

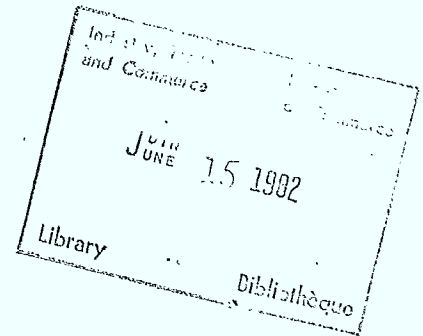
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Hughes, Edward

Problems in assessing the quantitative  
contribution of small business sectors.  
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PROBLEMS IN ASSESSING  
THE QUANTITATIVE CONTRIBUTION OF  
SMALL BUSINESS SECTORS

[U.7]

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## Problems in Assessing the Quantitative Contribution of Small Business Sectors

The tables on the following pages give sector breakdown of various aggregate measures of economic activity: Employment, Real Domestic Product (R.D.P.), Total Sales, Total Wages Paid, Imports, and Exports. Growth rates are given in each case. Data are the most recent available in the detail required. Industry sector disaggregations differ among data sources; we have attempted to bring all the tables to a common industry classification, the IBC codes used in the SBFR work (see the SBFR paper "A Profile of Small Business in Canada"). Nevertheless some incompatibilities remain: it is not strictly valid to make comparisons between tables (e.g. The Employment and R.D.P. Tables) because industry aggregations are not quite the same. Industries such as agriculture, fishing, incorporated professionals, and so forth, which are outside the scope of the S.B.F.R., have been excluded. All tables except 3 and 4 are in nominal figures, uncorrected for inflation.

Unfortunately, data limitations have made it impossible to give a breakdown by firm size, except in a very weak sense in the sales table (Table 5). However, as discussed in the "Profile" paper, we know that small businesses cluster very strongly in certain industry sectors, and comparing these sectors with others serves to some extent as a substitute for comparing small with large business.

A project worth considering for the future is the construction of a Small Business Database which would bring together all known sources of information on small business with common conventions and formats.

The Tables are presented below, with some descriptive and in some cases interpretive notes appended to each.

Employment: Tables 1 and 2

Total Employment by industry is shown for the years 1974, 1975, and 1976, with growth rates for 74-75 and 75-76. Table 1 treats only those industries which are identified in the S.B.F.R. report "A Profile of Small Business in Canada" as dominated by small business. Table 2 gives the same information for all the industries in the S.B.F.R. universe. More recent figures are not available in the required detail, but some picture can be formed of recent employment trends from Tables 3 and 4, since within an industry, R.D.P. can be taken ~~as a rough proxy~~ for employment.

It is frequently asserted that small business is the main "job generator" in the economy, or that a large fraction, say two-thirds, of the employment growth in recent years is due to the efforts of small business. Here we want briefly to examine two aspects of this assertion: first, the statistical evidence underlying it, and second, the economic implications of its being true.

The origin of the belief that small business is especially efficient at job-creation seems to be a 1979 paper by David Birch of M.I.T. titled "The Job Generation Process". Using the files of the Dun & Bradstreet (upon which he found it necessary to do a great deal of editing and validation work), Birch studied the process of start-up, growth, decline and death of U.S. firms, and concluded "The results tell a clear story. On the average about 60 percent of all jobs in the U.S. are generated by firms with 20 or fewer employees,... Large firms (those with over 500 employees) generate less than 15 percent of all net new jobs."

The story becomes a little less clear when we consider another of Birch's findings: that it is not in small businesses per se that new jobs appear, but rather in young businesses. Over three-quarters of all new jobs in the period studied were in firms less than four years old. Almost all of these are small firms, and this appears to be the reason for the apparent superior performance of small firms: although Birch did not address the question directly, it appears that mature small firms had no particular tendency to create jobs at a higher rate than mature large firms.

It is of some interest, though not perhaps very surprising, that new jobs generally appear in new firms, rather than through expansion of existing firms. Every job in a new firm is a new job, and every job lost is lost from an existing firm, so we would certainly expect figures on net new jobs to be tilted toward new firms. Some other factors might help to explain the phenomenon:

- a) Entrepreneurs seldom start new businesses in declining industries; rather, they select growing industries which offer the best hope of profits. On the other hand, an existing firm in a declining industry may not be able to transfer itself into a more attractive line of business without incurring substantial costs. Since new jobs appear in growing industries and old jobs are lost in declining ones, we would again expect the net-new-jobs figures to contain a bias toward new firms as a proxy effect for inter industry differences.

- b) if the average firm size in declining industries is bigger than in growing industries, this will strengthen the proxy effect mentioned above. For example, if a shift in public taste produces a declining market for television sets and an expanding market for restaurants, then jobs will be lost from large established firms (electronics manufacturers) and will appear in small, and often new, firms (restaurants), again biasing the net-new jobs figures.

Such effects are all part of the normal dynamics of supply and demand, and indicate no special job-creating power among either small or new firms. Whether these and similar factors suffice to explain Birch's findings is a question that Birch unfortunately did not ask. Another elementary check that Birch might have made, is to look at the figures on job loss. If most new jobs are in new firms, then in view of the high mortality rates for young firms (Birch found that only about a third of new firms survive their first four years) we might expect a substantial portion of jobs lost to be in new -- and hence small -- firms.

Canadian data sources are equally ambiguous:

Employment by Firm Size

<u>Firm Sales</u> ( <u>\$000</u> )	<u>1972</u>	<u>1978</u>	<u>Change 72-78</u>
0 -50	413,945	383,581	-30,364
50 -250	844,831	791,750	-53,081
250 -2000	1,182,139	1,356,406	+ 174,267
<u>2000-over</u>	<u>3,246,202</u>	<u>3,707,742</u>	<u>+ 461,540</u>
All Firms	5,687,117	6,239,479	+ 552,362

Source: "New Statistics on Small Business, 1979",  
Department of Industry, Trade & Commerce.

The two smallest size classes show a substantial decline in employment over the period, while the two largest classes show a large gain. At first glance, then, these figures seem to contradict Birch's findings. However, the results are distorted by inflation: since the sales-class boundaries are fixed in dollar terms, the larger firms in each class will be "promoted" by inflation into the next higher class, even if no real change takes place. In order to correct for this distortion, it is necessary to increase the class-boundaries at the rate of inflation over the period. For example, the \$50,000 boundary in 1972 should correspond to \$87,000 in 1978. As the boundaries were not adjusted in this way, little can be determined from the tables about the effect of firm size on growth or shrinkage of employment.

The tables in this paper, although not primarily intended for the purpose, can yield some limited insight into the questions posed by the Birch study. No figures were available broken down by firm size, but because small businesses tend to be concentrated in certain industries, notably trade and services, some information on size effects can be gained from inter industry comparisons. The S.B.F.R. has identified certain industries as dominated by small business. We compare the growth rates of employment and Real Domestic Product (from Table 3 and 4) for these industries with the corresponding rates for all industries.

Employment: Average Annual Growth Rates

	<u>74-75</u>	<u>75-76</u>	<u>74-76</u>
Small Business Dominated Industries	2.7%	1.6%	2.1%
All Industries	1.1%	1.4%	1.25%

Real Domestic Product Average Annual Growth:

	<u>71-76</u>	<u>76-80</u>	<u>71-80</u>
Small Business Dominated Industries	5.7%	1.7%	3.9%
All Industries	4.8%	2.4%	3.7%

(Because of data limitations the list of Small-Business dominated industries for Employment differs somewhat from that for R.D.P.).

It will be noticed that the employment figures show a somewhat higher rate of growth in the small-business dominated industries than in the economy as a whole, for the two year period 1974-76, while the figures for R.D.P. (which, within an industry is a reasonable proxy for employment) show little difference in growth rates between industry groups over the decade. In particular, the R.D.P. figures suggest that if there has been a notably more rapid growth of employment in small firms than in large, it must have been at the expense either of profits or of productivity, as, for example, by a shift in output into more labour-intensive industries. Some individual industries, of course, do show much greater than average rates of growth, while others post declines.

If small business is to increase in employment relative to large business, then it is arithmetically necessary that one of two things occur:

- a) Labour Productivity in small business declines relative to that in big business.
- b) Small business increases its share of total output at the expense of big business' share.

