ISLAND: 1972-80

<u>Sales Class</u> (\$000)	<u>Number of Businesses</u>					<u>Sales</u> (millions of dollars)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	1 044	1 335	1 298	1 433	1 476	16.3	24.9	27.0	35.5	31.2
50-250	607	778	891	1 088	1 047	61.6	93.6	105.2	138.5	127.0
250-2 000	273	349	459	571	555	133.6	202.9	226.9	331.9	348.5
TOTAL Small Businesses	1 924	2 462	2 648	3 092	3 078	211.5	321.4	359.1	505.9	506.7

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)

PROFILE OF SMALL BUSINESSES FOR NOVA SCOTIA: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	8 114	9 926	9 090	8 953	8 900	117.9	188.1	194.4	255.5	197.1
50-250	4 191	5 131	7 104	6 461	6 864	364.9	577.8	818.1	1 077.5	802.2
250-2 000	1 586	1 941	2 361	3 035	3 304	780.4	1 224.6	1 450.4	1 869.1	2 088.5
TOTAL Small Businesses	13 891	16 998	18 555	18 449	19 068	1 263.2	1 990.5	2 462.9	3 202.1	3 087.8

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)

PROFILE OF SMALL BUSINESSES FOR NEW BRUNSWICK: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	6 641	8 934	5 661	8 142	7 897	106.9	165.0	186.5	173.7	179.2
50-250	3 465	4 670	6 168	5 654	5 993	345.5	528.5	719.9	661.1	703.5
250-2 000	1 224	1 644	2 283	2 495	2 867	687.6	1 042.0	1 399.1	1 534.1	1 833.0
TOTAL Small Businesses	11 330	15 248	14 112	16 291	16 757	1 140.0	1 735.5	2 305.5	2 368.9	2 715.7

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)
PROFILE OF SMALL BUSINESSES FOR QUEBEC: 1972-80

<u>Sales Class</u> <u>(\$000)</u>	<u>Number of Businesses</u>					<u>Sales</u> <u>(millions of dollars)</u>				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	68 222	69 714	66 513	73 891	69 432	1 041.5	1 546.0	1 428.1	1 602.9	1 567.1
50-250	41 038	41 935	49 842	58 541	63 151	3 645.3	5 476.0	5 813.5	6 899.8	7 494.3
250-2 000	17 774	18 163	24 919	28 572	33 921	8 852.8	13 357.4	16 032.3	18 467.1	22 049.4
TOTAL Small Businesses	127 034	129 812	141 277	161 004	166 505	13 539.6	20 379.4	23 273.9	26 969.8	31 110.8

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)

PROFILE OF SMALL BUSINESSES FOR ONTARIO: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	103 281	120 386	114 766	127 598	112 456	1 571.9	2 323.6	2 328.4	2 632.0	2 446.8
50-250	59 988	69 834	79 276	84 010	86 264	5 265.9	7 946.9	9 137.4	9 721.5	10 013.9
250-2 000	25 626	29 974	34 689	41 596	44 549	12 732.7	19 248.5	22 063.4	26 968.9	29 353.0
TOTAL Small Businesses	188 895	220 194	228 731	253 204	243 268	19 570.5	29 519.0	33 529.2	39 322.4	41 813.7

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)

PROFILE OF SMALL BUSINESSES FOR MANITOBA: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	11 860	13 890	13 728	15 333	13 916	165.5	255.5	278.5	315.7	300.9
50-250	6 074	7 121	7 871	9 772	10 064	531.4	804.8	894.8	1 137.5	1 164.8
250-2 000	2 555	2 990	3 599	4 455	4 814	1 228.3	1 864.7	2 267.8	2 798.7	3 178.8
TOTAL Small Businesses	20 489	24 001	25 198	29 560	28 794	1 925.2	2 925.0	3 441.1	4 251.9	4 644.6

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)

PROFILE OF SMALL BUSINESSES FOR SASKATCHEWAN: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	10 766	12 640	11 557	13 171	12 886	168.0	253.8	256.9	287.6	292.6
50-250	5 975	7 021	8 114	9 837	9 957	531.2	806.3	937.2	1 138.4	1 159.0
250-2 000	1 163	2 424	3 256	4 174	4 971	981.1	1 492.7	2 014.9	2 652.3	3 141.8
TOTAL Small Businesses	17 904	22 085	22 927	27 182	27 814	1 680.3	2 552.8	3 209.0	4 078.3	4 593.4

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)
PROFILE OF SMALL BUSINESSES FOR ALBERTA: 1972-80

<u>Sales Class</u> <u>(\$000)</u>	<u>Number of Businesses</u>					<u>Sales</u> <u>(millions of dollars)</u>				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	27 672	32 874	33 395	40 165	40 213	406.5	625.3	680.8	836.2	863.7
50-250	13 836	16 419	20 979	26 602	30 557	1 219.6	1 884.8	2 428.7	3 106.9	3 500.2
250-2 000	6 041	7 185	9 730	13 269	15 773	2 918.3	4 495.5	6 081.1	8 664.3	10 513.9
TOTAL Small Businesses	47 549	56 478	64 104	80 036	86 533	4 544.4	7 005.6	9 190.6	12 607.4	14 877.8

Source: Small Business Statistics, Statistics Canada

TABLE 2 (Cont'd)
PROFILE OF SMALL BUSINESSES FOR BRITISH COLUMBIA: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	39 845	48 429	51 027	51 744	46 061	589.5	904.6	1 011.1	1 036.4	987.0
50-250	21 559	26 172	34 918	35 026	39 692	1 931.0	2 997.0	3 962.5	4 023.9	4 575.2
250-2 000	8 467	10 252	13 150	15 102	19 391	4 045.0	6 266.3	7 892.7	9 340.8	12 342.5
TOTAL Small Businesses	69 871	84 853	99 095	101 872	105 144	6 565.5	10 167.9	12 866.3	14 401.1	17 904.7

Source: Small Business Statistics, Statistics Canada

TABLE 3

ESTIMATED PERCENTAGE DISTRIBUTION OF SMALL BUSINESSES AND SALES BY PROVINCE: 1972-80

Province	<u>% Businesses</u>					<u>% Sales</u>				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
Newfoundland	1.2	1.4	1.3	1.3	1.4	1.0	1.1	1.4	1.4	1.5
P.E.I.	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4
N.S.	2.8	2.9	3.0	2.6	2.7	2.5	2.6	2.7	2.9	2.5
N.B.	2.2	2.6	2.3	2.3	2.4	2.2	2.2	2.5	2.2	2.2
Québec	25.2	22.5	22.6	23.1	23.5	26.6	26.4	25.3	24.7	25.3
Ont.	37.4	38.0	36.6	36.2	34.4	38.4	38.1	36.5	36.0	33.9
Manitoba	4.1	4.1	4.0	4.2	4.2	3.8	3.8	3.7	3.9	3.8
Sask.	3.5	3.8	3.7	3.9	3.9	3.3	3.3	3.5	3.7	3.7
Alta.	9.4	9.7	10.3	11.4	12.2	8.9	9.0	10.0	11.5	12.1
B.C.	13.8	14.6	15.9	14.6	14.8	12.9	13.1	14.0	13.2	14.6
CANADA	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number	504 949	580 103	624 776	700 078	709 255	Sales \$51 300.8	77 410.4	91 914.8	109 210.9	123 050.6

(millions of dollars)

Source: Small Business Statistics, Statistics Canada

NOTES: Small businesses referred to here are those businesses with less than \$2 million in annual sales.
Yukon and NWT are included in the figures for British Columbia.

ESTIMATED PERCENTAGE DISTRIBUTION OF SMALL BUSINESSES AND SALES BY PROVINCE: 1972 - 80

FIGURE 2

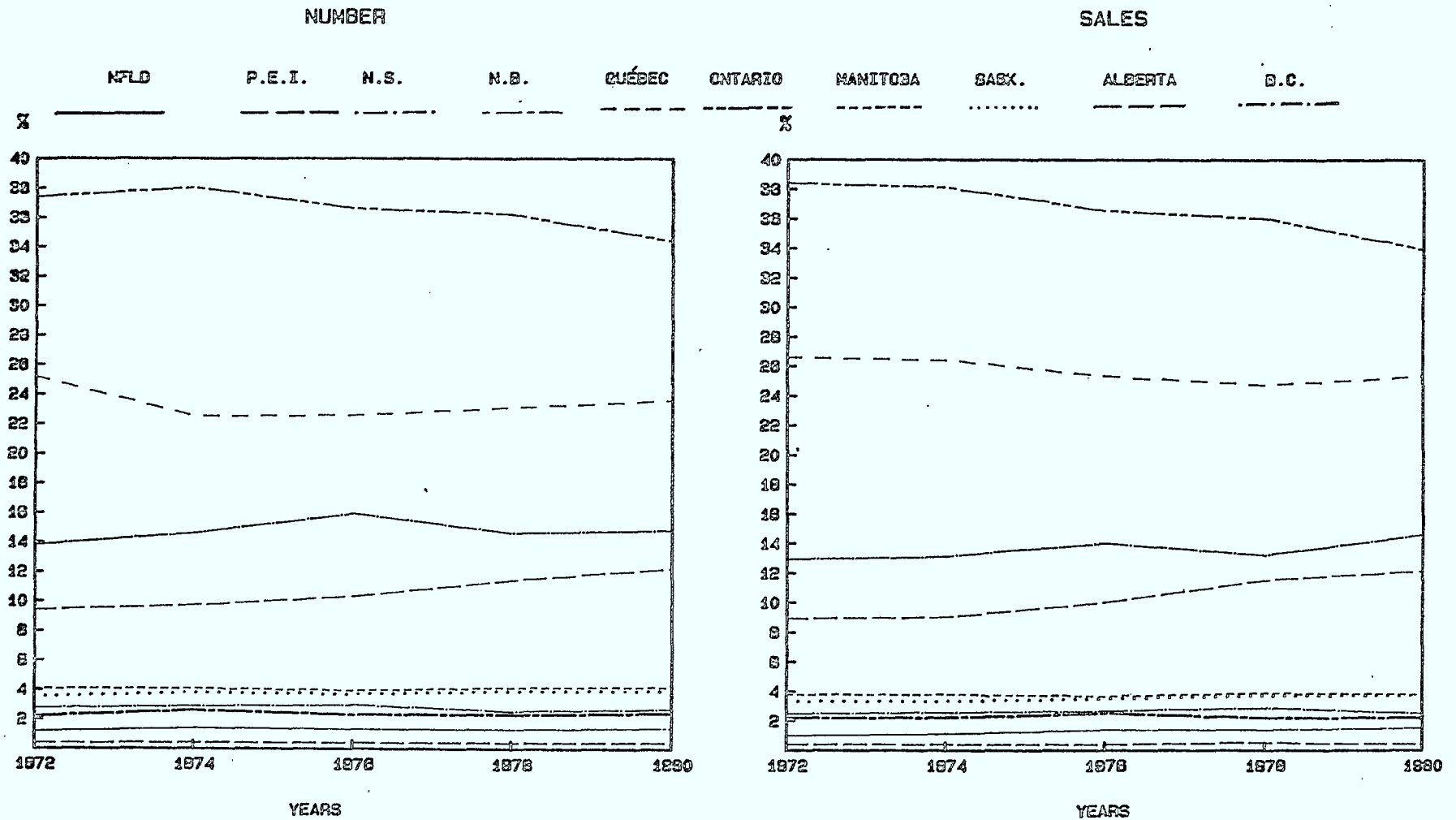


TABLE 4
PROFILE OF THE MANUFACTURING SECTOR FOR VARIOUS SALES CLASSES: 1972-1980

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	9 307	9 447	10 743	12 945	14 588	195.7	121.3	396.4	277.0	320.8
50-250	11 234	10 373	12 974	12 680	15 148	1 043.8	1 021.2	2 114.3	1 584.4	1 885.2
250-2 000	8 139	10 820	9 405	12 548	14 484	4 827.5	7 766.9	9 778.2	9 625.1	11 188.9
2 000-20 000	2 994		3 458	4 949	6 166	13 634.3		27 616.9	28 525.9	35 141.1
		4 760					87 952.3			
20 000+	515		594	912	1 159	45 534.7		92 232.5	122 444.5	155 058.3
TOTAL	32 189	35 400	37 174	44 034	51 508	65 236	96 861.7	132 138.3	162 456.9	203 594.3

Source: Small Business Statistics, Statistics Canada

Note: Medium and large size groups for 1974 available only on a combined basis.

TABLE 4 (Cont'd)

PROFILE OF THE CONSTRUCTION SECTOR FOR VARIOUS SALES CLASSES: 1972-80

<u>Sales Class</u> (\$000)	<u>Number of Businesses</u>					<u>Sales</u> (millions of dollars)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	34 359	49 562	46 812	55 598	62 183	456.0	339.8	914.3	1 060.7	1 472.8
50-250	23 981	25 412	32 673	38 334	45 060	1 550.2	1 811.6	3 108.8	4 302.1	5 028.8
250-2 000	10 308	11 143	14 043	15 141	18 659	3 716.4	6 369.3	7 451.7	9 441.8	11 952.3
2 000-20 000	1 402		1 911	2 072	2 679	3 944.5		7 908.9	2 607.9	12 451.1
		1 578					8 573.3			
20 000+	70		95	82	119	1 732.8		3 474.4	3 792.2	5 742.9
TOTAL	70 120	87 695	95 534	111 227	128 701	11 400.2	17 094	22 858.1	21 205.7	36 648.0

Source: Small Business Statistics, Statistics Canada

Note: Medium and large size groups for 1974 available only on a combined basis.