If the first alternative occurs, the shift is likely to be temporary since a decline in productivity will probably cause some small firms to fail and others to substitute capital for labour. The second alternative could occur because of a decrease in the most efficient scale of production (for example, as a result of a technological change), or, as mentioned above, of a change in consumer taste from products of large firms, (e.g. television sets) to products of small firms (e.g. restaurant meals.) Such phenomena are part of the normal evolution of any economy, and seem to provide no grounds for asserting that smallness confers a special job-creation ability beyond what is inferrable from production shares.

Table 1

## Employment in Small Business - Dominated Industries

IBC Code	Industry	1974	% of	1975	% of	1976	% of	Growth Rates %	
			Total		Total		Total	74-75	75-76
230	HOSIERY & KNITTING MILLS	25,554	.46	24,704	.44	23,543	.41	-3	-5
240	CLOTHING INDUSTRY	102,235	1.84	101,032	1.80	102,148	1.79	-1	1
247	MISCELLANEOUS CLOTHING INDUSTRY								
261	HOUSEHOLD FURNITURE MANUFACTURERS	31,375	.56	30,291	.54	29,343	.52	-3	-3
262	MISCELLANEOUS FURNITURE & FIXTURES MANUFACTURERS	21,045	.38	20,298	.36	19,227	.34	-4	-5
308	MACHINE SHOPS	11,155	.20	11,119	.20	10,948	.19	0	-2
397	SIGNS AND DISPLAYS INDUSTRY	6,282	.11	6,519	.12	6,608	.12	4	1
404	BUILDING CONSTRUCTION	527,209	9.48	535,272	9.54	554,616	9.74	2	2
406	HIGHWAY, BRIDGE AND STREET MAINTENANCE								
409	OTHER CONSTRUCTION								
421	SPECIAL TRADE CONTRACTORS								
507	TRUCK TRANSPORT	92,143	1.66	88,520	1.58	87,097	1.53	-4	-2

Source: Input-Output Division, Statistics Canada

Table 1

Employment in Small Business - Dominated Industries

IBC Code	Industry	1974	% of	1975	% of	1976	% of	Growth Rates %	
			Total		Total		Total	74-75	75-76
608	WHOLESALEERS OF PETROLEUM PRODUCTS, COAL AND COKE								
611	WHOLESALEERS OF PAPER AND PAPER PRODUCTS								
614	WHOLESALEERS OF FOODS								
616	WHOLESALEERS OF DRUGS AND TOILET PREPARATIONS	402,762	7.24	407,230	7.26	412,246	7.24	1	1
618	WHOLESALEERS OF HOUSEHOLD FURNITURE AND FIXTURES								
627	WHOLESALEERS OF SCRAP AND WASTE MATERIAL								
629	WHOLESALEERS, NES								
631	FOOD STORES								
642	GENERAL MERCHANDISE STORES								
652	TIRE, BATTERY & ACCESSORIES STORES								
656	MOTOR VEHICLE DEALERS								
658	MOTOR VEHICLE REPAIR SHOP								
663	SHOE STORES								
665	MEN'S CLOTHING STORES AND CUSTOM TAILOR SHOPS								
667	WOMEN'S CLOTHING STORES	1,097,313	19.72	1,137,246	20.27	1,151,470	20.23	4	1
669	CLOTHING & DRY GOODS STORES, NES								

(continued on next page)

Source: Input-Output Division, Statistics Canada



Table 1

## Employment in Small Business - Dominated Industries

IBC Code	Industry	1974	% of	1975	% of	1976	% of	Growth Rates %	
			Total		Total		Total	74-75	75-76
676	HOUSEHOLD FURNITURE AND APPLIANCE STORES								
678	RADIO, TV & ELECTRICAL APPLIANCES REPAIR STORES								
681	DRUG STORES								
691	BOOK & STATIONERY STORES								
692	FLORISTS' SHOPS								
694	JEWELLERY STORES & REPAIR SHOPS								
697	TOBACCONISTS								
699	RETAIL STORES, NES								
850	MISC. AMUSEMENT AND RECREATION SERVICES	71,968	1.29	80,272	1.43	83,637	1.47	12	4
862	ADVERTISING SERVICES	15,594	.28	16,809	.30	16,072	.28	8	-4
874	LAUNDRIES, CLEANERS AND PRESSERS (EXPT. SELF-SERVICE)	35,869	.64	36,180	.64	33,546	.59	1	-7
872	BARBER AND BEAUTY SHOPS	96,591	1.74	102,892	1.83	109,287	1.92	7	6
879	MISC. PERSONAL SERVICES								
880	HOTELS, MOTELS, ETC.	379,695	6.83	395,571	7.05	404,964	7.11	4	2
893	PHOTOGRAPHIC SERVICES, NES.	10,294	.19	10,264	.18	10,365	.18	0	1

Source: Input-Output Division, Statistics Canada

Table 1

Employment in Small Business - Dominated Industries

IBC Code	Industry	1974	% of	1975	% of	1976	% of	Growth Rates %	
			Total		Total		Total	74-75	75-76
896	BLACKSMITHING & WELDING SHOPS								
897	MISC. REPAIR SHOPS	61,932	1.11	67,829	1.21	73,154	1.29	10	8
898	SERVICES TO BUILDINGS AND DWELLINGS								
869	MISC. SERVICES TO BUSINESS MANAGEMENT	161,543	2.90	174,396	3.11	185,036	3.25	8	6
899	MISCELLANEOUS SERVICES								
	<u>TOTAL</u>	<u>3,347,963</u>	<u>60.18</u>	<u>3,438,622</u>	<u>61.28</u>	<u>3,495,209</u>	<u>61.40</u>	<u>2.7</u>	<u>1.6</u>
	Total all S.B.F.R. Industries	<u>5,563,195</u>	<u>99.98</u>	<u>5,611,758</u>	<u>99.99</u>	<u>5,692,262</u>	<u>100.00</u>	<u>1.1</u>	<u>1.4</u>

Source: Input-Output Division, Statistics Canada

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Table 2

## Employment in S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates %	
								74-75	75-76
30	LOGGING & RELATED SERVICES	68,488	1.23	59,406	1.06	58,023	1.02	-13	-2
50	METAL & NON-METAL MINES & QUARRIES	119,753	2.15	117,902	2.10	119,381	2.10	-2	1
64	CRUDE PETROLEUM & NATURAL GAS	19,794	.36	19,997	.36	21,346	.38	1	7
100	MEAT, POULTRY & FISH PROD.	60,706	1.09	58,410	1.04	61,784	1.09	-4	6
103	FRUIT & VEGETABLE PROCESSING	19,222	.35	19,543	.35	18,728	.33	2	-4
104	DAIRY PRODUCTS INDUSTRY	27,390	.49	28,040	.50	26,329	.46	2	-6
106	FEED INDUSTRY	9,321	.17	9,378	.17	8,916	.16	1	-5
107	BAKERY PRODUCTS INDUSTRY	35,540	.64	36,203	.65	34,471	.61	2	-5
109	BEVERAGE INDUSTRY	32,556	.59	32,665	.58	32,797	.58	0	0
110	MISCELLANEOUS FOOD INDUSTRY	47,223	.85	47,435	.85	47,099	.83	0	-1
165	PLASTICS FABRICATING INDUSTRY, NES	26,554	.48	25,594	.46	26,733	.47	-4	4
170	LEATHER PRODUCTS INDUSTRY	26,511	.48	26,906	.48	26,516	.47	1	-1
190	TEXTILE INDUSTRY	75,888	1.36	71,262	1.27	68,393	1.20	-6	-4
230	HOSIERY & KNITTING MILLS	25,554	.46	24,704	.44	23,543	.41	-3	-5

Source: Input-Output Division, Statistics Canada

Table 2

## Employment in S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates %	
								74-75	75-76
240	CLOTHING INDUSTRY	102,235	1.84	101,032	1.80	102,148	1.79	-1	1
247	MISCELLANEOUS CLOTHING INDUSTRY								
250	PLYWOOD & WOOD MILLING INDUSTRY	96,252	1.73	87,479	1.56	96,155	1.69	-9	10
255	MISCELLANEOUS WOOD INDUSTRY	11,347	.20	11,269	.20	10,829	.19	-1	-4
261	HOUSEHOLD FURNITURE MANUFACTURERS	31,375	.56	30,291	.54	29,343	.52	-3	-3
262	MISCELLANEOUS FURNITURE & FIXTURES MANUFACTURERS	21,045	.38	20,298	.36	19,227	.34	-4	-5
270	PAPER BOX, BAG & MISCELLANEOUS PAPER CONVERTERS	43,701	.79	41,882	.75	41,684	.73	-4	0
286	COMMERCIAL PRINTING								
288	PUBLISHING ONLY	93,395	1.68	93,907	1.67	94,211	1.66	1	0
289	PUBLISHING AND PRINTING								
290	IRON AND STEEL MILLS, SMELTING AND REFINING	107,409	1.93	106,855	1.90	102,144	1.79	-1	-4
300	BOILER, PLATE & STRUCTURAL STEEL	28,710	.52	29,319	.52	28,765	.51	2	-2
304	METAL STAMPERS, PRESSING AND COATING INDUSTRY	31,332	.56	30,336	.54	31,536	.55	-3	4