TABLE 4 (Cont'd)

PROFILE OF THE TRADE SECTOR FOR VARIOUS SALES CLASSES: 1972-80

<u>Sales Class</u> (\$000)	<u>Number of Businesses</u>					<u>Sales</u> (millions of dollars)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	51 622	65 389	55 246	65 176	71 467	596.5	424.8	1 119.8	1 484.7	1 612.4
50-250	68 161	70 346	72 946	82 814	90 419	4 235.4	4 147.1	7 950.4	10 262.2	11 371.5
250-2 000	39 761	35 322	42 552	50 655	62 213	12 586.3	18 864	23 627.4	32 216.7	40 584.9
2 000-20 000	7 017		7 509	8 911	11 763	18 074.0		33 929.3	45 090.8	59 007.0
		6 592					66 573.1			
20 000+	501		536	697	943	24 158.3		45 351.1	66 502.3	97 416.0
TOTAL	167 062	177 649	179 789	208 253	236 806	59 650.2	90 109.3	111 978.0	155 546.6	209 991.9

Source: Small Business Statistics, Statistics Canada

TABLE 4 (Cont'd)
PROFILE OF THE SERVICE SECTOR FOR VARIOUS SALES CLASSES: 1972-80

<u>Sales Class</u> (<u>\$000</u>)	<u>Number of Businesses</u>					<u>Sales</u> (<u>millions of dollars</u>)				
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
0-50	60 188	81 775	76 167	79 752	84 441	420.5	567.7	924.1	1 724.2	1 829.4
50-250	34 470	34 610	43 620	51 332	56 111	1 227.3	2 064.1	2 696.5	4 576.9	6 251.2
250-2 000	10 992	9 354	13 910	16 274	19 294	1 985.7	3 908	4 362.8	9 365.7	11 343.7
2 000-20 000	960		1 215	1 418	1 722	2 027.2		4 453.6	6 519.7	7 506.6
		778					4 369			
20 000+	107		135	84	90	1 234.3		2 711.6	5 878.7	7 493.1
TOTAL	106 717	126 515	135 047	148 860	161 660	6 895.0	10 908.9	15 148.6	28 065.2	34 424.0

Source: Small Business Statistics, Statistics Canada

TABLE 5
PERCENTAGE DISTRIBUTION OF VARIOUS INDUSTRIES, CANADA 1972-80

Sector	<u>Per cent of Business</u>					<u>Per cent of Sales</u>				
	1972	1974	1976	1978	1980	1972	1974	1976	1978	1980
Manufacturing	6.0	5.8	5.8	6.1	6.5	33.7	32.9	35.2	33.2	28.3
Construction	13.0	14.3	14.8	15.4	15.7	5.9	5.8	6.1	4.3	5.6
Trade	31.1	28.9	27.8	28.8	29.5	30.8	30.6	29.8	31.8	33.7
Services	19.9	20.6	20.9	20.6	22.6	3.6	3.7	4.0	5.7	6.3
Other Sectors	30.0	30.4	30.7	29.1	25.7	31.0	27.0	24.9	25.0	26.1
All Businesses	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Small Business Statistics, Statistics Canada

PERCENTAGE DISTRIBUTION OF VARIOUS INDUSTRIES, CANADA, 1972 - 80

FIGURE 3

NUMBER

SALES

MANUFACTURING

CONSTRUCTION

TRADE

SERVICES

OTHER SECTORS

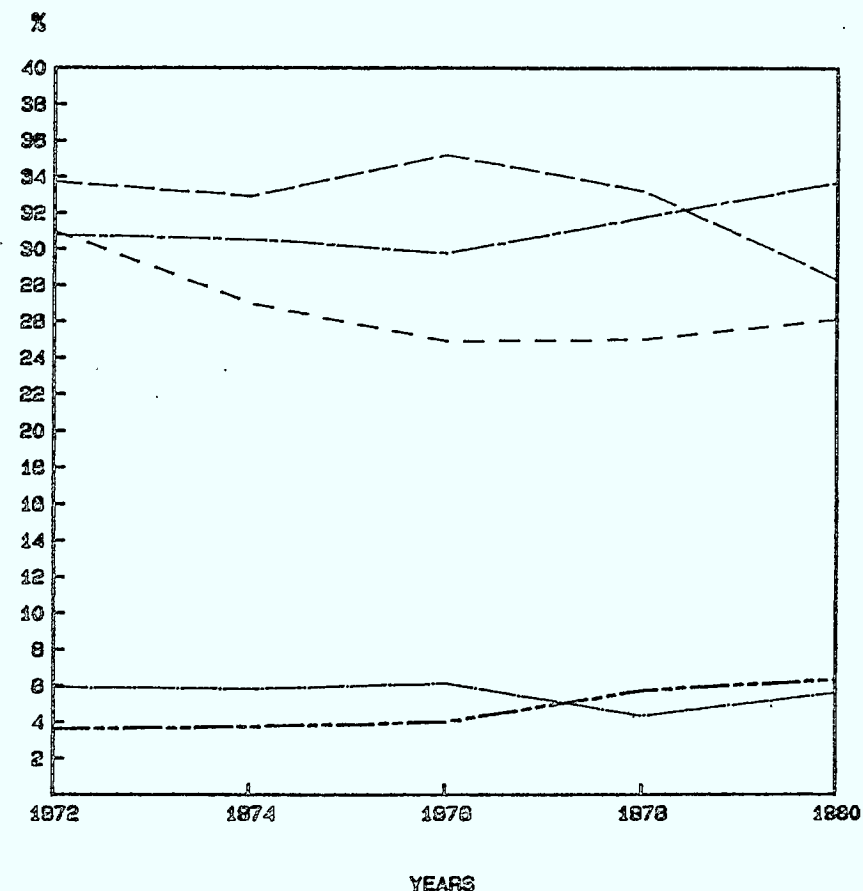
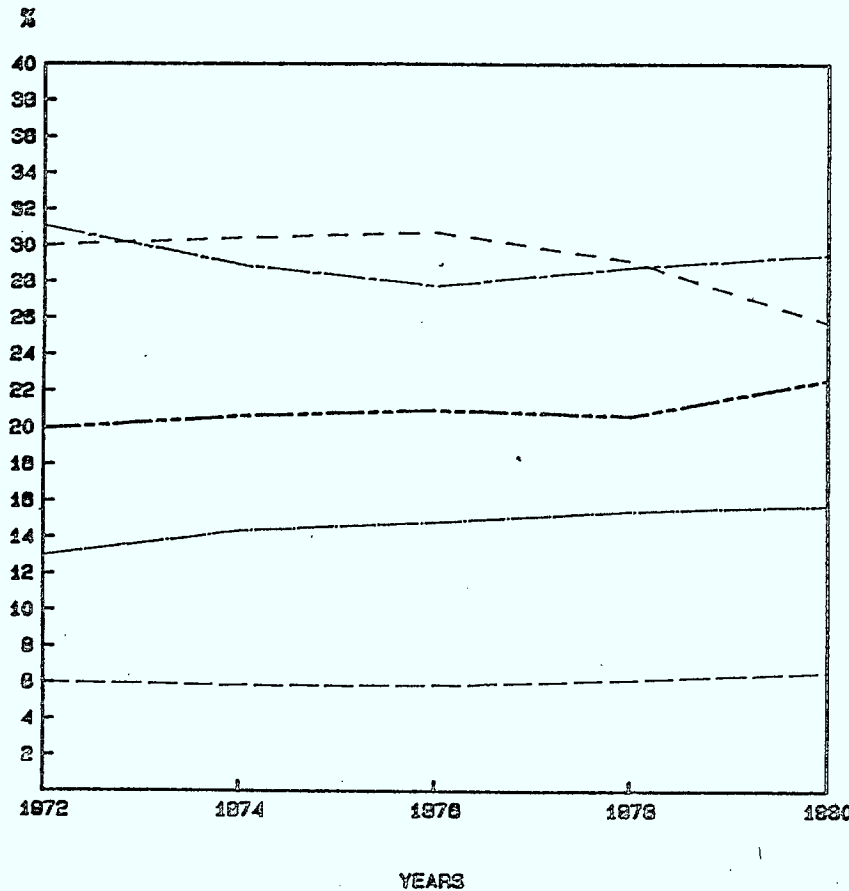


TABLE 6

Distribution of Businesses by Selected Industry and Sales Size Group,
Both Corporation and Unincorporated Businesses, Canada, 1980

	Sales Size Group (\$000)						
	TOTAL	<\$50	50-250	250-2 000	Sub-total Small \$2 000	Medium \$2 000-20 000	Large \$20 000+
Total	775 661	356 952	258 022	132 803	747 777	25 175	2 710
Total Primary Industries	15 778	7 975	4 955	2 259	15 189	465	120
Forestry	12 203	6 791	3 800	1 409	12 000	192	7
Mining	3 575	1 184	1 155	850	3 189	273	113
Total Manufacturing	51 508	14 590	15 165	14 484	44 239	6 166	1 159
Food and Beverages	6 096	1 106	2 125	1 674	4 905	946	245
Textiles and Clothing	4 519	1 088	1 109	1 574	3 771	698	49
Wood Products	4 781	1 534	1 407	1 253	4 194	513	74
Furniture and Fixtures	5 471	2 880	1 563	764	5 207	252	13
Printing and Publishing	6 755	2 023	2 508	1 828	6 359	351	45
Metal Fabrication	5 579	1 298	1 618	1 922	4 838	665	76
Miscellaneous Manufacturing	5 874	1 886	1 973	1 542	5 401	422	50
Manufacturing (N.E.S.)	12 431	2 773	2 610	3 887	9 506	2 318	607
Total Construction Industries	128 701	62 183	45 060	18 659	125 902	2 679	119
Building Construction	25 897	8 056	9 964	6 751	24 771	1 085	41
Special Trade	99 017	53 276	33 830	10 726	97 832	1 152	34
Total Transportation	72 861	42 441	22 799	6 247	71 487	1 200	174
Moving and Storage	46 811	2 596	18 130	3 477	46 203	575	33
Taxicab	11 742	10 711	859	159	11 729	9	-
Wholesale Trade	58 483	16 514	16 673	18 210	51 361	6 460	661
Retail Trade	178 323	54 953	73 783	44 002	172 738	5 302	283
General Merchandise Stores	8 890	2 029	4 262	2 204	8 495	354	40
Gasoline Service Stations	18 262	3 808	5 946	8 317	18 071	182	9
Motor Vehicle Repair	18 920	7 275	8 850	2 731	18 856	65	-
Hardware, Household	20 203	6 373	8 308	5 175	19 856	333	14
Insurance Agents and Real Estate	69 830	35 358	23 687	9 680	68 545	1 180	104
Insurance and Real Estate Agencies	16 510	6 715	7 151	2 463	16 329	172	10
Total Business and Personal Service	161 660	84 441	56 111	19 297	159 849	1 722	90
Barber and Beauty	14 410	10 656	3 535	213	14 404	5	-
Hotels, Motels and Restaurants	48 543	16 323	22 442	9 178	47 943	564	35
Unclassified	38 521	38 497	22	2	38 521	-	-

Source: Small Business Statistics, Statistics Canada

Note: Rows may not add because of rounding.

CHAPTER TWO

Employment Profile By Size of Business

The following employment profile is an estimate of total employment for an aggregate of eight commercial sectors and 10 provinces, over three employment classes for 1980.

The employment estimates, which exclude the working owners of unincorporated businesses, are derived from the employment and wage rate survey of industry, conducted by Statistics Canada.¹

The overall share of small business (less than 50 employees) employment (all sectors) was 37.4 per cent in 1980; there were, however, significant variations about this mean. The transportation, communication and utilities sector, at 16.8 per cent, had the lowest small business share, whereas the construction industry, at 65.9 per cent, had the highest. The variation was smaller at the provincial level. PEI, at 55.1 per cent, had the highest small business share while Ontario, at 33.8 per cent, had the lowest.

¹ Survey results published in Statistics Canada Catalogue
No. 72-002.

TABLE 7

ESTIMATES OF DISTRIBUTION OF EMPLOYEES BY EMPLOYMENT SIZE GROUP OF FIRMS
AND SELECTED INDUSTRY GROUPS OF EMPLOYMENT, CANADA, 1980

INDUSTRY GROUP OF EMPLOYMENT	EMPLOYMENT SIZE GROUP			
	TOTAL	50	50 - 499	500+
	number of employees			
Total	6 870 548	2,571 962	1 911 556	2 387 030
Primary(1)	252 156	47 942	74 013	130 201
Manufacturing	1 875 975	359 055	783 287	733 633
Construction	504 326	332 226	132 357	39 743
Transportation, Communication and Utilities	865 110	145 450	155 263	564 397
Wholesale Trade	490 984	253 405	171 100	66 479
Retail Trade	1 070 511	521 930	155 860	392 721
Finance, Insurance and Real Estate	513 257	143 711	105 309	264 237
Business, Personal and Miscellaneous Services	1 298 229	768 243	334 367	195 619

(1) Includes logging and forestry and mining only.