Source: Input-Output Division, Statistics Canada

Table 2

## Employment in S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates %	
								74-75	75-76
305	WIRE & WIRE PRODUCTS MANUFACTURERS	19,552	.35	17,625	.31	17,585	.31	-10	0
308	MACHINE SHOPS	11,155	.20	11,119	.20	10,948	.19	0	-2
309	MISCELLANEOUS METAL FABRICATING INDUSTRY	43,365	.78	42,065	.75	43,631	.77	-3	4
314	MISCELLANEOUS MACHINERY & EQUIPMENT MANUFACTURERS	77,810	1.40	82,746	1.47	75,343	1.32	6	-9
319	MOTOR VEHICLE, TRUCK BODY & TRAILER MANUFACTURERS	68,087	1.22	62,975	1.12	65,281	1.15	-8	4
320	OTHER TRANSPORTATION PRODUCTS MANUFACTURING	89,288	1.60	80,453	1.43	83,570	1.47	-10	4
330	SHIP BUILDING, BOAT BUILDING AND REPAIR	14,728	.26	16,347	.29	15,476	.27	11	-5
337	COMMUNICATIONS EQUIPMENT MFG.	52,546	.94	49,087	.87	44,822	.79	-7	-9
341	ELECTRICAL PRODUCTS, OFFICE AND STORE EQUIPMENT MANUFACTURERS	51,455	.92	46,989	.84	45,153	.79	-9	-4
349	CLAY OR STONE PRODUCTS	6,263	.11	6,025	.11	5,813	.10	-4	-4
350	READY-MIX CONCRETE	9,227	.17	9,559	.17	9,139	.16	4	-4

Source: Input-Output Division, Statistics Canada

Table 2

## Employment in S.B.F.R. Industries

IBC Code	Industry	1974	% of	1975	% of	1976	% of	Growth Rates %	
			Total		Total		Total	74-75	75-76
354	CONCRETE PRODUCTS MANUFACTURERS	11,693	.21	11,294	.20	10,847	.19	-3	-4
356	GLASS PRODUCTS & MISC. METAL PRODUCTS	27,517	.49	27,207	.48	27,520	.48	-1	1
380	MISC. CHEMICALS AND PETROLEUM PRODUCTS	92,615	1.66	92,869	1.65	91,360	1.60	0	-2
392	JEWELLERY AND SILVERWARE INDUSTRY	7,341	.13	7,102	.13	6,998	.12	-3	-1
393	SPORTING GOODS AND TOY INDUSTRY	11,217	.20	10,813	.19	11,096	.19	-4	3
397	SIGNS AND DISPLAYS INDUSTRY	6,282	.11	6,519	.12	6,608	.12	4	1
399	MISC. MANUFACTURING INDUSTRIES, NES	238,253	4.28	233,530	4.16	240,432	4.22	-2	3
404	BUILDING CONSTRUCTION	527,209	9.48	535,272	9.54	554,616	9.74	2	2
406	HIGHWAY, BRIDGE AND STREET MAINTENANCE								
409	OTHER CONSTRUCTION								
421	SPECIAL TRADE CONTRACTORS								
500	WATER, RAIL & PIPELINE TRANSPORTATION	197,404	3.55	192,178	3.42	181,902	3.20	-3	-5
501	AIR TRANSPORTATION	41,274	.74	41,937	.75	42,134	.74	2	1
502	SERVICES INCIDENTAL TO AIR TRANSPORTATION								

Source: Input-Output Division, Statistics Canada

Table 2

## Employment in S.B.F.R. Industries

IBC Code	Industry	1974	% of	1975	% of	1976	% of	Growth Rates %	
			Total		Total		Total	74-75	75-76
507	TRUCK TRANSPORT	92,143	1.66	88,520	1.58	87,097	1.53	-4	-2
510	TRANSIT SYSTEMS	38,960	.70	41,113	.73	44,401	.78	6	8
512	TAXI CAB OPERATIONS	14,956	.27	15,873	.28	15,592	.27	6	-2
519	OTHER TRANSPORTATION	18,404	.33	18,945	.34	19,304	.34	3	2
520	MISCELLANEOUS SERVICES INCIDENTAL TO TRANSPORT								
525	STORAGE AND WAREHOUSING, INCL. GRAIN	17,138	.31	16,970	.30	17,162	.30	-1	1
543	RADIO AND TELEVISION BROADCASTING	29,340	.53	30,165	.54	33,039	.58	3	10
560	MISCELLANEOUS COMMUNICATION & UTILITIES	253,111	4.55	257,659	4.59	275,515	4.84	2	7
608	WHOLESALERS OF PETROLEUM PRODUCTS, COAL AND COKE	402,762	7.24	407,230	7.26	412,246	7.24	1	1
611	WHOLESALERS OF PAPER AND PAPER PRODUCTS								
614	WHOLESALERS OF FOODS								
616	WHOLESALERS OF DRUGS AND TOILET PREPARATIONS								
618	WHOLESALERS OF HOUSEHOLD FURNITURE AND FIXTURES								
627	WHOLESALERS OF SCRAP AND WASTE MATERIAL								
629	WHOLESALERS, NES								

Source: Input-Output Division, Statistics Canada

Table 2

Employment in S.B.F.R. Industries

IBC Code	Industry	1974	% of	1975	% of	1976	% of	Growth Rates %	
			Total		Total		Total	74-75	75-76
631	FOOD STORES								
642	GENERAL MERCHANDISE STORES								
652	TIRE, BATTERY & ACCESSORIES STORES								
656	MOTOR VEHICLE DEALERS								
658	MOTOR VEHICLE REPAIR SHOP								
663	SHOE STORES								
665	MEN'S CLOTHING STORES AND CUSTOM TAILOR SHOPS								
667	WOMEN'S CLOTHING STORES								
669	CLOTHING & DRY GOODS STORES, NES								
676	HOUSEHOLD FURNITURE AND APPLIANCE STORES	1,097,313	19.72	1,137,246	20.27	1,151,470	20.23	4	1
678	RADIO, TV & ELECTRICAL APPLIANCES REPAIR STORES								
681	DRUG STORES								
691	BOOK & STATIONERY STORES								
692	FLORISTS' SHOPS								
694	JEWELLERY STORES & REPAIR SHOPS								
697	TOBACCONISTS								
699	RETAIL STORES, NES								
850	MISC. AMUSEMENT AND RECREATION SERVICES	71,968	1.29	80,272	1.43	83,637	1.47	12	4

Source: Input-Output Division, Statistics Canada



Table 2

## Employment in S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates %	
								74-75	75-76
862	ADVERTISING SERVICES	15,594	.28	16,809	.30	16,072	.28	8	-4
874	LAUNDRIES, CLEANERS AND PRESSERS (EXPT. SELF-SERVICE)	35,869	.64	36,180	.64	33,546	.59	1	-7
872	BARBER AND BEAUTY SHOPS	96,591	1.74	102,892	1.83	109,287	1.92	7	6
879	MISC. PERSONAL SERVICES								
880	HOTELS, MOTELS, ETC.	379,695	6.83	395,571	7.05	404,964	7.11	4	2
893	PHOTOGRAPHIC SERVICES, NES.	10,294	.19	10,264	.18	10,365	.18	0	1
896	BLACKSMITHING & WELDING SHOPS	61,932	1.11	67,829	1.21	73,154	1.29	10	8
897	MISC. REPAIR SHOPS								
898	SERVICES TO BUILDINGS AND DWELLINGS								
869	MISC. SERVICES TO BUSINESS MANAGEMENT	161,543	2.90	174,396	3.11	185,036	3.25	8	6
899	MISCELLANEOUS SERVICES								
	<u>TOTAL</u>	<u>5,563,195</u>	<u>99.98</u>	<u>5,611,758</u>	<u>99.99</u>	<u>5,692,262</u>	<u>100.00</u>	<u>1.1</u>	<u>1.4</u>

Source: Input-Output Division, Statistics Canada

Real Domestic Product: Tables 3 and 4

Index numbers of Real Domestic Product -- production adjusted for inflation -- are given for the years 1976-1980 Table 3 contains the small business-dominated sectors, and Table 4 the entire SBFR Universe. The index numbers are based on 1971 = 100, and the weights given in the sixth column express industry RDP in 1971 as a percentage of total-economy RDP in 1971. The weights in table 4 sum to only 63.4% because of the exclusion of industries outside the scope of the SBFR. The weights in Table 3 sum to 25.7% of the entire economy. If we assume the employment in SBFR industries can be allocated in the same way as RDP, and ignore some data incompatibilities, then noting from Table 1 that the small business-dominated sectors account for 60.2% of the SBFR industry employment, and from Table 2 that SBFR industries account for 63.4% of total RDP, we can get a very rough estimate of the small business-dominated industries share of total employment as  $.602 \times 63.4 = 38.2\%$ . The last line of each table gives figures for the entire economy, for comparison.

Real Domestic Product consists of (inflation-corrected) "value-added"; this is the mark-up in firm's selling price over the cost of materials it purchases. Hence the main components of RDP are profits and wages. It is the best measure of actual production, since it includes only the firm's own activities and hence avoids the double-counting that occurs with such measures as sales. For example, if a car dealer buys a car for \$10 thousand and sells it for \$11 thousand, then (ignoring overhead and taxes) its value-added component \$1,000. Out of this comes wages and profits, and it is the \$1,000, rather than the \$11 thousand that measures the actual magnitude of the firm's activity. If we took the \$11,000 as our measure, we would be ascribing to the dealer all the activity of the manufacturer as well as his own. It is for this reason that the RDP concept is the one we emphasize here. Unfortunately, RDP figures are not available broken down by firm size, or indeed by any variable other than industry.

Table 3

## Real Production in Small Business - Dominated Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (%)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
230	HOSIERY & KNITTING MILLS	103.45	99.01	102.78	110.92	111.72	.205	-4	4	8	1
240	CLOTHING INDUSTRY	120.53	113.20	121.76	126.31	114.31	.742	-6	8	4	-10
247	MISCELLANEOUS CLOTHING INDUSTRY										
261	HOUSEHOLD FURNITURE MANUFACTURERS	117.48	107.60	115.17	116.04	114.32	.420	-8	7	1	-1
262	MISCELLANEOUS FURNITURE & FIXTURES MANUFACTURERS										
404	BUILDING CONSTRUCTION	122.79	121.83	120.84	123.25	124.82	6.99	-1	-1	2	1
406	HIGHWAY, BRIDGE AND STREET MAINTENANCE										
409	OTHER CONSTRUCTION										
421	SPECIAL TRADE CONTRACTORS										
507	TRUCK TRANSPORT	121.77	121.24	120.77	112.92	118.64	.339	0	0	-6	5
510	TRANSIT SYSTEMS										
608	WHOLESALEERS OF PETROLEUM PRODUCTS, COAL AND COKE	130.01	129.39	134.78	140.50	137.40	3.242	0	4	4	-2
627	WHOLESALEERS OF SCRAP AND WASTE MATERIAL										
629	WHOLESALEERS, NES	116.87	116.25	119.72	123.42	115.48	1.267	-1	3	3	-6
631	FOOD STORES	117.20	117.90	116.18	115.98	114.97	1.368	1	-1	0	-1
642	GENERAL MERCHANDISE STORES	138.96	140.17	144.69	144.79	142.96	1.562	1	3	0	-1

Source: Evergreen Data Services, from Statistics Canada data

Table 3

## Real Production in Small Business - Dominated Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (%)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
652	TIRE, BATTERY & ACCESSORIES STORES										
654	GASOLINE SERVICE STATIONS	168.30	167.07	175.67	179.69	168.37	.697	-1	5	2	-6
656	MOTOR VEHICLE DEALERS										
658	MOTOR VEHICLE REPAIR SHOP										
665	MEN'S CLOTHING STORES AND CUSTOM TAILOR SHOPS										
663	SHOE STORES	130.05	127.39	133.87	139.92	140.47	.462	-2	5	5	0
667	WOMEN'S CLOTHING STORES										
669	CLOTHING & DRY GOODS STORES, NES										
676	HOUSEHOLD FURNITURE AND APPLIANCE STORES										
678	RADIO, TV & ELECTRICAL APPLIANCES REPAIR STORES	151.02	149.35	153.09	155.38	150.04	.275	-1	3	1	-3
681	DRUG STORES	154.68	161.98	172.97	181.61	188.29	.290	5	7	5	4
691	BOOK & STATIONERY STORES	147.31	152.87	159.37	165.34	164.95	.642	4	4	4	0
699	RETAIL STORES, NES										
862	ADVERTISING SERVICES										
869	MISC. SERVICES TO BUSINESS MANAGEMENT	171.27	186.82	209.52	218.81	221.71	2.311	9	12	4	1

Source: Evergreen Data Services, from Statistics Canada Data

Table 3

Real Production In Small Business - Dominated Industries

I3C Code	Industry Title	RDP Index (1971 = 100)					Weights (%)	Growth Rates (%)					
		1976	1977	1978	1979	1980		1977	1978	1979	1980	71-76	71-80
872	BARBER AND BEAUTY SHOPS	109.99	111.25	112.38	113.01	114.97	1.000	1	1	1	2		
874	LAUNDRIES, CLEANERS AND PRESSERS (EXPT. SELF-SERVICE)												
879	MISC. PERSONAL SERVICES												
980	HOTELS, MOTELS, ETC.	133.28	138.41	144.40	146.23	148.82	2.799	4	4	1	2		
893	PHOTOGRAPHIC SERVICES, NES.	141.69	144.51	145.80	149.84	154.67	1.041	2	1	3	3		
896	BLACKSMITHING & WELDING SHOPS												
897	MISC. REPAIR SHOPS												
898	SERVICES TO BUILDINGS AND DWELLINGS												
899	MISCELLANEOUS SERVICES												
	All Listed Industries	<u>132.07</u>	<u>134.10</u>	<u>137.60</u>	<u>141.86</u>	<u>141.43</u>	<u>25.652</u>	<u>1.53</u>	<u>2.61</u>	<u>3.13</u>	<u>-0.30</u>	<u>5.7</u>	<u>3.9</u>
	Entire Economy	<u>126.19</u>	<u>129.74</u>	<u>134.27</u>	<u>138.47</u>	<u>138.89</u>	<u>100.0</u>	<u>2.81</u>	<u>3.49</u>	<u>3.13</u>	<u>0.03</u>	<u>4.8</u>	<u>3.7</u>

Source: Evergreen Data Services, from Statistics Canada data.

Table 4

Real Production and Growth, By Industry Sector  
S.B.F.R Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (%)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
30	LOGGING & RELATED SERVICES	104.62	111.50	118.84	123.33	119.45	.715	7	7	4	-3
50	METAL & NON-METAL MINES & QUARRIES	112.57	118.84	108.17	116.24	122.40	2.44	6	-9	7	5
90	DRILLING & MISC. SERVICE INCIDENTAL TO MINING										
64	CRUDE PETROLEUM & NATURAL GAS	104.81	106.32	104.68	116.44	110.96	1.379	1	-2	11	-5
100	MEAT, POULTRY & FISH PROD.	123.17	128.94	128.53	129.62	136.05	.476	5	0	1	5
104	DAIRY PRODUCTS INDUSTRY	104.11	106.77	106.82	109.43	112.84	.505	3	0	2	3
106	FEED INDUSTRY	97.70	100.18	105.29	110.95	116.57	.168	3	5	5	5
107	BAKERY PRODUCTS INDUSTRY	97.93	94.86	95.43	94.28	96.40	.345	-3	1	-1	2
109	BEVERAGE INDUSTRY	120.78	122.49	120.91	131.27	129.77	.738	1	-1	9	-1
110	MISCELLANEOUS FOOD INDUSTRY	111.65	111.14	116.26	120.16	120.48	1.234	0	5	3	0
165	PLASTICS FABRICATING INDUSTRY, NES	156.79	167.12	186.88	202.46	188.51	.263	7	12	8	-7
170	LEATHER PRODUCTS INDUSTRY	105.72	96.81	107.26	109.77	109.68	.206	-8	11	2	0
190	TEXTILE INDUSTRY	113.70	120.27	125.37	135.19	130.03	.765	6	4	8	-4
230	HOSIERY & KNITTING MILLS	103.45	99.01	102.78	110.92	111.72	.205	-4	4	8	1