Source: Small Business Statistics, Statistics Canada

ESTIMATES OF DISTRIBUTION OF EMPLOYEES BY EMPLOYMENT SIZE GROUP OF FIRMS
AND SELECTED INDUSTRY GROUPS OF EMPLOYMENT, CANADA, 1980

FIGURE 4

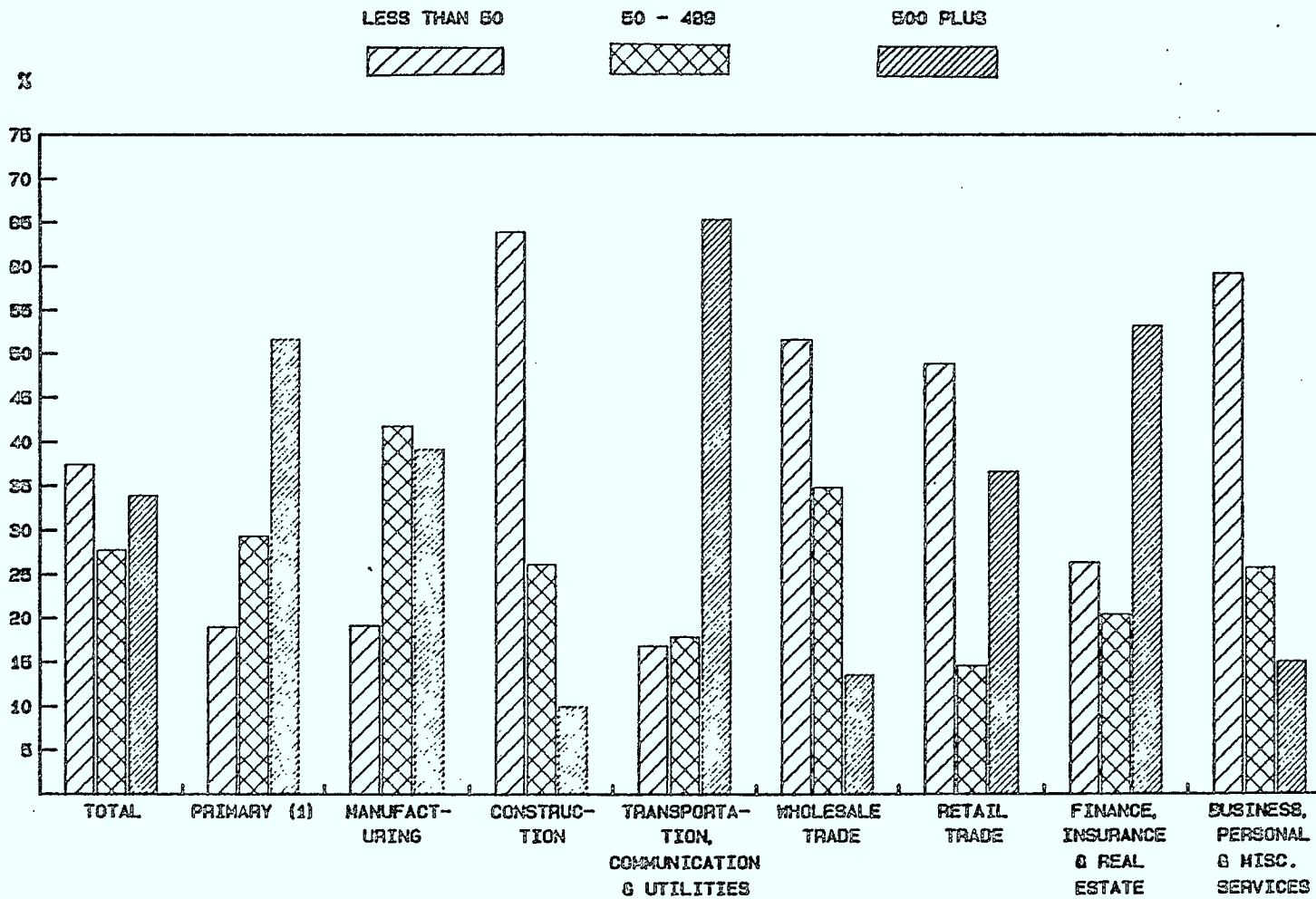


TABLE 8

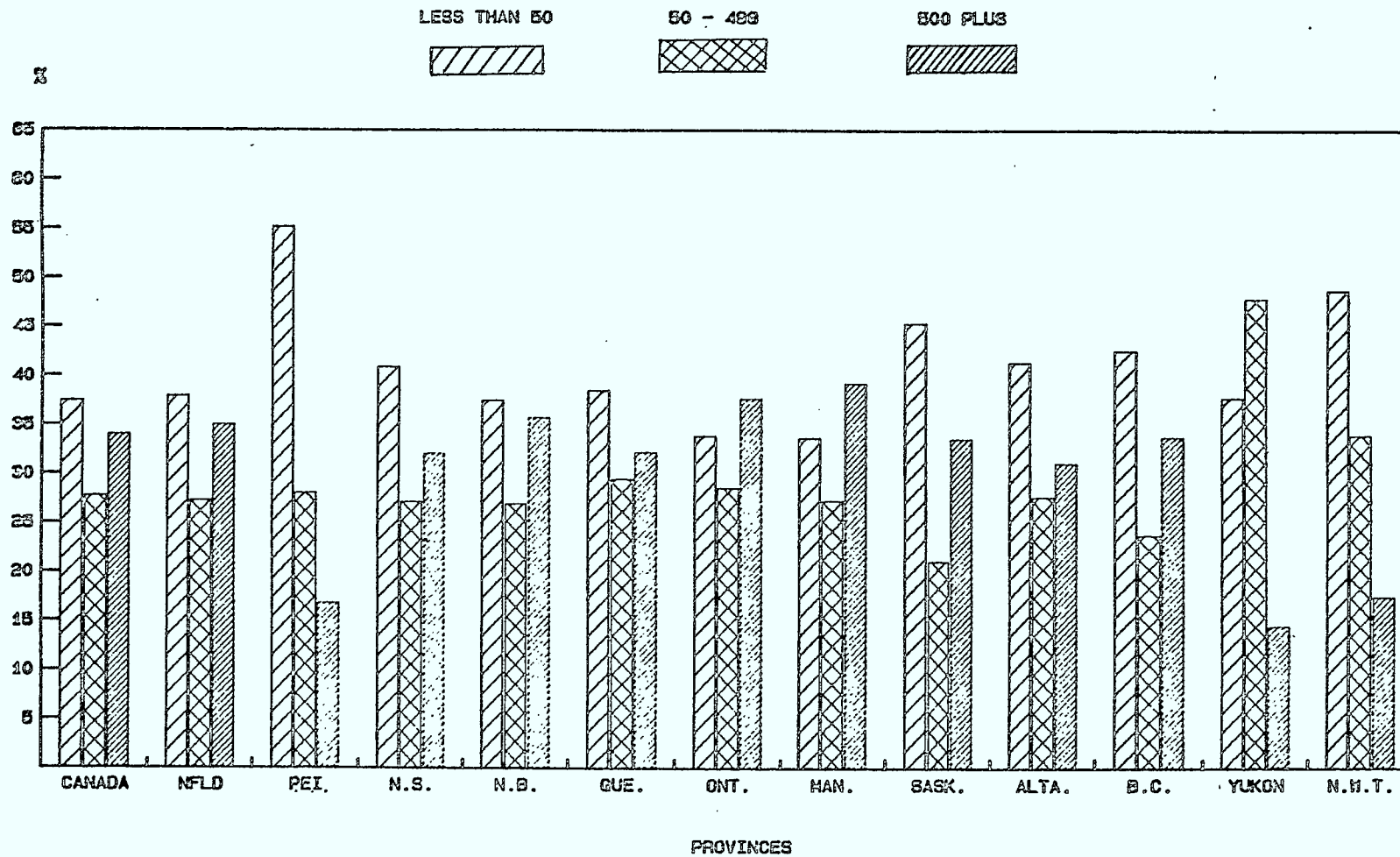
ESTIMATES OF DISTRIBUTION OF EMPLOYEES BY EMPLOYMENT
SIZE GROUP OF FIRMS AND PROVINCE OF EMPLOYMENT, 1980

PROVINCE OF EMPLOYMENT	EMPLOYMENT SIZE GROUP			
	TOTAL	50	50 - 499	500+
	number of employees			
CANADA	6 870 548	2 571 962	1 911 556	2 387 030
Newfoundland	97 476	36 881	26 600	33 995
Prince Edward Island	21 277	11 725	5 976	3 576
Nova Scotia	180 797	73 677	49 156	57 964
New Brunswick	147 383	55 152	39 738	52 493
Quebec	1 671 755	642 469	493 182	536 104
Ontario	2 771 948	937 596	791 960	1 042 392
Manitoba	272 957	91 729	74 534	106 694
Saskatchewan	189 590	85 901	40 132	63 557
Alberta	690 100	285 345	191 088	213 667
British Columbia	811 787	344 640	193 079	274 068
Yukon	6 228	2 345	2 980	903
Northwest Territories	9 250	4 502	3 131	1 617

Source: Small Business Statistics, Statistics Canada

ESTIMATES OF DISTRIBUTION OF EMPLOYEES BY EMPLOYMENT
 SIZE GROUP OF FIRMS AND PROVINCE OF EMPLOYMENT, 1980

FIGURE 5



CHAPTER THREE

Business Contribution to Major Components of Gross Domestic Product,
1972 and 1980

The contribution to major components* of GDP made by businesses in the eight industry groups shown in the table, increased in current dollars from \$64.6 billion in 1972 to some \$192.5 billion in 1980. The share of the different size groups at the all industry level of aggregation changed as follows:

<u>Sales Class</u> (<u>\$000</u>)	<u>Per Cent</u>	
	<u>1972</u>	<u>1980</u>
0 - \$2 000	38.5	29.9
\$2 - \$20 000	19.2	18.5
\$20 000+	<u>42.3</u>	<u>51.6</u>
Total	100.0	100.0

Unfortunately, adjustment for the effects of inflation was not possible. However it is evident that industry groups where small businesses play a significant role, for example service industries, increased their share of the total GDP between 1972 and 1980. Further, industry groups where small businesses are less well represented, for example manufacturing, experienced a decline in their share of total GDP.

* See bottom of page 6 for definition.

TABLE 9

ESTIMATES OF DISTRIBUTION OF COMMERCIAL SECTOR CONTRIBUTION TO THE MAJOR COMPONENTS OF GROSS DOMESTIC PRODUCT BY BROAD INDUSTRY
GROUP AND SIZE OF FIRM, CANADA

<u>Sales Class</u> (<u>\$000</u>)	<u>Primary</u> <u>Industry</u>	<u>Percentages</u> <u>1972</u>							<u>Total</u>
		<u>Mining</u>	<u>Manufact.</u>	<u>Construct.</u>	<u>Transport.</u>	<u>Trade</u>	<u>Finance</u>	<u>Services</u>	
0-2 000	95.8	3.7	17.9	62.2	19.1	45.0	44.3	80.9	38.5
2 000-20 000		20.8	25.2	29.1	13.9	23.8		14.7	19.2
20 000+		75.5	56.9	8.7	67.0	31.2		4.4	42.3
TOTAL INDUSTRY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INDUSTRY SHARE	4.0	4.0	33.7	8.7	12.3	17.1	9.3	10.9	100.0
				<u>1980</u>					
0-2 000	90.7	3.2	10.3	54.1	14.5	34.6	34.8	68.0	29.9
2 000-20 000	8.1	8.2	19.4	29.8	11.1	26.3	18.0	17.0	18.5
20 000+	1.2	88.6	70.3	16.1	74.4	39.1	47.2	15.0	51.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INDUSTRY SHARE	3.6	8.0	30.2	7.6	12.6	16.0	9.0	13.0	100.0

TABLE 10

CONTRIBUTION BY ALL BUSINESSES TO MAJOR COMPONENTS GROSS DOMESTIC PRODUCT BY BROAD INDUSTRY GROUP AND SIZE OF FIRM, CANADA

(Millions of dollars)
1972

<u>Sales Class</u> (\$000)	<u>Primary Industry</u>	<u>Mining</u>	<u>Manufact.</u>	<u>Construct.</u>	<u>Transport.</u>	<u>Trade</u>	<u>Finance</u>	<u>Services</u>	<u>Total</u>
0-2 000	2 490.7	93.0	3 890.5	3 481.9	1 524.7	4 981.8	2 663.3	5 712.1	24 838.0
2 000-20 000		519.2	5 477.8	1 631.3	1 107.3	2 632.2		1 040.4	12 408.0
20 000+		1 885.8	12 404.2	486.5	5 343.8	3,455.8		309.0	27 343.6
TOTAL	2 598.7	2 497.9	21 772.5	5 599.7	7 975.8	11 069.7	6,013.8	7,061.4	64,589.6

1980
(Millions of dollars)

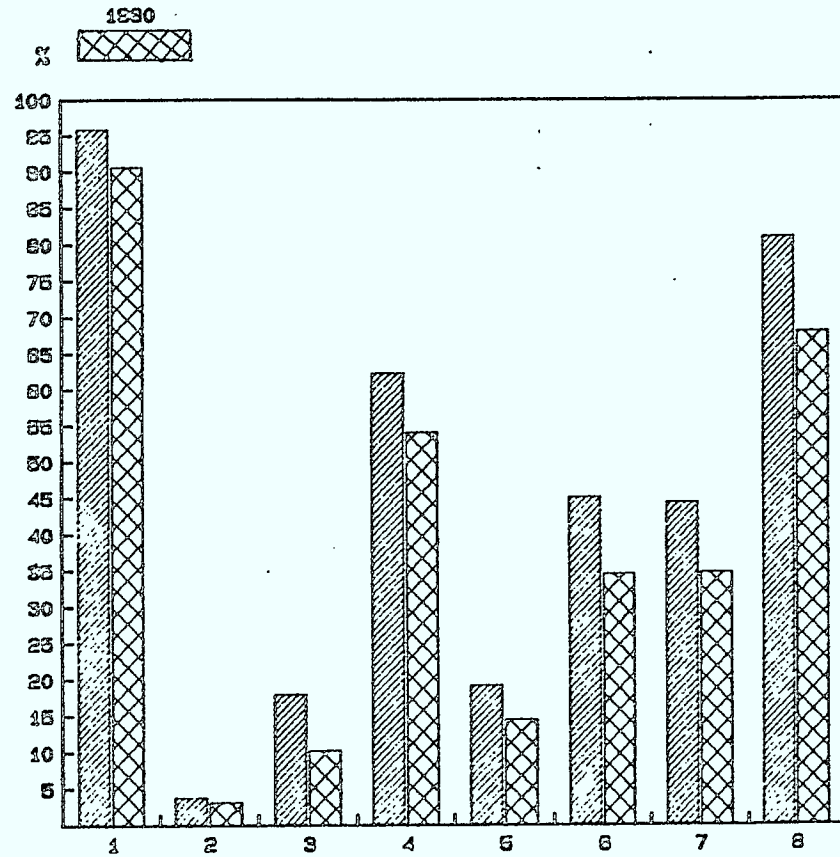
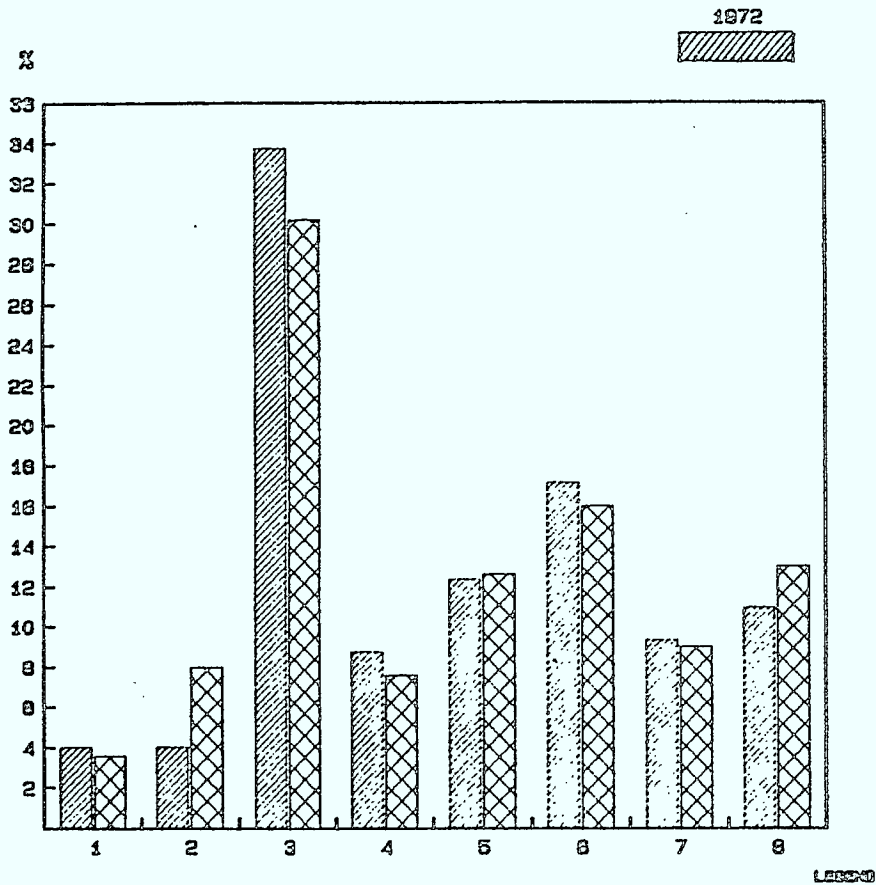
0-2 000	6 364	507	6 012	7 908	3 540	10 652	6 026	16 975	57 566
2 000-20 000	568	1 281	11 278	4 360	2 698	8 107	3 115	4 240	35 647
20 000+	87	13 875	40 963	2 349	18 099	12 029	8 182	3 731	99 315
TOTAL	7 019	15 663	58 253	14 617	24 337	30 788	17 323	24 946	192 528

MAJOR COMPONENTS OF GROSS DOMESTIC PRODUCT

FIGURE 6

CHANGES IN TOTAL INDUSTRY SHARE

CHANGES IN SIZE OF SMALL BUSINESS SHARE *



- 1 - PRIMARY INDUSTRY
- 2 - MINING
- 3 - MANUFACTURING
- 4 - CONSTRUCTION

- 5 - TRANSPORTATION
- 6 - TRADE
- 7 - FINANCE
- 8 - SERVICES

* FIGURES NOT ADJUSTED FOR THE EFFECTS OF INFLATION.

CHAPTER FOUR

Trends in New Business Formation

Tables 11 to 12 describe the relative industrial distribution of new corporations for the period 1975 to 1981. The net number of corporations grew from 281 889 in 1975 to 451 567 in 1980 (final business universe count for 1981 is not yet available). The services, construction and primary industries sectors were the fastest growing of the seven sectors for which data are available. Table 13 profiles the new corporation distribution, by province, for the period 1975-80. New corporation formation was fastest in Alberta and British Columbia and slowest in Manitoba and Saskatchewan. Per cent changes are calculated with the previous years business universe as base; new corporations are those added to this base during the year. The number of deletions, or businesses ceasing activity, during the year, is not shown in these tables.

Business Proprietors

Table 14 shows the number of business proprietors increased by 50.5 per cent from 1964 to 1980. The number of businesses owned by persons under 30 more than doubled while the per cent owned by women almost tripled. Business proprietors are defined as those persons who derived at least 50 per cent of their incomes from self-employment sources. This information has been extracted from Taxation Statistics of Revenue Canada.

TABLE 11

NEW BUSINESS FORMATIONS BY INDUSTRY, 1975-81 (CORPORATIONS ONLY)

	Primary Industries	Manuf.	Const.	Transp.	Trade	Finance	Services	All ¹ Industries
1974 Universe	13 694	26 481	29 766	11 944	74 072	81 896	44 036	281 889
1975 New Corp.	2 243	3 047	5 879	1 726	10 585	8 587	9 139	41 206
1975 Universe	14 759	27 509	33 342	12 628	78 595	82 750	48 767	298 350
1976 New Corp.	2 170	3 540	5 941	1 899	12 468	10 134	10 045	46 197
1976 Universe	16 185	29 319	37 141	13 728	86 430	86 537	55 690	325 030
1977 New Corp.	1 996	3 127	6 156	1 991	12 353	10 160	11 263	47 046
1977 Universe	17 128	29 951	40 320	14 617	92 270	90 246	62 163	346 695
1978 New Corp.	2 536	4 127	7 215	2 371	14 500	11 943	14 558	57 250
1978 Universe	18 644	31 854	44 669	15 966	100 502	96 786	72 205	380 626
1979 New Corp.	3 625	4 755	8 217	2 932	16 165	14 410	15 931	66 035
1979 Universe	21 210	34 142	49 738	17 367	109 791	104 501	83 086	419 835
1980 New Corp.	3 832	4 503	8 403	3 037	15 908	13 845	15 280	64 808
1980 Universe	23 698	35 990	54 082	18 846	116 874	111 094	90 983	451 567
1981 New Corp.	3 612	4 192	7 769	3 076	15 192	15 230	17 054	66 125

Source: Business Finance Division, Statistics Canada

¹ Excludes unclassified businesses.

TABLE 12

NEW BUSINESS FORMATIONS BY INDUSTRY, BY PER CENT, 1975-81 (CORPORATIONS ONLY)

(FORMATION/BUSINESS UNIVERSE)

<u>YEAR</u>	<u>PRIMARY INDUSTRIES</u>	<u>MANUFACT.</u>	<u>CONSTRUCT.</u>	<u>TRANSPORT.</u>	<u>TRADE</u>	<u>FINANCE</u>	<u>SERVICES</u>	<u>ALL¹ INDUSTRIES</u>
1975	16.4%	11.5%	19.8%	14.5%	14.3%	10.5%	20.8%	14.6%
1976	14.7	12.9	17.8	15.0	15.9	12.2	20.6	15.5
1977	12.3	10.7	16.6	14.5	14.3	11.7	20.2	14.5
1978	14.8	13.8	17.9	16.2	15.7	13.2	23.4	16.5
1979	19.4	14.9	18.4	18.4	16.1	14.9	22.1	17.3
1980	18.1	13.2	16.9	17.5	14.5	13.2	18.4	15.4
1981	15.2	11.7	14.4	16.3	13.0	13.7	18.7	14.6

Source: Business Finance Division, Statistics Canada

¹ Excludes unclassified businesses

NEW BUSINESS FORMATIONS, BY INDUSTRY, BY PER CENT, 1975-81 (CORPORATIONS ONLY)
 (FORMATION - BUSINESS UNIVERSE)

FIGURE 7

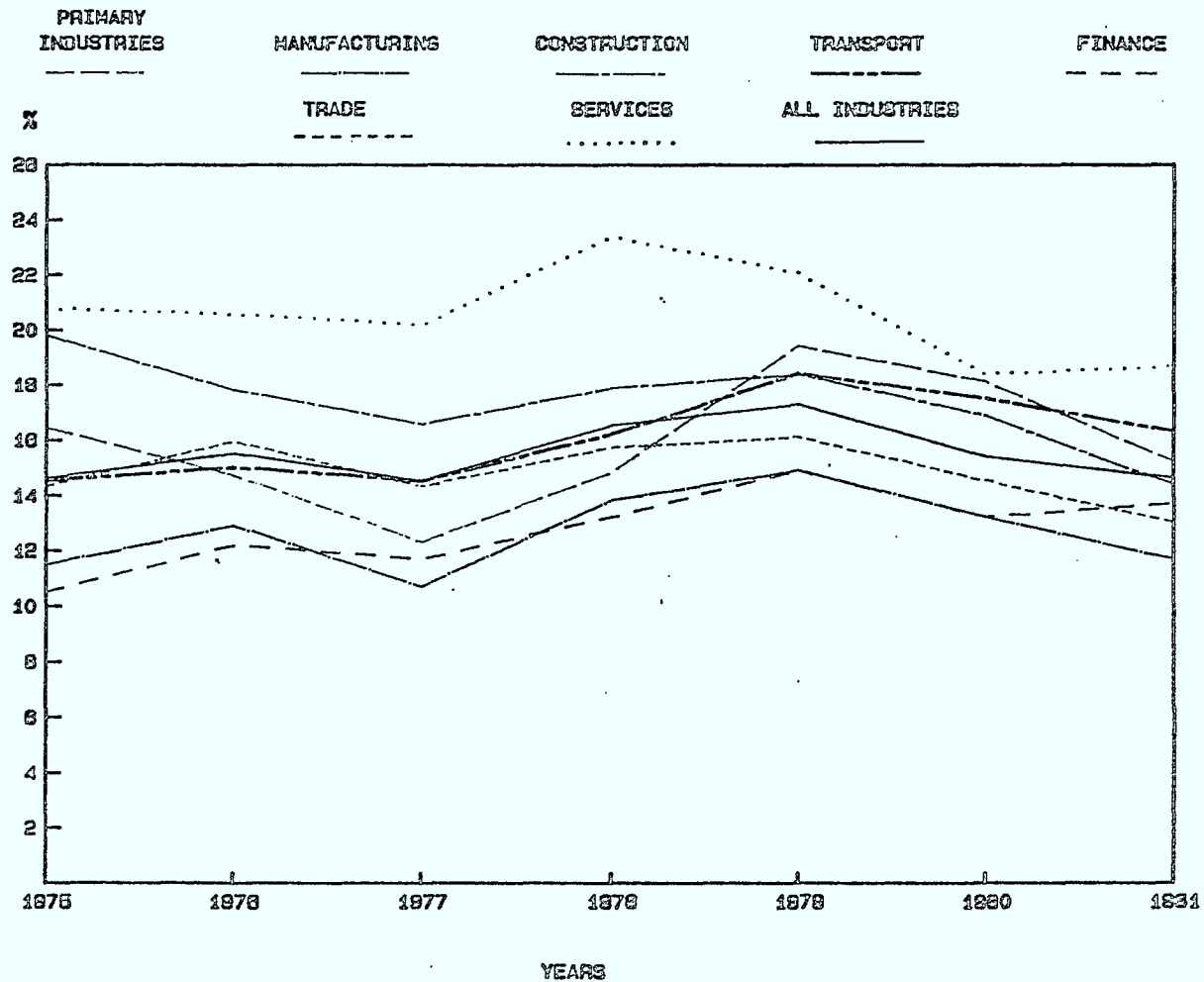


TABLE 13

NEW BUSINESS FORMATIONS, BY PROVINCE, AS A PERCENTAGE OF THE BUSINESS UNIVERSE IN THE PROVINCE,
1975-80 (CORPORATIONS ONLY)

<u>Year</u>	<u>Nfld.</u>	<u>P.E.I.</u>	<u>N.S.</u>	<u>N.B.</u>	<u>Qué.</u>	<u>Ont.</u>	<u>Man.</u>	<u>Sask.</u>	<u>Alta.</u>	<u>B.C., Yukon, NWT</u>
<u>% Formations/Universe</u>										
1975	18.2	18.0	15.9	15.4	12.6	14.6	12.3	12.0	18.6	18.0
1976	15.5	15.2	13.6	13.9	12.9	14.5	12.1	13.5	20.0	19.3
1977	19.0	12.7	13.5	14.6	12.1	13.9	13.7	12.7	19.7	18.2
1978	19.7	15.9	14.3	17.1	15.8	15.2	14.3	13.4	22.8	18.1
1979	17.4	14.8	15.2	16.3	15.3	15.3	15.3	15.5	20.5	17.8
1980	16.1	13.0	12.7	14.8	14.1	12.9	12.8	12.4	20.0	17.3

Source: Business Finance Division, Statistics Canada

Note: Only the relative (percentage) figures shown in this table are available at the provincial level of disaggregation. Accurate provincial counts of the number of formations and the size of the business universe are not available.