Source: Evergreen Data Services, from Statistics Canada Data

Table 4

Real Production and Growth, By Industry Sector,  
S.B.F.R. Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (%)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
240	CLOTHING INDUSTRY	120.53	113.20	121.76	126.31	114.31	.742	-6	8	4	-10
247	MISCELLANEOUS CLOTHING INDUSTRY										
250	PLYWOOD & WOOD MILLING INDUSTRY	127.44	137.95	149.38	148.38	144.44	.691	8	8	-1	-3
255	MISCELLANEOUS WOOD INDUSTRY	139.12	138.44	134.89	134.26	126.71	.277	0	-3	0	-6
261	HOUSEHOLD FURNITURE MANUFACTURERS	117.48	107.60	115.17	116.04	114.32	.420	-8	7	1	-1
262	MISCELLANEOUS FURNITURE & FIXTURES MANUFACTURERS										
270	PAPER BOX, BAG & MISCELLANEOUS PAPER CONVERTERS	119.58	114.36	120.25	128.61	125.25	.517	-4	5	7	-3
286	COMMERCIAL PRINTING	128.28	130.59	137.91	143.69	151.25	1.123	2	6	4	5
288	PUBLISHING ONLY										
289	PUBLISHING AND PRINTING										
290	IRON AND STEEL MILLS, SMELTING AND REFINING	105.98	113.99	121.48	122.43	128.47	1.783	8	7	1	5
309	MISCELLANEOUS METAL FABRICATING INDUSTRY	118.87	116.70	121.57	127.57	127.22	1.887	-2	4	5	0
314	MISCELLANEOUS MACHINERY & EQUIPMENT MANUFACTURERS	138.93	141.93	157.46	181.53	180.57	1.008	2	11	15	-1
319	MOTOR VEHICLE, TRUCK BODY & TRAILER MANUFACTURERS	147.88	164.02	165.04	153.58	124.97	1.035	11	1	-7	-19

Source: Evergreen Data Services, from Statistics Canada Data

Table 4

Real Production and Growth, By Industry Sector ,  
S.B.F.R. Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (%)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
320	OTHER TRANSPORTATION PRODUCTS MANUFACTURING	123.00	124.98	140.41	136.13	114.89	1.257	2	12	-3	-16
330	SHIP BUILDING, BOAT BUILDING AND REPAIR	119.18	110.89	102.97	110.51	112.89	.167	-7	-7	7	2
337	COMMUNICATIONS EQUIPMENT MNFG.	120.16	108.83	112.47	123.18	134.64	.636	-9	3	10	9
341	ELECTRICAL PRODUCTS, OFFICE AND STORE EQUIPMENT MANUFACTURERS	113.93	112.97	117.48	125.59	110.07	.671	-1	4	7	-12
350	READY-MIX CONCRETE	113.70	111.02	111.30	109.63	103.47	.127	-2	0	-2	-6
354	CONCRETE PRODUCTS MANUFACTURERS	104.51	97.17	92.38	94.42	88.73	.184	-7	-5	2	-6
380	MISC. CHEMICALS AND PETROLEUM PRODUCTS	125.89	132.11	141.95	148.39	150.92	1.757	5	7	5	2
349	CLAY OR STONE PRODUCTS	119.92	120.70	129.83	136.71	130.82	3.379	1	8	5	-4
356	GLASS PRODUCTS & MISC. METAL PRODUCTS										
392	JEWELLERY AND SILVERWARE INDUSTRY										
393	SPORTING GOODS AND TOY INDUSTRY										
397	SIGNS AND DISPLAYS INDUSTRY										
399	MISC. MANUFACTURING INDUSTRIES, NES										

Source: Evergreen Data Services, from Statistics Canada Data



Table 4

Real Production and Growth, By Industry Sector,  
S.B.F.R Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (\$)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
404	BUILDING CONSTRUCTION										
406	HIGHWAY, BRIDGE AND STREET MAINTENANCE	122.79	121.83	120.84	123.25	124.82	6.99	-1	-1	2	1
409	OTHER CONSTRUCTION										
421	SPECIAL TRADE CONTRACTORS										
500	WATER, RAIL & PIPELINE TRANSPORTATION	120.19	123.22	124.68	129.45	123.30	2.189	3	1	4	-5
501	AIR TRANSPORTATION										
502	SERVICES INCIDENTAL TO AIR TRANSPORTATION	174.21	194.92	203.63	230.42	234.67	.679	12	4	13	2
507	TRUCK TRANSPORT	121.77	121.24	120.77	112.92	118.64	.339	0	0	-6	5
510	TRANSIT SYSTEMS										
512	TAXI CAB OPERATIONS										
519	OTHER TRANSPORTATION	112.64	117.14	120.56	125.58	123.36	2.667	4	3	4	-2
520	MISCELLANEOUS SERVICES INCIDENTAL TO TRANSPORT										
525	STORAGE AND WAREHOUSING, INCL. GRAIN	102.97	106.74	112.37	117.05	122.09	.258	4	5	4	4

Source: Evergreen Data Services, from Statistics Canada data

Table 4

Real Production and Growth, By Industry Sector,  
S.B.F.R. Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (\$)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
543	RADIO AND TELEVISION BROADCASTING										
560	MISCELLANEOUS COMMUNICATION & UTILITIES	152.29	162.22	172.28	184.33	193.22	5.78	7	6	7	5
608	WHOLESALEERS OF PETROLEUM PRODUCTS, COAL AND COKE										
627	WHOLESALEERS OF SCRAP AND WASTE MATERIAL	130.01	129.39	134.78	140.50	137.40	3.242	0	4	4	-2
629	WHOLESALEERS, NES	116.87	116.25	119.72	123.42	115.48	1.267	-1	3	3	-6
631	FOOD STORES	117.20	117.90	116.18	115.98	114.97	1.368	1	-1	0	-1
642	GENERAL MERCHANDISE STORES	138.96	140.17	144.69	144.79	142.96	1.562	1	3	0	-1
652	TIRE, BATTERY & ACCESSORIES STORES										
654	GASOLINE SERVICE STATIONS	168.30	167.07	175.67	179.69	168.37	.697	-1	5	2	-6
656	MOTOR VEHICLE DEALERS										
658	MOTOR VEHICLE REPAIR SHOP										
665	MEN'S CLOTHING STORES AND CUSTOM TAILOR SHOPS										
663	SHOE STORES	130.05	127.39	133.87	139.92	140.47	.462	-2	5	5	0
667	WOMEN'S CLOTHING STORES										
669	CLOTHING & DRY GOODS STORES, NES										

Source: Evergreen Data Services, from Statistics Canada Data

Table 4

Real Production and Growth, By Industry Sector,  
S.B.F.R. Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (\$)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
676	HOUSEHOLD FURNITURE AND APPLIANCE STORES										
678	RADIO, TV & ELECTRICAL APPLIANCES REPAIR STORES	151.02	149.35	153.09	155.38	150.04	.275	-1	3	1	-3
681	DRUG STORES	154.68	161.98	172.97	181.61	188.29	.290	5	7	5	4
691	BOOK & STATIONERY STORES	147.31	152.87	159.37	165.34	164.95	.642	4	4	4	0
699	RETAIL STORES, NES										
850	MISC. AMUSEMENT AND RECREATION SERVICES	189.22	186.09	191.52	190.76	195.33	.427	-2	3	0	2
862	ADVERTISING SERVICES										
869	MISC. SERVICES TO BUSINESS MANAGEMENT	171.27	186.82	209.52	218.81	221.71	2.311	9	12	4	1
872	BARBER AND BEAUTY SHOPS										
874	LAUNDRIES, CLEANERS AND PRESSERS (EXPT. SELF-SERVICE)	109.99	111.25	112.38	113.01	114.97	1.000	1	1	1	2
879	MISC. PERSONAL SERVICES										
880	HOTELS, MOTELS, ETC.	133.28	138.41	144.40	146.23	148.82	2.799	4	4	1	2