FIGURE 8

NEW BUSINESS FORMATIONS, BY PROVINCE, AS A PERCENTAGE OF THE BUSINESS UNIVERSE IN THE PROVINCE,
1975-80 (CORPORATIONS ONLY)

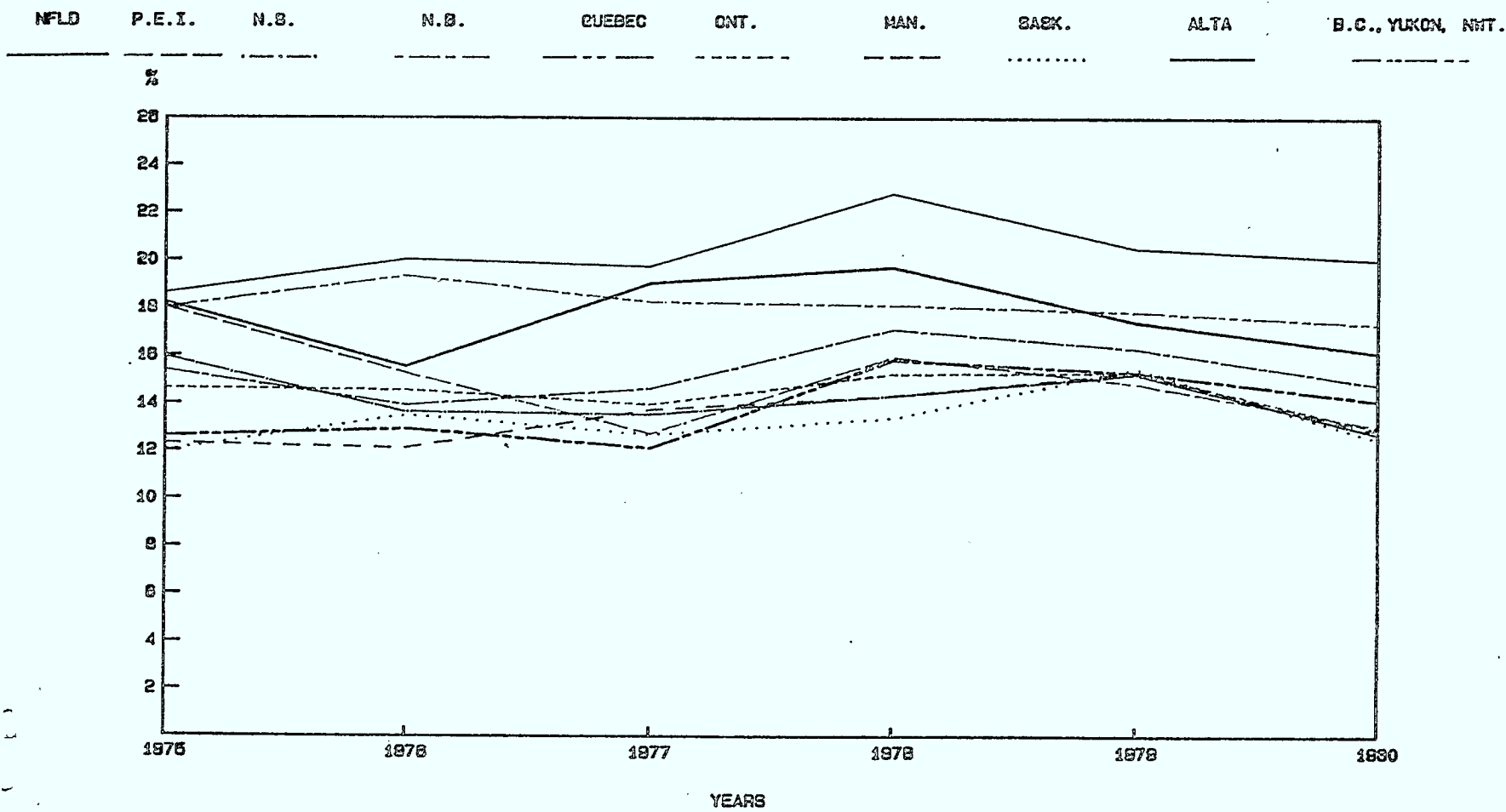


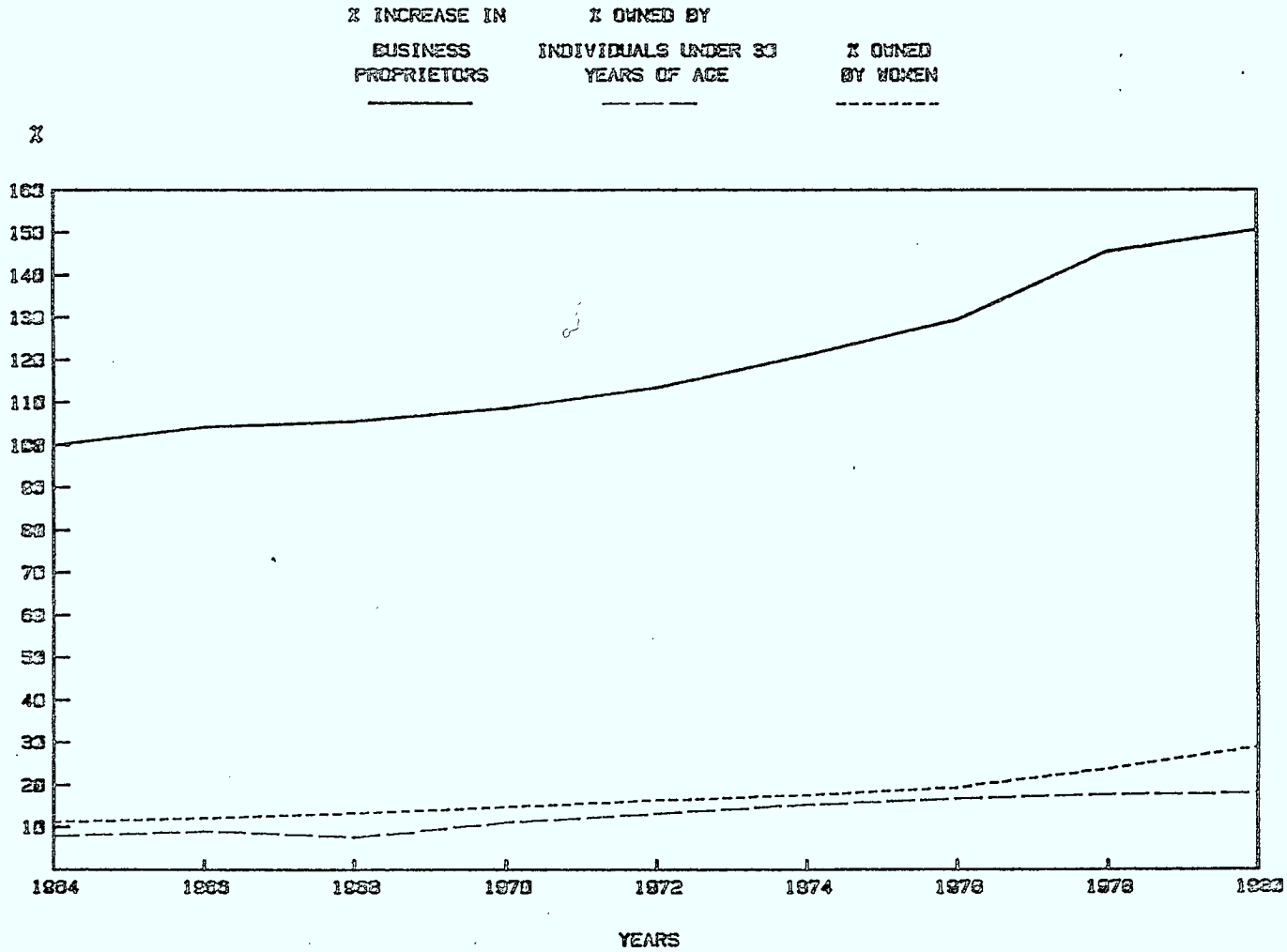
TABLE 14
BUSINESS PROPRIETORS, 1964-80

	<u>1964</u>	<u>1966</u>	<u>1968</u>	<u>1970</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1978</u>	<u>1980</u>
Number of Business Proprietors	333 357	347 120	351 621	362 021	377 736	402 888	430 678	485 205	501 773
Number Owned by Individuals Under 30 Years of Age	26 776	31 514	27 137	40 413	50 239	61 402	72 127	85 720	90 893
Number Owned by Women	37 733	42 682	47 096	53 694	61 964	71 106	93 939	115 299	145 680
% Increase in Business Proprietors	100%	104.1%	105.5%	108.6%	113.3%	120.9%	129.2%	145.5%	150.5%
% Owned by Individuals Under 30 Years of Age	8.0%	9.1%	7.7%	11.2%	13.3%	15.3%	16.8%	17.7%	18.1%
% Owned by Women	11.3%	12.3%	13.4%	14.8%	16.4%	17.6%	19.5%	23.8%	29.0%

Source: Taxation Statistics, Revenue Canada. Business proprietors are defined as those persons who derive at least 50 per cent of their incomes from self-employment sources.

BUSINESS PROPRIETORS - 1964-1980

FIGURE 9



CHAPTER FIVE

Relative Performance of Size Groups in Canadian Manufacturing, 1971-80

This chapter attempts to answer the key question "How much did small vs. large plants contribute to job creation and productivity growth in manufacturing over the past decade?" To answer this question we draw on a study done for the Small Business Secretariat entitled Relative Performance of Size Groups in Canadian Manufacturing, 1971-80. This study tracks 48 791 individual establishments over the period to identify their birth, growth, diminution or disappearance and sub-totals the results by grouping them into small, medium and large size categories in each of 20 industry sectors.

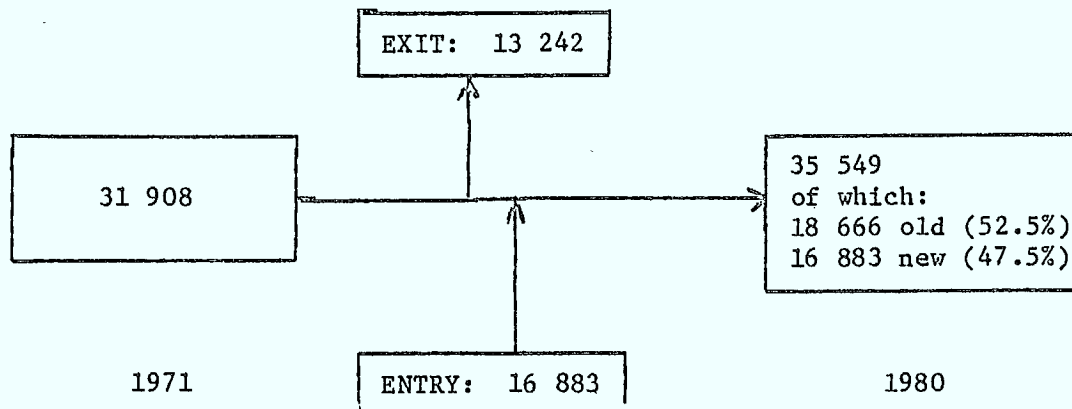
The general guideline used to define size in this study is as follows:

- Small - 1-49 employees
- Medium - 50-199 employees
- Large - 200+ employees

The base entity, or unit, used is establishment data rather than company or enterprise data. However, it was determined that 92 per cent of establishments in the 1-49 employee size group also belong to enterprises (either single or multi-establishment) which fall into the same small size group. This tends to lead us to identify the small establishments in this report with small business.

Survival, Exit and Entry of Establishments

Market opportunities, technological developments, competitive pressures, and the like, combined to produce considerable change in Canada's manufacturing sector in the 1970s. Out of nearly 32 000 establishments conducting manufacturing activity in 1971, almost 19 000 were still active in 1980. In the interim period, 1972 to 1980, more than 16 000 establishments were created and remained active through to 1980. Flows into and out of the manufacturing sector can be portrayed as follows:



For small plants, there was a high mortality rate, with almost 50 per cent becoming inactive by 1980.

The survival rates for manufacturing industries as a whole observed the following pattern, increasing with size group.

Survival Rate of 1971 Establishments

Small	53.2%
Medium	78.4%
Large	89.1%
Total	58.5%

The size distribution of new businesses is heavily skewed toward smaller plants as shown below.

1972-80 Births, by Size Group
All Manufacturing

	1972-80 Births		% of 1971 Base
	#	%	
Small	16 109	95.4	62.4
Medium	673	4.0	14.8
Large	101	0.6	6.6
Total	16 883	100.0	52.9

The pattern of entry and exit varied considerably by major group. In some sectors, there was a net decline in the number of active establishments; in others, the number of new entrants greatly outweighed the number becoming inactive. Data are summarized in Table 15 and Figure 10.

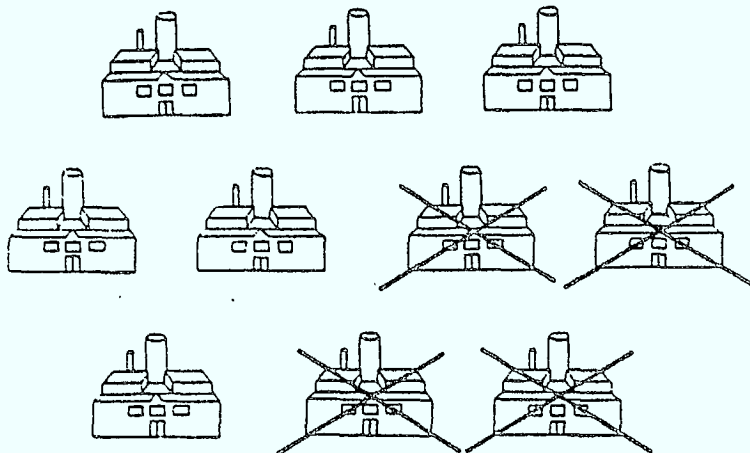
TABLE 15

Survival, Exit and Entry of Establishments

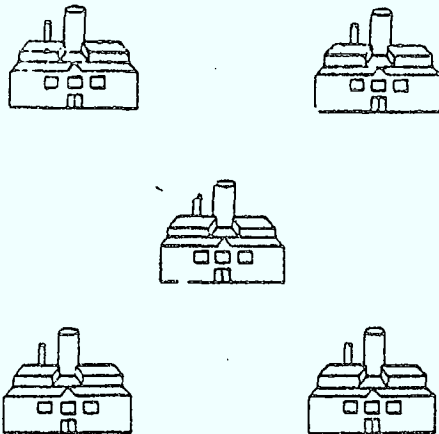
Major Manufacturing Group	Active in 1971	Still Active in 1980	Inactive by 1980	1972- 1980 Births	1980 Active Estab.	% increase (decrease)
Food and Beverages	5 599	3 213	2 386	1 485	4 698	-16.1
Tobacco	29	18	11	7	25	-13.8
Rubber and Plastics	664	454	210	539	993	49.5
Leather	470	261	209	177	438	-6.8
Textiles	915	552	363	379	931	1.7
Knitting Mills	318	199	119	88	287	-9.7
Clothing	2 164	1 220	944	917	2 137	-1.2
Wood Industries	3 164	1 521	1 643	1 837	3 358	6.1
Furniture and Fixtures	2 165	994	1 171	1 379	2 373	9.6
Paper and Allied Industries	642	516	126	238	754	17.4
Printing and Publishing	3 649	2 118	1 531	2 155	4 273	17.1
Primary Metals	405	313	92	145	458	13.1
Metal Fabricating	4 143	2 699	1 444	2 587	5 286	27.6
Machinery	913	637	276	831	1 468	60.8
Transportation Equipment	963	520	443	720	1 240	28.8
Electrical Products	764	510	254	594	1 140	44.5
Non-Metallic Minerals	1 307	826	481	753	1 579	20.8
Petroleum and Coal Products	101	74	27	36	110	8.9
Chemicals	1 139	769	370	452	1 221	7.2
Miscellaneous Mfg. Industries	1 394	1 252	1 142	1 564	2 816	17.6
Total Manufacturing	31 908	18 666	13 242	16 883	35 549	11.4

Survival, Exit and Entry of Establishments
All Manufacturing 1971 - 80

FOR EVERY TEN MANUFACTURING PLANTS OPERATING IN CANADA IN 1971 ...



... FOUR WERE INACTIVE
BY 1980 ...



... AND FIVE STARTED UP
BETWEEN 1972 AND
1980 ...

NET IMPACT ON EMPLOYMENT AND PRODUCTIVITY OF OLD AND NEW PLANTS, BY SIZE

I. Employment

At the all manufacturing levels of aggregation, the employment effects of this survival, exit and entry of establishments appears as follows:

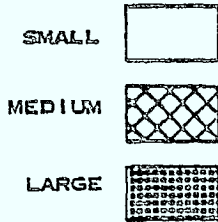
TABLE 16

Size of plant in 1971 (for old plants) or Upon Start-Up (for new plants)	1971 Cohort		Net Employment Change from 1971-1980			
	Job Loss for Plants Ceasing Activity	New Job Growth for Surviving Plants	Old Plants	New Plants	Total	
					#	%
Small	-101 094	94 027	- 7 067	180 239	173 172	87.8
Medium	- 92 839	66 773	-26 066	71 170	45 104	22.8
Large	- 75 958	10 822	-65 136	44 193	-20 943	-10.6
Total	-269 891	171 622	-98 269	295 602	197 333	100.0

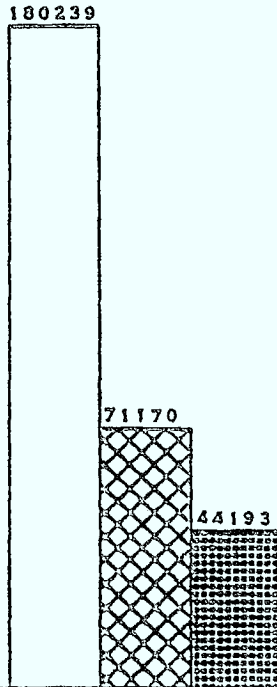
Thus old plants had a net loss of 98 269 jobs during the period whereas new plants added 295 602 jobs. Figures 11 and 12 depict these changes at the all manufacturing level. Table 17 shows the number of jobs contributed by each major sector.

TOTAL MANUFACTURING
NET CONTRIBUTION OF SMALL, MEDIUM AND LARGE MANUFACTURING PLANTS
TO JOB CREATION, 1971-80

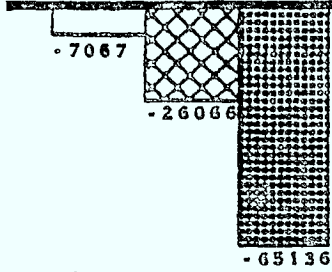
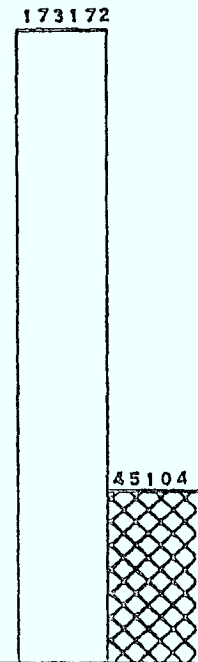
NET CHANGE IN EMPLOYMENT
FOR PLANTS ALREADY ACTIVE
IN 1971



EMPLOYMENT CREATED BY
NEW PLANTS SINCE 1971

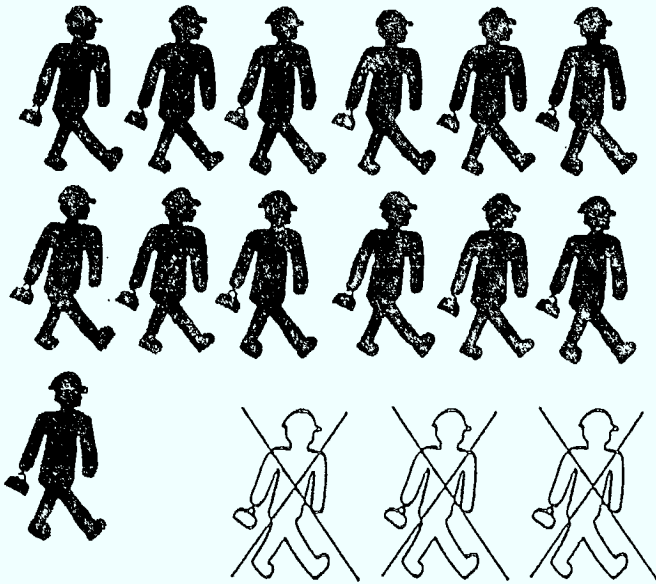


NET EMPLOYMENT CREATION BY
OLO AND NEW COMBINED

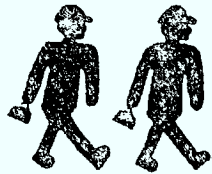


TOTAL : 197,333
OF WHICH :
SMALL : 87.8%
MEDIUM : 22.8%
LARGE : -10.6%

FOR EVERY SIXTEEN CANADIAN MANUFACTURING JOBS WHICH EXISTED IN 1971...



...THREE WERE LOST THROUGH THE DISAPPEARANCE OF OLD PLANTS...



...TWO WERE ADDED BY THE GROWTH OF OLD PLANTS WHICH SURVIVED...



...AND THREE MORE JOBS WERE CREATED BY NEW-ENTRANT PLANTS.

THE OVERWHELMING MAJORITY OF NET JOB CREATION CAME FROM NEW SMALL ESTABLISHMENTS...

TABLE 17

Net Employment Creation by Old and New Plants Combined,
By Size and Major Sector, 1971-80

<u>Major Manufacturing Group</u>	<u>Establishment Size</u>			<u>Total Number of New Jobs</u>
	<u>Small</u>	<u>Medium</u>	<u>Large</u>	
	<u>Number of Employees</u>			
Food and Beverages	2 919	9 186	-3 666	8 439
Tobacco	5	-1 070	-787	-1 852
Rubber and Plastics	6 562	6 771	2 147	15 480
Leather	604	653	-3 606	-2 349
Textile	3 166	-360	-6 836	-4 030
Knitting Mills	903	-1 173	1 918	-2 188
Clothing	8 271	-6 720	-5 664	-4 113
Wood Industries	16 028	10 586	-2 176	24 438
Furniture and Fixtures	10 118	-673	-2 686	6 759
Paper and Allied Industries	4 818	3 641	1 392	9 851
Printing and Publishing	17 045	832	1 762	21 639
Primary Metals	1 633	6 290	5 577	13 500
Metal Fabricating	24 163	9 395	-800	32 758
Machinery	15 661	11 038	-826	25 873
Transportation Equipment	8 663	7 915	7 994	24 572
Electrical Products	10 504	4 600	-10 591	4 513
Non-Metallic Minerals	5 384	248	-1 035	4 597
Petroleum and Coal Products	184	896	1 683	2 763
Chemicals	4 884	7 728	-2 086	10 526
Misc. Mfg. Industries	10 836	-675	-2 005	8 156
Total Manufacturing Number:	173 172	45 104	-20 943	197 333
Per cent:	87.8	22.8	-10.6	100.0

II. Productivity

Productivity growth, as measured by constant dollar value added per worker, was about 1 per cent per year (12 per cent for 1971-80 period). Medium and small plants had lower absolute output per worker levels than large establishments, but outperformed them in terms of productivity growth. Value added per worker for small establishments was \$11 200 (23 per cent) below the average for all plants in 1971.

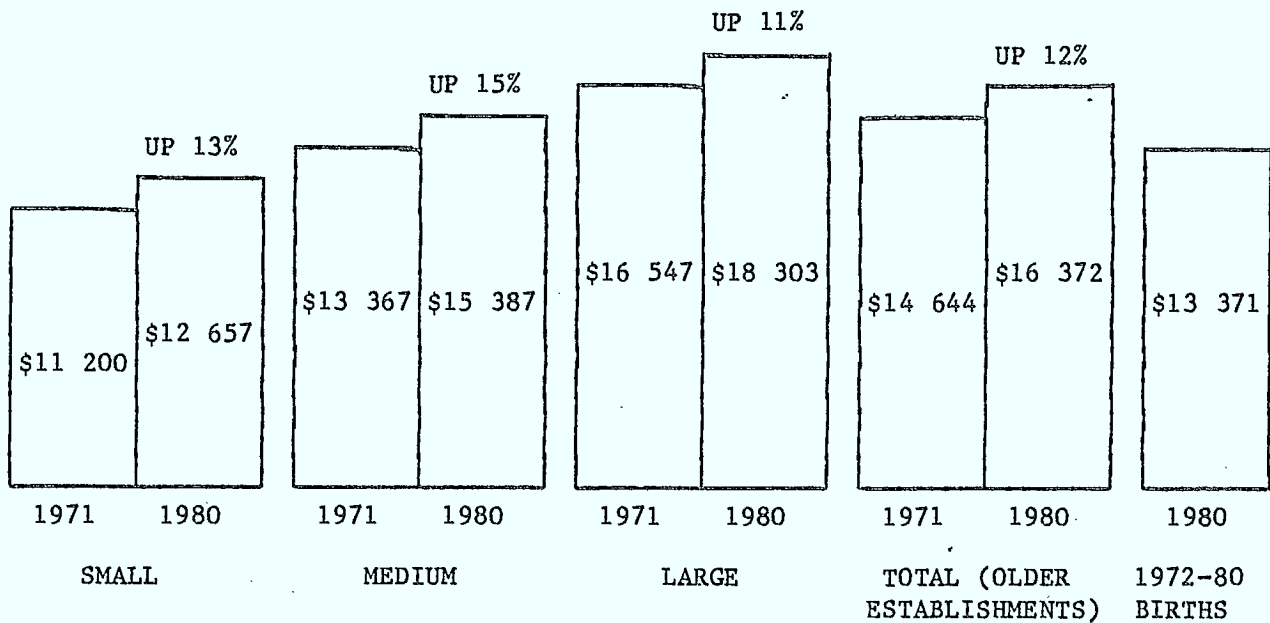
Among those plants which were still active by 1980, the group which was small at the outset demonstrated average growth in this productivity measure (13 per cent vs 12 per cent for all establishments).

Businesses established in the 1972-80 interval had, by 1980, a productivity level of \$13 371 (in 1971 dollars). This was 18 per cent below the 1980 average for the older plants as a group. However, the new establishments' output per worker was 6 per cent above the 1980 average for plants which had been small in 1971.

In summary, smaller establishments demonstrated lower output per worker, in absolute terms, than medium or large plants, but their growth in productivity was at least as high as it was for larger establishments over the 1971-80 period. New plants, which were primarily small, generated considerably lower productivity than older plants active in 1980, but higher productivity than small plants surviving from the 1971 cohort.

FIGURE 13

Changes in Value Added per Worker by Size,
All Manufacturing, 1971-80



CHAPTER SIX

Export Contribution of Small Business

Direct Exports

Direct small (less than \$2 million sales) manufacturer exports were valued at \$221 million in 1979 (latest figures available), representing 4.5 per cent of their total sales in that year. These exports represented 0.6 per cent of the total 1979 manufacturing Canadian export trade. The small business share of manufacturer exports was highest in the primary metal and the electrical products industries (14.7 per cent and 12.4 per cent respectively). In absolute terms, the volume of direct small business exports was highest in the food and beverage industry (\$47 million). The provincial share of direct small business exports was highest in Ontario (35.9 per cent) and Québec (30.4 per cent). The full industrial and provincial profile is shown in Tables 18 and 19 below:

MANUFACTURING INDUSTRIES RANKED BY THE
PER CENT OF SMALL BUSINESS EXPORT CONTRIBUTION - 1979

	Value Of Exports (\$000 000)	% of Industry Sales Exported
<u>Manufacturing Industries</u>		
1. Primary Metal	6	14.7
2. Electrical Products	11	12.4
3. Machinery	17	10.7
4. Transportation Equipment	18	10.2
5. Food & Beverages	47	8.9
6. Wood Industries	29	5.7
7. Miscellaneous Manufacturing	16	5.1
8. Metal Fabricating	34	4.7
9. Chemicals	4	4.6
10. Rubber & Plastics	5	3.7
11. Furniture & Fixtures	7	2.5
12. Leather	2	2.3
13. Non-Metal Mineral Products	6	2.2
14. Paper & Allied	1	2.2
15. Clothing	11	2.0
16. Textiles	3	1.7
17. Knitting Mills	1	0.4
18. Printing & Publishing	2	0.3
 All Manufacturing	 218	 4.5

TABLE 19

PROVINCIAL SHARE OF DIRECT EXPORTS

<u>Province</u>	<u>Small Business Share of Exports</u>	<u>Provincial Share of Total Exports</u>
Newfoundland	-	1.6%
Prince Edward Island	-	.1
Nova Scotia	8.2%	2.0
New Brunswick	3.6	3.0
Quebec	30.4	21.4
Ontario	35.9	50.3
Manitoba	3.2	1.2
Saskatchewan	2.3	0.7
Alberta	4.1	2.4
British Columbia	12.3	17.3
Canada	100.0%	100.0%
Total Volume of Exports	\$221.3 million	\$34 381.0 million

Source: Destination of Manufacturers Shipments, Statistics Canada.
Small business here refers to firms with less than \$2 million annual sales.

Indirect Exports

Small companies also contribute indirectly to exports by providing input to the exportw of large firms in the form of components included in final manufactured items, or as services essential to a large company, but acquired externally. Given that the toal volume of small business contribution to direct exports is not large, and that little was known about the size of their indirect contribution, a study of their indirect role was undertaken.¹

The analysis was conducted in two parts: a macro analysis utilizing input/output data from Statistics Canada and a micro analysis based on information collected from large Canadian exporters. The macro analysis determined that \$26 billion of the \$87 billion of 1981 Canadian direct exports studied was obtained indirectly.² That is, suppliers to exporters added \$26 billion of value to the goods being

¹ The study, entitled An Analysis of Indirect Contributions to Exports by Small Businesses in Canada, was done for the Small Business Secretariat.