Source: Evergreen Data Services, from Statistics Canada data

Table 4

Real Production and Growth, By Industry Sector,  
S.B.F.R. Industries

IBC Code	Industry Title	RDP Index (1971 = 100)					Weights (%)	Growth Rates (%)			
		1976	1977	1978	1979	1980		1977	1978	1979	1980
893	PHOTOGRAPHIC SERVICES, NES.										
896	BLACKSMITHING & WELDING SHOPS										
897	MISC. REPAIR SHOPS	141.69	144.51	145.80	149.84	154.67	1.041	2	1	3	3
898	SERVICES TO BUILDINGS AND DWELLINGS										
899	MISCELLANEOUS SERVICES										
	All SBF.R. Industries	<u>128.07</u>	<u>128.50</u>	<u>136.18</u>	<u>142.53</u>	<u>141.31</u>	<u>63.385</u>	<u>.34</u>	<u>5.98</u>	<u>4.66</u>	<u>-0.86</u>
	Entire Economy	<u>126.19</u>	<u>129.74</u>	<u>134.27</u>	<u>138.47</u>	<u>138.89</u>	<u>100.0</u>	<u>2.81</u>	<u>3.49</u>	<u>3.13</u>	<u>0.03</u>

Source: Evergreen Data Services

Sales: Table 5

This is the only table for which it was possible to obtain any breakdown by firm size. The table gives sales figures for firms of more than ten million dollars in assets (Line 1), less than 10 million dollars assets (Line 2) and both together (Line 3). It is difficult to determine any systematic pattern in the small vs. large breakdown.

Table 5

Sales and Growth Rates by Industry and Size,  
S.B.F.R. Industries

IBC Code	Industry Title		Annual Sales/Millions of Dollars				Growth Rate (%)		
			1977	1978	1979	1980	1978	1979	1980
050, 090, 064	Mining	1	14,789	15,063	18,546	21,205	1.9	23.1	14.3
		2	1,389	1,697	1,678	1,820	22.2	-1.1	8.5
		3	16,178	16,760	20,224	23,025	3.6	20.7	13.8
100, 103, 104, 106, 107, 109, 110	Food & Beverages	1	15,874	17,495	20,006	21,493	10.2	14.4	7.4
		2	6,618	7,455	7,917	8,170	12.6	6.2	3.2
		3	22,492	24,950	27,923	29,663	10.9	11.9	6.2
170	Leather Products Industry	1	189	190	174	192	.5	-8.4	10.3
		2	580	658	760	817	13.4	15.5	7.5
		3	769	848	934	1,009	10.3	10.1	8.0
190, 230	Textile & Knitting Mills Industries	1	2,266	2,651	3,228	3,403	17.0	21.8	5.4
		2	1,533	1,692	1,960	2,085	10.4	15.8	6.4
		3	3,799	4,343	5,188	5,489	14.3	19.5	5.8
240, 247	Clothing Industry	1	386	392	452	416	1.6	15.3	-8.0
		2	2,448	2,649	2,669	2,744	8.2	0.8	2.8
		3	2,834	3,041	3,121	3,160	7.3	2.6	1.2
250, 255	Wood Industries	1	2,432	2,847	3,538	3,360	17.1	24.3	-5.0
		2	2,681	3,416	3,896	3,607	27.4	14.1	-7.4
		3	5,113	6,263	7,434	6,967	22.5	18.7	-6.3
261, 262	Furniture & Fixture Manufacturers	1	248	267	283	272	7.7	6.0	-3.9
		2	1,288	1,343	1,569	1,887	4.3	15.0	20.3
		3	1,536	1,610	1,852	2,159	4.8	16.8	16.6
030, 270 (* part of 399)	Paper & Allied Industries	1	9,294	10,611	13,076	15,483	14.2	23.2	18.4
		2	1,871	1,983	2,122	2,082	6.0	7.0	-1.9
		3	11,165	12,594	15,198	17,565	12.8	20.7	15.6

Line 1: Firms over \$10 million in Assets  
 Line 2: Firms under \$10 million in Assets  
 Line 3: All firms

Source: Industrial Corporations Financial Statistics  
 Catalogue 61-003 (Quarterly)  
 Statistics Canada

Table 5

Sales and Growth Rates by Industry and Size,  
S.B.F.R. Industries

IBC Code	Industry Title		Annual Sales/Millions of Dollars				Growth Rate (%)		
			1977	1978	1979	1980	1978	1979	1980
286, 288, 289	Printing & Publishing	1	1,709	1,931	2,244	2,545	13.0	16.2	13.4
		2	2,074	2,261	2,544	2,815	9.0	12.5	10.7
		3	3,783	4,192	4,788	5,360	10.8	14.2	11.9
290 & part of 309	Iron & Steel Mills, Smelting & Refining	1	7,058	8,117	9,117	9,879	15.0	12.3	8.4
		2	721	722	792	916	0.1	9.7	15.7
		3	7,779	8,839	9,909	10,795	13.6	12.1	8.9
300, 304, 305, 308, 309	Metal Fabricating Industries	1	4,113	4,679	5,710	5,943	13.8	22.0	4.1
		2	4,146	4,596	5,444	5,596	10.9	18.5	2.8
		3	8,259	9,275	11,154	11,539	12.3	20.3	3.5
314	Misc. Machinery & Equipment Manufacturers	1	3,558	3,968	5,023	5,188	11.5	26.6	3.3
		2	1,506	1,982	2,665	2,991	31.6	34.5	12.2
		3	5,064	5,950	7,688	8,179	17.5	29.2	6.4
319, 320, 330	Transportation Equipment Industries	1	18,611	21,392	23,906	21,307	14.9	11.8	-10.9
		2	1,305	1,540	1,671	1,641	18.0	8.5	-1.8
		3	19,916	22,932	25,577	22,948	15.1	11.5	-10.3
337, 341 & part of 309	Electrical Products Industries	1	5,652	6,204	7,651	7,655	9.8	23.3	0.1
		2	1,200	1,262	1,471	1,644	5.2	16.6	11.8
		3	6,852	7,466	9,122	9,299	9.0	22.2	1.9
349, 350, 354, 356, & part of 399	Non-Metallic Mineral Products Industries	1	2,758	3,121	3,371	3,244	13.2	8.0	-3.8
		2	1,153	1,316	1,405	1,333	14.1	6.8	-5.1
		3	3,911	4,437	4,776	4,577	13.4	7.6	-4.2
380	Miscellaneous Chemicals and Petroleum Industry	1	17,941	21,453	27,492	33,152	19.6	28.1	20.6
		2	1,663	1,832	2,139	2,248	10.2	16.8	5.1
		3	19,604	23,285	29,631	25,400	18.8	27.3	19.5

Line 1: Firms over \$10 million in Assets  
 Line 2: Firms under \$10 million in Assets  
 Line 3: All firms

Source: Industrial Corporations Financial Statistics  
 Catalogue 61-003 (Quarterly)  
 Statistics Canada

Table 5

Sales and Growth Rates by Industry and Size ,  
S.B.F.R. Industries

IBC Code	Industry Title		Annual Sales/Millions of Dollars				Growth Rate (%)		
			1977	1978	1979	1980	1978	1979	1980
392, 393, 397, 399, 165	Other Manufacturing Industries	1	2,972	3,490	4,243	4,711	17.4	21.6	11.0
		2	2,657	3,173	3,615	3,890	19.4	13.9	7.6
		3	5,629	6,663	7,858	8,601	18.4	17.9	9.5
404, 421	Construction	1	5,459	4,757	5,474	5,309	-12.9	15.1	-3.0
		2	18,688	20,183	18,262	17,111	8.0	-9.5	-6.3
		3	24,147	24,940	23,736	22,420	3.3	-4.8	-5.5
500, 501, 502, 507, 510, 512, 519, 520	Transportation and Pipeline Industries	1	8,126	9,036	9,574	10,514	11.2	6.0	9.8
		2	5,697	6,374	7,266	7,145	11.9	14.0	-1.7
		3	13,823	15,410	16,840	17,659	11.5	9.3	4.9
525	Storage & Warehousing Including Grain	1	2,244	2,149	2,642	3,485	-4.2	22.9	31.9
		2	266	310	265	246	16.5	-14.5	-7.2
		3	2,510	2,459	2,907	3,731	-2.0	18.2	28.3
543, 560	Communication and Utilities	1	6,405	7,520	8,553	9,530	17.4	13.7	11.4
		2	601	635	769	839	5.7	21.1	9.1
		3	7,006	8,155	9,322	10,369	16.4	14.3	11.2
608, 611, 614- 616, 618-627, 629	Wholesale Trade (Total) * for Breakdown see next page	1	24,384	28,570	36,700	39,690	17.2	28.5	8.1
		2	35,651	41,323	47,053	51,013	15.9	13.9	8.4
		3	60,035	69,893	83,753	90,703	16.4	19.8	8.3
631-699	Retail Trade (Total)	1	19,978	22,228	25,710	28,002	11.3	15.7	8.9
		2	34,575	38,802	42,662	43,923	12.2	9.9	3.0
		3	54,553	61,030	68,372	71,925	11.9	12.0	5.2
880	Hotels, Motels, etc	1	1,297	1,508	1,837	2,043	16.3	21.8	11.2
		2	4,783	5,347	6,006	7,094	11.8	12.3	18.1
		3	6,080	6,855	7,833	9,137	12.7	14.3	16.6