² Total exports of all sectors in 1981 were actually \$95.8 billion; the input/output analysis simulated only major industry groups which had 1981 exports in excess of \$1 billion.

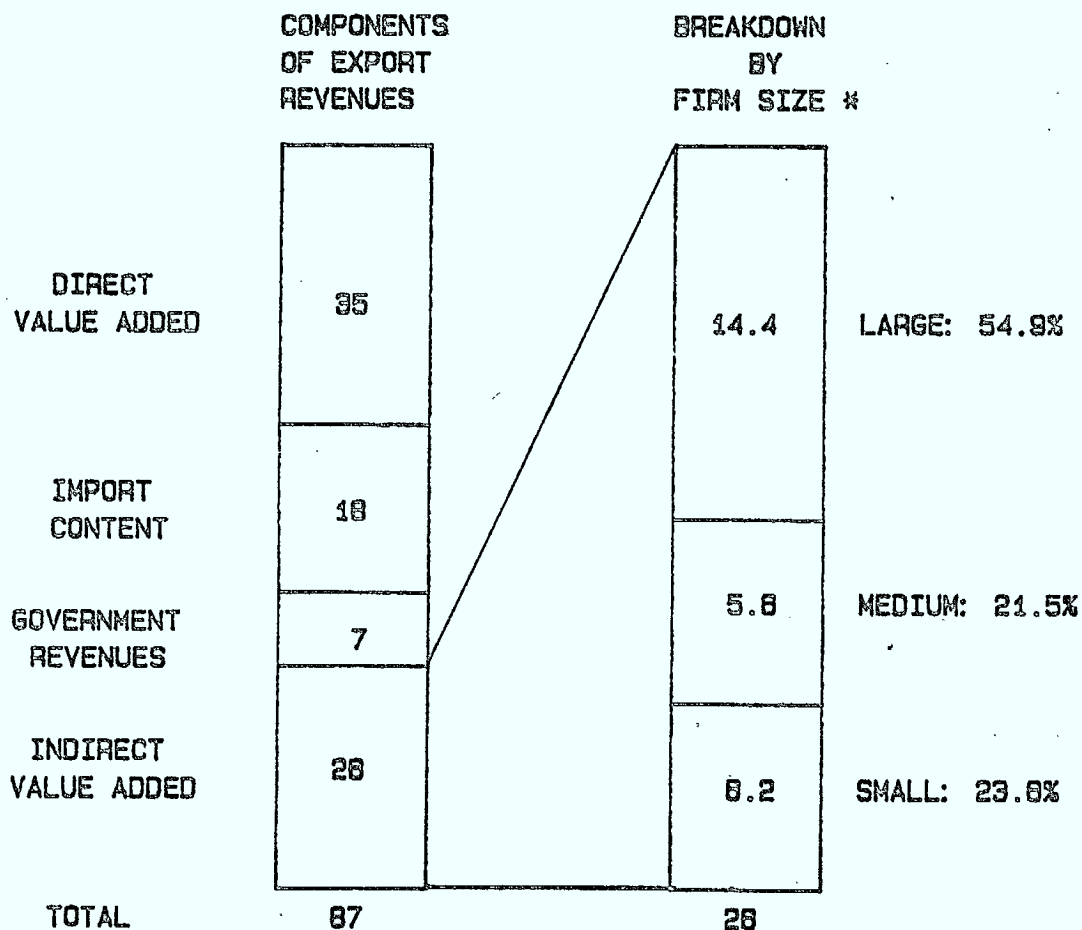
exported. Of this \$26 billion, \$6.2 billion or 24 per cent, represented the indirect contribution of small business to Canadian exports in 1981. This key finding is summarized in Figure 14. The major source of this indirect contribution tend to be in the non-manufacturing sectors - agriculture, with \$942 million; services to business management (\$873 million) and, forestry (\$852 million). In total, the non-manufacturing sectors accounted for 85 per cent, or \$5.3 billion, of the small business indirect export activity. The main manufacturing sectors to contribute were: metal fabricating (\$214 million); wood industries (\$105 million); printing and publishing (\$102 million); and chemicals and chemical products (\$102 million). Figure 15 illustrates the size of the contribution by sector.

This macro input/output allocation of the indirect value added by firm size is based on the assumption that exporters purchase input from each size of establishment in proportion to the latter's relative share of value added in this input industry for Canada as a whole. For example, the transportation equipment sector is one of our largest exporting industries which purchases many components from the metal fabricating sector. If small plants generated 30 per cent of the value added in the metal fabricating sector, then it is assumed that 30 per cent of purchases by primary transportation equipment industry exporters come from small metal fabricating plants. To test the validity of this assumption, micro data from three independent sources were obtained. First, case studies of the purchase patterns of three large exporters were obtained. Second, large exporter data from the Export Development Corporation files were reviewed. Third, a MacLean-Hunter Ltd. survey of the purchasing patterns of 44 large Canadian firms was analyzed. All of these micro sources, when adjusted for differences in definition and methodology, tend to support the macro finding that small business has approximately a 24 per cent share of the indirect value added to exports. Individual firms, or even whole industries, may, however, vary considerably from this mean, either higher or lower, depending on the type of input and/or practices particular to that firm or industry.

Given the general concurrence of both the macro and micro sources, we conclude that, from the information available at this stage, \$6 billion is a reasonable estimate of the size of the annual small business indirect contribution is, of course, in addition to the small business share of production directly for export, for which the estimates tend to be much lower.

FIGURE 14

ANALYSIS OF CANADIAN EXPORTS
SIMULATION FOR 1981 : \$ 87 BILLION



* SMALL = LESS THAN 50 EMPLOYEES; MEDIUM = 50-199 EMPLOYEES;
 LARGE = 200 AND OVER EMPLOYEES

NOTE: TOTAL EXPORTS OF ALL SECTORS IN 1981 WERE ACTUALLY \$85.8 BILLION; THIS CHART SHOWS ONLY THE SECTORS SIMULATED FOR 1981 I.E. \$87 BILLION.

FIGURE 15

KEY CONTRIBUTING SECTORS TO SMALL BUSINESS INDIRECT ROLE
IN CANADIAN EXPORTS (1981 ESTIMATES)

MAJOR GROUPS

	AGRICULTURE 842M (15.2%)
	SERVICES TO BUS. MGT. 873M (14.1%)
	FORESTRY 852M (13.7%)
	OTHER FINANCE, INSURANCE 588M (9.2%)
	WHOLESALE TRADE 421M (6.8%)
	TRANS. AND STORAGE 418M (6.8%)
	CONSTRUCTION INDUSTRY 384M (5.9%)
	RETAIL TRADE 281M (4.5%)
	FISHING, HUNTING 253M (4.1%)
	METAL FABRICATING 214M (3.5%)
	ACCOMMODATION AND FOOD SERV. 114M (1.8%)
	WOOD INDUSTRIES 105M (1.7%)
	PRINTING AND PUBLISHING 102M (1.7%)
	CHEM. AND CHEM. PROD. 102M (1.7%)
	OTHER MANUFACTURING 388M (6.3%)
	ALL OTHERS 185M (3.1%)
	TOTAL - 6203M

APPENDIX

TABLE A1

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

CANADA	Sales Size Group (\$000)			
	Total	<50	50-250	250-2 000
Total All Industries	709 255	318 455	258 000	132 801
Forestry	12 002	6 791	3 800	1 409
Mining	3 189	1 184	1 155	850
Total Manufacturing	44 183	14 588	15 148	14 448
Food and Beverages	4 905	1 106	2 125	1 674
Textiles and Clothing	3 772	1 088	1 109	1 575
Wood Products	4 194	1 533	1 407	1 253
Furniture and Fixtures	5 206	2 883	1 563	764
Printing and Publishing	6 359	2 023	2 508	1 828
Metal Fabricating Industry	4 838	1 298	1 618	1 922
Miscellaneous Manufacturing	5 402	1 886	1 973	1 542
Manufacturing (N.E.S.)	9 506	2 773	2 846	3 887
Construction Industry	125 902	62 183	45 060	18 659
Building Construction	24 771	8 056	9 964	6 751
Special Trade	97 832	53 276	33 830	10 726
Transportation and Communication	71 487	42 441	22 799	6 247
Moving and Storage	46 203	24 596	18 130	3 477
Taxicab	11 733	10 711	859	159
Wholesale Trade	51 361	16 514	16 637	18 210
Retail Trade	172 738	54 953	73 783	44 002
General Merchandise Stores	8 495	2 029	4 262	2 204
Gasoline Service Stations	18 071	3 808	5 946	8 317
Motor Vehicle Repair	18 855	7 275	8 850	2 730
Hardware, Household	19 856	6 373	8 308	5 175
Insurance and Real Estate	68 546	35 358	23 507	9 681
Insurance and Real Estate	16 328	6 715	7 151	2 462
Commercial, Business and Personal Services	159 847	84 441	56 111	19 296
Barber and Beauty	14 405	10 656	3 535	213
Hotels, Motels and Restaurants	47 944	16 323	22 442	9 178

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A2

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

NEWFOUNDLAND	Sales Size Group (\$000)			
	Total	< 50	50-250	250-2 000
Total All Industries	10 043	4 329	3 795	1 929
Forestry	91	56	24	11
Mining	15	5	7	3
Total Manufacturing	416	218	101	97
Food and Beverages	80	12	19	49
Textiles and Clothing	18	18	-	-
Wood Products	135	84	38	13
Furniture and Fixtures	43	40	3	-
Printing and Publishing	42	19	14	9
Metal Fabricating Industry	25	12	6	7
Miscellaneous Manufacturing	6	3	3	-
Manufacturing (N.E.S.)	67	29	18	20
Construction Industry	1 350	631	460	259
Building Construction	319	96	116	107
Special Trade	990	530	326	134
Transportation and Communication	1 404	982	335	87
Moving and Storage	788	497	244	47
Taxicab	231	220	11	-
Wholesale Trade	690	217	223	-
Retail Trade	3 713	1 083	1 714	916
General Merchandise Stores	552	110	309	133
Gasoline Service Stations	414	62	132	220
Motor Vehicle Repair	299	139	130	30
Hardware, Household	189	48	76	65
Insurance and Real Estate	520	254	190	76
Insurance and Real Estate	95	27	46	22
Commercial, Business and Personal Services	1 850	883	741	226
Barber and Beauty	149	99	50	-
Hotels, Motels and Restaurants	870	306	435	129

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A3

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

	Sales Size Group (\$000)			
	<u>Total</u>	<u>< 50</u>	<u>50-250</u>	<u>250-2 000</u>
PRINCE EDWARD ISLAND				
Total All Industries	3 078	1 476	1 040	562
Forestry	4	-	4	-
Mining	-	-	-	-
Total Manufacturing	198	88	76	36
Food and Beverages	65	13	28	24
Textiles and Clothing	-	-	-	-
Wood Products	52	30	19	3
Furniture and Fixtures	15	12	3	-
Printing and Publishing	10	-	6	4
Metal Fabricating Industry	16	11	5	-
Miscellaneous Manufacturing	3	3	-	-
Manufacturing (N.E.S.)	38	18	10	10
Construction Industry	513	242	191	80
Building Construction	109	33	44	32
Special Trade	381	208	137	36
Transportation and Communication	361	266	69	26
Moving and Storage	286	211	55	20
Taxicab	31	25	6	-
Wholesale Trade	227	65	78	84
Retail Trade	909	308	365	236
General Merchandise Stores	63	9	26	28
Gasoline Service Stations	126	7	57	62
Motor Vehicle Repair	106	60	41	5
Hardware, Household	73	30	30	14
Insurance and Real Estate	247	145	74	28
Insurance and Real Estate	45	18	24	3
Commercial, Business and Personal Services	623	364	195	64
Barber and Beauty	58	54	4	-
Hotels, Motels and Restaurants	276	132	100	44

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A4

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

	Sales Size Group (\$000)			
	Total	<50	50-250	250-2 000
NOVA SCOTIA				
Total All Industries	19 068	8 900	6 860	3 308
Forestry	497	265	177	56
Mining	36	13	13	10
Total Manufacturing	1 014	400	358	256
Food and Beverages	181	47	59	75
Textiles and Clothing	29	13	13	3
Wood Products	218	80	83	55
Furniture and Fixtures	89	72	17	-
Printing and Publishing	129	52	47	30
Metal Fabricating Industry	87	35	30	22
Miscellaneous Manufacturing	84	40	35	9
Manufacturing (N.E.S.)	197	60	75	62
Construction Industry	3 188	1 602	1 177	409
Building Construction	621	183	283	155
Special Trade	2 502	1 407	866	229
Transportation and Communication	2 368	1 559	635	174
Moving and Storage	1 660	1 043	524	93
Taxicab	330	301	26	3
Wholesale Trade	1 279	375	469	435
Retail Trade	5 506	1 817	2 244	1 445
General Merchandise Stores	331	72	163	96
Gasoline Service Stations	741	75	237	429
Motor Vehicle Repair	590	352	206	32
Hardware, Household	546	198	218	130
Insurance and Real Estate	1 570	922	505	143
Insurance and Real Estate	390	184	163	43
Commercial, Business and Personal Services	3 612	1 948	1 285	379
Barber and Beauty	449	383	66	-
Hotels, Motels and Restaurants	1 326	489	617	220

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A5

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

NEW BRUNSWICK	Sales Size Group (\$000)			
	Total	< 50	50-250	250-2 000
Total All Industries	16 757	7 897	5 993	2 867
Forestry	934	632	217	85
Mining	43	16	13	14
Total Manufacturing	847	328	265	254
Food and Beverages	150	43	58	49
Textiles and Clothing	7	3	4	-
Wood Products	212	85	66	61
Furniture and Fixtures	98	77	21	-
Printing and Publishing	96	41	28	27
Metal Fabricating Industry	68	17	22	29
Miscellaneous Manufacturing	44	13	20	11
Manufacturing (N.E.S.)	164	50	46	68
Construction Industry	2 689	1 306	989	394
Building Construction	571	154	258	159
Special Trade	2 046	1 132	711	203
Transportation and Communication	2 244	1 334	753	157
Moving and Storage	1 732	957	666	109
Taxicab	182	163	19	-
Wholesale Trade	1 247	436	416	395
Retail Trade	4 572	1 568	1 879	1 125
General Merchandise Stores	280	39	140	101
Gasoline Service Stations	593	92	237	264
Motor Vehicle Repair	501	280	178	43
Hardware, Household	479	214	160	105
Insurance and Real Estate	1 197	659	407	131
Insurance and Real Estate	290	119	137	34
Commercial, Business and Personal Services	3 001	1 619	1 056	326
Barber and Beauty	317	250	67	-
Hotels, Motels and Restaurants	1 098	417	505	176

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A6

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

QUÉBEC	Sales Size Group (\$000)			
	Total	< 50	50-250	250-2 000
Total All Industries	166 505	69 432	63 151	33 922
Forestry	3 455	2 552	679	224
Mining	199	58	70	71
Total Manufacturing	12 747	3 832	4 400	4 515
Food and Beverages	1 357	308	586	463
Textiles and Clothing	2 081	450	625	1 006
Wood Products	1 172	358	421	393
Furniture and Fixtures	1 611	805	537	269
Printing and Publishing	1 749	558	670	521
Metal Fabricating Industry	1 091	260	374	457
Miscellaneous Manufacturing	1 288	440	455	393
Manufacturing (N.E.S.)	2 401	655	733	1 013
Construction Industry	21 780	8 961	8 877	3 942
Building Construction	4 092	1 105	1 527	1 460
Special Trade	17 262	7 769	7 196	2 297
Transportation and Communication	17 458	11 716	4 208	1 534
Moving and Storage	9 404	5 756	2 941	707
Taxicab	4 781	4 556	190	35
Wholesale Trade	12 711	3 595	4 327	4 789
Retail Trade	51 542	14 992	23 515	13 035
General Merchandise Stores	1 860	576	774	510
Gasoline Service Stations	4 847	863	1 818	2 166
Motor Vehicle Repair	6 469	2 513	3 146	810
Hardware, Household	5 007	1 412	2 186	1 409
Insurance and Real Estate	11 245	5 862	3 753	1 630
Insurance and Real Estate	2 787	1 037	1 265	485
Commercial, Business and Personal Services	35 356	17 863	13 322	4 171
Barber and Beauty	4 000	3 142	821	37
Hotels, Motels and Restaurants	13 344	4 622	6 751	1 971

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A7

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

ONTARIO	Sales Size Group (\$000)			
	Total	<50	50-250	250-2 000
Total All Industries	243 268	112 456	86 264	44 549
Forestry	2 013	1 253	585	176
Mining	490	243	131	116
Total Manufacturing	17 435	5 698	5 883	5 853
Food and Beverages	1 707	387	734	586
Textiles and Clothing	1 060	368	304	388
Wood Products	1 095	378	364	352
Furniture and Fixtures	1 923	1 054	542	326
Printing and Publishing	2 777	908	1 133	737
Metal Fabricating Industry	2 222	614	722	887
Miscellaneous Manufacturing	2 624	863	938	824
Manufacturing (N.E.S.)	4 027	1 125	1 147	1 754
Construction Industry	43 607	22 626	14 914	6 067
Building Construction	8 124	2 990	3 137	1 998
Special Trade	34 327	19 354	11 319	3 653
Transportation and Communication	19 931	12 315	5 809	1 807
Moving and Storage	11 488	6 352	4 217	919
Taxicab	3 799	3 489	252	58
Wholesale Trade	17 940	5 869	5 710	6 361
Retail Trade	56 605	18 792	24 086	13 727
General Merchandise Stores	3 466	791	2 078	597
Gasoline Service Stations	5 618	1 183	1 639	2 796
Motor Vehicle Repair	5 746	2 012	2 880	854
Hardware, Household	7 463	2 532	3 110	1 821
Insurance and Real Estate	25 289	13 100	8 673	3 516
Insurance and Real Estate	6 589	2 770	2 926	892
Commercial, Business and Personal Services	59 958	32 559	20 473	6 927
Barber and Beauty	5 435	4 003	1 357	76
Hotels, Motels and Restaurants	16 398	5 737	7 707	2 955

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A7

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

ONTARIO	Sales Size Group (\$000)			
	Total	< 50	50-250	250-2 000
Total All Industries	243 268	112 456	86 264	44 549
Forestry	2 013	1 253	585	176
Mining	490	243	131	116
Total Manufacturing	17 435	5 698	5 883	5 853
Food and Beverages	1 707	387	734	586
Textiles and Clothing	1 060	368	304	388
Wood Products	1 095	378	364	352
Furniture and Fixtures	1 923	1 054	542	326
Printing and Publishing	2 777	908	1 133	737
Metal Fabricating Industry	2 222	614	722	887
Miscellaneous Manufacturing	2 624	863	938	824
Manufacturing (N.E.S.)	4 027	1 125	1 147	1 754
Construction Industry	43 607	22 626	14 914	6 067
Building Construction	8 124	2 990	3 137	1 998
Special Trade	34 327	19 354	11 319	3 653
Transportation and Communication	19 931	12 315	5 809	1 807
Moving and Storage	11 488	6 352	4 217	919
Taxicab	3 799	3 489	252	58
Wholesale Trade	17 940	5 869	5 710	6 361
Retail Trade	56 605	18 792	24 086	13 727
General Merchandise Stores	3 466	791	2 078	597
Gasoline Service Stations	5 618	1 183	1 639	2 796
Motor Vehicle Repair	5 746	2 012	2 880	854
Hardware, Household	7 463	2 532	3 110	1 821
Insurance and Real Estate	25 289	13 100	8 673	3 516
Insurance and Real Estate	6 589	2 770	2 926	892
Commercial, Business and Personal Services	59 958	32 559	20 473	6 927
Barber and Beauty	5 435	4 003	1 357	76
Hotels, Motels and Restaurants	16 398	5 737	7 707	2 955

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A8

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

MANITOBA	Sales Size Group (\$000)			
	Total	< 50	50-250	250-2 000
Total All Industries	28 794	13 916	10 064	4 815
Forestry	286	199	82	5
Mining	73	26	24	23
Total Manufacturing	1 580	524	568	488
Food and Beverages	224	45	111	68
Textiles and Clothing	162	66	31	65
Wood Products	124	43	42	39
Furniture and Fixtures	190	106	56	28
Printing and Publishing	263	98	94	71
Metal Fabricating Industry	135	36	46	53
Miscellaneous Manufacturing	160	47	69	44
Manufacturing (N.E.S.)	321	82	119	120
Construction Industry	5 491	3 213	1 691	587
Building Construction	890	321	373	196
Special Trade	4 458	2 851	1 260	347
Transportation and Communication	2 886	1 642	1 011	233
Moving and Storage	2 210	1 210	857	143
Taxicab	302	248	46	8
Wholesale Trade	2 436	887	753	796
Retail Trade	6 911	2 410	2 855	1 646
General Merchandise Stores	364	66	164	134
Gasoline Service Stations	871	224	343	304
Motor Vehicle Repair	669	254	306	109
Hardware, Household	867	318	392	157
Insurance and Real Estate	2 789	1 516	963	310
Insurance and Real Estate	696	313	315	68
Commercial, Business and Personal Services	6 344	3 499	2 116	729
Barber and Beauty	560	453	96	11
Hotels, Motels and Restaurants	1 843	586	849	408

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A9

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

SASKATCHEWAN	Sales Size Group (\$000)			
	Total	< 50	50-250	250-2 000
Total All Industries	27 814	12 886	9 958	4 970
Forestry	297	190	88	19
Mining	228	100	81	47
Total Manufacturing	1 050	392	401	257
Food and Beverages	177	41	92	44
Textiles and Clothing	26	12	7	7
Wood Products	58	25	21	12
Furniture and Fixtures	170	124	36	10
Printing and Publishing	147	42	56	49
Metal Fabricating Industry	136	39	52	45
Miscellaneous Manufacturing	96	40	43	13
Manufacturing (N.E.S.)	241	71	93	77
Construction Industry	6 240	3 550	1 996	694
Building Construction	1 006	318	457	231
Special Trade	5 025	3 158	1 476	391
Transportation and Communication	3 193	1 856	1 100	237
Moving and Storage	2 392	1 271	944	177
Taxicab	319	290	29	-
Wholesale Trade	2 053	674	636	743
Retail Trade	7 107	2 119	2 922	2 066
General Merchandise Stores	481	70	180	231
Gasoline Service Stations	967	230	387	350
Motor Vehicle Repair	796	323	351	122
Hardware, Household	844	254	374	216
Insurance and Real Estate	2 068	1 121	715	232
Insurance and Real Estate	562	232	265	65
Commercial, Business and Personal Services	502	381	113	8
Barber and Beauty	2 171	634	1 097	440
Hotels, Motels and Restaurants	5 578	2 883	2 019	676

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A11

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

	Sales Size Group (\$000)			
	Total	<50	50-250	250-2 000
ALBERTA				
Total All Industries	86 533	40 203	30 557	15 733
Forestry	437	225	154	58
Mining	1 501	428	625	448
Total Manufacturing	3 215	1 000	1 148	1 067
Food and Beverages	393	85	154	154
Textiles and Clothing	146	70	47	29
Wood Products	286	92	104	90
Furniture and Fixtures	385	188	143	54
Printing and Publishing	478	115	189	174
Metal Fabricating Industry	444	104	165	175
Miscellaneous Manufacturing	412	174	154	84
Manufacturing (N.E.S.)	671	173	193	305
Construction Industry	19 450	9 708	6 803	2 939
Building Construction	3 844	1 287	1 563	994
Special Trade	15 084	8 276	5 045	1 763
Transportation and Communication	11 977	6 489	4 526	962
Moving and Storage	9 279	4 486	4 109	684
Taxicab	978	907	56	15
Wholesale Trade	5 352	1 818	1 721	1 813
Retail Trade	15 111	5 123	5 659	4 329
General Merchandise Stores	544	138	231	85
Gasoline Service Stations	1 520	596	502	422
Motor Vehicle Repair	1 426	577	723	126
Hardware, Household	1 503	540	692	271
Insurance and Real Estate	8 742	4 659	3 359	724
Insurance and Real Estate	2 021	891	982	148
Commercial, Business and Personal Services	18 498	10 753	6 561	1 184
Barber and Beauty	1 338	858	450	30
Hotels, Motels and Restaurants	4 050	1 272	1 604	1 174

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE A11

Distribution of the Number of Small Businesses by Province and by Selected Industry and Sales Size Group, 1980

	Sales Size Group (\$000)			
	Total	< 50	50-250	250-2 000
BRITISH COLUMBIA				
Total All Industries	106 066	46 477	40 038	19 553
Forestry	3 977	1 419	1 787	771
Mining	575	285	185	105
Total Manufacturing	5 538	2 075	1 929	1 534
Food and Beverages	560	123	281	156
Textiles and Clothing	239	88	77	74
Wood Products	838	357	249	232
Furniture and Fixtures	683	400	206	77
Printing and Publishing	660	187	272	201
Metal Fabricating Industry	596	167	195	234
Miscellaneous Manufacturing	665	262	251	152
Manufacturing (N.E.S.)	1 297	491	398	408
Construction Industry	21 530	10 322	7 950	3 258
Building Construction	5 177	1 560	2 204	1 413
Special Trade	15 726	8 582	5 487	1 657
Transportation and Communication	6 935	2 804	3 563	568
Moving and Storage	9 606	4 256	4 339	1 011
Taxicab	776	511	224	41
Wholesale Trade	7 058	2 460	2 254	2 344
Retail Trade	20 653	6 694	8 515	5 444
General Merchandise Stores	544	156	194	194
Gasoline Service Stations	2 043	475	595	973
Motor Vehicle Repair	2 034	761	889	384
Hardware, Household	2 558	822	12 072	664
Insurance and Real Estate	13 874	7 032	4 831	2 011
Insurance and Real Estate	2 582	1 113	1 026	443
Commercial, Business and Personal Services	23 254	11 933	8 248	3 073
Barber and Beauty	1 582	1 034	513	36
Hotels, Motels and Restaurants	6 526	2 115	2 767	1 644

SOURCE: Small Business Statistics, Statistics CanadaNOTE: Includes both incorporated and unincorporated businesses.
Excludes unclassified firms.

TABLE B1

SMALL BUSINESS FINANCIAL RATIOS OF SELECTED INDUSTRY GROUPS, CANADA 1980

CANADA	Number of Firms	PER CENT			
		Return on Sales	Assets to Equity	Debt to Equity	Sales to Assets
Building Construction	24 771	4.4	461.3	361.3	124.3
Special Trade	97 831	8.2	275.5	175.5	183.8
Moving and Storage	46 203	8.1	369.5	269.5	156.4
Taxicab	11 733	9.0	330.3	230.3	173.9
General Merchandise Stores	8 495	3.5	241.1	141.1	240.3
Gasoline Service Stations	18 071	3.6	329.0	229.0	452.5
Motor Vehicle Repair	18 860	7.1	312.3	212.3	235.6
Hardware, Household	19 856	4.1	338.7	238.7	199.9
Insurance and Realtors	16 328	10.8	392.5	292.5	83.1
Barber and Beauty Salons	14 405	14.2	314.0	214.0	260.0
Hotels, Motels	47 944	3.9	511.0	411.0	114.7

SOURCE: Small Business Statistics, Statistics Canada

- NOTE: 1) Small business is defined here as those businesses with less than \$2 million in annual sales.
 2) Return on Sales = Pre-tax Profit as a percentage of Total Revenue; Asset to Equity = Total Assets as a percentage of Total Equity; Debt to Equity = Total Liabilities as a percentage of Total Equity; Sales to Assets = Total Revenue as a percentage of Total Assets.
 3) Industry groups selected have large numbers of small businesses. The selected groups account for over 45 per cent of all small businesses.