Line 1: Firms over \$10 million in Assets  
Line 2: Firms under \$10 million in Assets  
Line 3: All firms

Source: Industrial Corporations Financial Statistics  
Catalogue 61-003 (Quarterly)  
Statistics Canada



Table 5

Sales and Growth Rates by Industry and Size,  
S.B.F.R. Industries

IBC Code	Industry Title		Annual Sales/Millions of Dollars				Growth Rate (%)		
			1977	1978	1979	1980	1978	1979	1980
862, 869	Services to Business Management	1	2,227	2,602	3,013	3,520	16.8	15.8	16.8
		2	4,996	6,209	6,782	8,040	24.3	9.2	18.5
		3	7,223	8,811	9,795	11,560	22.0	11.2	18.0
850, 872, 874, 879, 893, 896, 899	Other Services	1	1,207	1,382	1,599	1,741	14.5	15.7	8.9
		2	5,216	5,863	6,339	7,451	12.4	8.1	17.5
		3	6,423	7,245	7,938	9,192	12.8	9.6	15.8
614	Wholesale Industry Breakdown Wholesalers of Food	1	5,077	6,159	7,196	8,251	21.3	16.8	14.7
		2	5,252	5,870	7,034	8,381	11.8	19.8	19.1
		3	10,329	12,029	14,230	16,632	16.5	18.3	16.9
619	Wholesalers of Motor Vehicles & Accessories	1	2,459	2,694	2,956	3,591	9.6	9.7	21.5
		2	1,953	2,316	2,553	2,620	18.6	10.2	2.6
		3	4,412	5,010	5,509	6,211	13.6	10.0	12.7
623	Wholesalers of Machinery & Equipment, Nes	1	2,273	2,516	3,251	3,928	10.7	29.2	20.8
		2	4,967	6,191	7,767	9,147	24.6	25.5	17.8
		3	7,240	8,707	11,018	13,075	20.3	26.5	18.7
626	Wholesalers of Lumber & Building Material	1	1,995	2,400	3,170	3,131	20.3	32.1	-1.2
		2	4,861	5,218	5,768	5,041	7.3	10.5	-12.6
		3	6,856	7,618	8,938	8,172	11.1	17.3	-8.6
608, * part in 629	Wholesalers of Petroleum Products, Coal & Coke	1	2,043	2,425	3,823	3,096	18.7	57.6	-19.0
		2	753	878	1,025	1,265	16.6	16.7	23.4
		3	2,796	3,303	4,848	4,361	18.1	46.8	-10.0
611, 615, 616, 618, 620, 621, 622, 624, 625, 627, 629	Other Wholesale Industries	1	10,537	12,376	16,304	17,693	17.5	31.7	8.5
		2	17,865	20,850	22,906	24,559	16.7	9.9	7.2
		3	28,402	33,226	39,210	42,252	17.0	18.0	7.8

Line 1: Firms over \$10 million in Assets  
Line 2: Firms under \$10 million in Assets  
Line 3: All firms

Source: Industrial Corporations Financial Statistics  
Catalogue 61-003 (Quarterly)  
Statistics Canada

Table 5

Sales and Growth Rates by Industry and Size,  
S.B.F.R. Industries

IBC Code	Industry Title		Annual Sales/Millions of Dollars				Growth Rate (%)		
			1977	1978	1979	1980	1978	1979	1980
	BREAKDOWN BY RETAIL INDUSTRY								
631	Food Stores	1	7,717	8,679	9,700	10,564	12.5	11.8	8.9
		2	4,458	4,940	5,184	5,301	10.8	4.9	2.3
		3	12,175	13,619	14,884	15,865	11.9	9.3	6.6
642	General Merchandise Stores	1	9,015	9,734	11,102	12,321	8.0	14.1	11.0
		2	2,407	2,700	2,864	3,099	12.2	6.1	8.2
		3	11,422	12,434	13,966	15,420	8.9	12.3	10.4
656	Motor Vehicle Dealers	1	506	660	898	988	30.4	36.1	10.0
		2	11,738	13,700	15,750	16,043	16.7	14.6	1.9
		3	12,244	14,360	16,648	17,031	17.3	15.9	2.3
652, 654, 658, 663, 665, 667, 669, 676, 678, 681, 691, 692, 694, 697, 699	Other Retail Industries	1	2,740	3,155	4,010	4,129	15.1	27.1	3.0
		2	15,972	17,462	18,864	19,480	9.3	8.0	3.3
		3	18,712	20,617	22,874	23,609	10.2	10.9	3.2

Line 1: Firms over \$10 million in Assets  
 Line 2: Firms under \$10 million in Assets  
 Line 3: All firms

Source: Industrial Corporations Financial Statistics  
 Catalogue 61-003 (Quarterly)  
 Statistics Canada

Wage Bill: Tables 6 and 7

Total Wages paid are given in Table 7 for the S.B.F.R. industries for the years 1974-76. More recent data at a higher level of aggregation are given in Table 6. The figures are not strictly comparable because Table 6 includes all industries.

Table 6  
WAGES AND SALARIES BY INDUSTRY

Industry	1976	1977	1978	1979	1980	Growth Rates (%)				
						75-76	76-77	77-78	78-79	70-80
Agriculture	953.6	1,122.2	1,288.2	1,422.9	1,509.7	25.37	17.68	14.79	10.46	6.10
Forestry	1,085.6	1,196.0	1,325.0	1,488.2	1,601.2	19.91	10.17	10.79	12.32	7.59
Mining	2,551.6	2,902.5	3,052.4	3,650.3	4,518.3	16.23	13.75	5.16	19.59	23.78
Manufacturing	22,822.1	24,743.6	27,197.5	30,643.5	33,141.8	14.50	8.42	9.92	12.67	8.15
Construction	8,530.8	9,255.8	8,956.9	9,384.5	10,041.2	5.05	8.50	-3.23	4.77	7.00
Transportation, Communication, Utilities	10,467.6	11,588.8	12,717.5	14,214.3	16,252.6	16.72	10.71	9.74	11.77	14.34
Trade	13,627.3	14,449.7	15,590.1	17,384.1	19,302.5	13.70	6.04	7.89	11.51	11.04
Finance, Insurance, Real Estate	6,195.0	7,025.6	7,906.2	9,096.7	10,299.1	16.11	13.41	12.53	15.06	13.22
Service	25,088.2	27,995.3	30,918.8	34,106.9	38,460.1	18.97	11.59	10.44	10.31	12.76
TOTAL	<u>91,321.8</u>	<u>100,279.5</u>	<u>108,952.6</u>	<u>121,391.4</u>	<u>135,126.5</u>					

Source: Evergreen Data Services, from Statistics Canada data

Table 7

## Wages Paid, S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates	
								74-75	75-76
30	LOGGING & RELATED SERVICES	782,384	1.60	763,559	1.37	855,782	1.35	-2	12
50	METAL & NON-METAL MINES & QUARRIES	1,455,791	2.98	1,644,407	2.95	1,914,066	3.02	13	16
90	DRILLING & MISC. SERVICE INCIDENTAL TO MINING								
64	CRUDE PETROLEUM & NATURAL GAS	269,443	.55	286,145	.51	307,308	.49	6	7
100	MEAT, POULTRY & FISH PROD.	541,650	1.11	622,158	1.12	743,538	1.17	15	20
103	FRUIT & VEGETABLE PROCESSING	150,609	.31	174,174	.31	190,669	.30	16	9
104	DAIRY PRODUCTS INDUSTRY	264,288	.54	315,073	.57	337,162	.53	19	7
106	FEED INDUSTRY	84,168	.17	94,106	.17	104,113	.16	12	11
107	BAKERY PRODUCTS INDUSTRY	288,909	.59	340,917	.61	380,817	.60	18	12
109	BEVERAGE INDUSTRY	370,055	.76	427,257	.77	494,999	.78	15	16
110	MISCELLANEOUS FOOD INDUSTRY	458,483	.94	536,025	.96	614,556	.97	17	15
165	PLASTICS FABRICATING INDUSTRY, NES	221,797	.45	236,817	.43	283,408	.45	7	20
170	LEATHER PRODUCTS INDUSTRY	182,876	.37	207,772	.37	236,903	.37	14	14
190	TEXTILE INDUSTRY	606,919	1.24	635,088	1.14	712,346	1.12	5	12
230	HOSIERY & KNITTING MILLS	169,108	.35	189,257	.34	201,621	.32	12	7

Table 7

## Wages Paid, S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates	
								74-75	75-76
240	CLOTHING INDUSTRY	654,915	1.34	747,387	1.34	863,459	1.36	14	16
247	MISCELLANEOUS CLOTHING INDUSTRY								
250	PLYWOOD & WOOD MILLING INDUSTRY	975,237	1.99	998,669	1.79	1,295,980	2.05	2	30
255	MISCELLANEOUS WOOD INDUSTRY	91,713	.19	104,846	.19	112,951	.18	14	8
261	HOUSEHOLD FURNITURE MANUFACTURERS	235,574	.48	249,700	.45	282,237	.45	6	13
262	MISCELLANEOUS FURNITURE & FIXTURES MANUFACTURERS	179,091	.37	196,940	.35	212,336	.34	10	8
270	PAPER BOX, BAG & MISCELLANEOUS PAPER CONVERTERS	425,978	.87	457,841	.82	522,628	.83	7	14
286	COMMERCIAL PRINTING	959,303	1.96	1,078,703	1.94	1,223,316	1.93	12	13
288	PUBLISHING ONLY								
289	PUBLISHING AND PRINTING								
290	IRON AND STEEL MILLS, SMELTING AND REFINING	1,329,518	2.72	1,490,308	2.68	1,616,668	2.55	12	8
300	BOILER, PLATE & STRUCTURAL STEEL	348,421	.71	418,423	.75	467,311	.74	20	12
304	METAL STAMPERS, PRESSING AND COATING INDUSTRY	336,041	.69	355,745	.64	420,532	.66	6	18
305	WIRE & WIRE PRODUCTS MANUFACTURERS	206,274	.42	210,263	.38	223,674	.35	2	6

Table 7

## Wages Paid, S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates	
								74-75	75-76
308	MACHINE SHOPS	113,991	.23	128,372	.23	140,218	.22	13	9
309	MISCELLANEOUS METAL FABRICATING INDUSTRY	435,496	.89	468,211	.84	545,332	.86	8	16
314	MISCELLANEOUS MACHINERY & EQUIPMENT MANUFACTURERS	840,674	1.72	988,715	1.78	1,066,711	1.68	18	8
319	MOTOR VEHICLE, TRUCK BODY & TRAILER MANUFACTURERS	869,035	1.78	877,985	1.58	1,025,640	1.62	1	17
320	OTHER TRANSPORTATION PRODUCTS MANUFACTURING	998,342	2.04	1,011,665	1.82	1,220,849	1.93	1	21
330	SHIP BUILDING, BOAT BUILDING AND REPAIR	167,170	.34	212,187	.38	232,581	.37	27	10
337	COMMUNICATIONS EQUIPMENT MFG.	528,823	1.08	568,683	1.02	594,606	.94	8	5
341	ELECTRICAL PRODUCTS, OFFICE AND STORE EQUIPMENT MANUFACTURERS	489,726	1.0	492,751	.88	536,787	.85	1	9
349	CLAY OR STONE PRODUCTS	56,720	.12	61,658	.11	67,860	.11	9	10
350	READY-MIX CONCRETE	108,502	.22	126,665	.23	138,790	.22	17	10
354	CONCRETE PRODUCTS MANUFACTURERS	122,858	.25	132,352	.24	146,157	.23	8	10

Source: Input-Output Division, Statistics Canada

Table 7

## Wages Paid, S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates	
								74-75	75-76
356	GLASS PRODUCTS & MISC. METAL PRODUCTS	279,688	.57	309,846	.56	355,911	.56	11	15
380	MISC. CHEMICALS AND PETROLEUM PRODUCTS	1,098,990	2.25	1,243,277	2.23	1,398,489	2.21	13	12
392	JEWELLERY AND SILVERWARE INDUSTRY	59,390	.12	63,896	.11	72,718	.11	8	14
393	SPORTING GOODS AND TOY INDUSTRY	84,755	.17	90,316	.16	108,466	.17	7	20
397	SIGNS AND DISPLAYS INDUSTRY	58,948	.12	66,156	.12	74,137	.12	12	12
399	MISC. MANUFACTURING INDUSTRIES, NES	2,361,370	4.83	2,498,342	4.49	3,052,536	4.82	6	22
404	BUILDING CONSTRUCTION	7,938,006	16.22	9,279,350	16.66	9,955,364	15.72	17	7
421	SPECIAL TRADE CONTRACTORS								
500	WATER, RAIL & PIPELINE TRANSPORTATION	1,603,377	3.28	1,799,904	3.23	1,996,562	3.15	12	11
501	AIR TRANSPORTATION	567,599	1.16	675,036	1.21	750,632	1.19	19	11
502	SERVICES INCIDENTAL TO AIR TRANSPORTATION								
507	TRUCK TRANSPORT	1,132,888	2.32	1,147,591	2.06	1,253,099	1.98	1	9
510	TRANSIT SYSTEMS	328,961	.67	390,286	.7	487,324	.77	19	25

Source: Input-Output Division, Statistics Canada



Table 7

## Wages Paid, S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates	
								74-75	75-76
512	TAXI CAB OPERATIONS	102,887	.21	118,729	.21	139,787	.22	15	18
519	OTHER TRANSPORTATION	203,578	.42	312,807	.56	341,387	.54	54	9
520	MISCELLANEOUS SERVICES INCIDENTAL TO TRANSPORT								
525	STORAGE AND WAREHOUSING, INCL. GRAIN	122,513	.25	152,132	.27	167,013	.26	24	10
543	RADIO AND TELEVISION BROADCASTING	320,772	.66	385,381	.69	460,853	.73	20	20
560	MISCELLANEOUS COMMUNICATION & UTILITIES	2,288,769	4.68	2,682,984	4.82	3,232,092	5.1	17	20
608	WHOLESALEERS OF PETROLEUM PRODUCTS, COAL AND COKE	4,300,452	8.79	5,034,874	9.04	5,748,533	9.08	17	14
629	WHOLESALEERS, NES								
631	FOOD STORES	5,884,786	12.03	6,891,578	12.37	7,869,634	12.43	17	14
699	RETAIL STORES, NES								
850	MISC. AMUSEMENT AND RECREATION SERVICES	271,836	.56	357,116	.64	424,869	.67	31	19
862	ADVERTISING SERVICES	138,972	.28	155,206	.28	172,809	.27	12	11
874	LAUNDRIES, CLEANERS AND PRESSERS (EXPT. SELF-SERVICE)	166,722	.34	200,479	.36	228,552	.36	20	14

Table 7

## Wages Paid, S.B.F.R. Industries

IBC Code	Industry	1974	% of Total	1975	% of Total	1976	% of Total	Growth Rates	
								74-75	75-76
872	BARBER AND BEAUTY SHOPS	211,814	.43	259,359	.47	291,597	.46	22	12
879	MISC. PERSONAL SERVICES								
880	HOTELS, MOTELS, ETC.	2,007,906	4.10	2,404,703	4.32	2,892,930	4.57	20	20
893	PHOTOGRAPHIC SERVICES, NES.	42,860	.09	51,323	.09	58,176	.09	20	13
896	BLACKSMITHING & WELDING SHOPS								
897	MISC. REPAIR SHOPS	167,415	.34	226,177	.41	266,724	.42	35	18
898	SERVICES TO BUILDINGS AND DWELLINGS								
869	MISC. SERVICES TO BUSINESS MANAGEMENT	865,294	1.77	1,042,388	1.87	1,200,312	1.90	20	15
899	MISCELLANEOUS SERVICES								
	TOTAL	<u>48,930,430</u>	<u>100.03</u>	<u>55,690,060</u>	<u>99.99</u>	<u>63,334,417</u>	<u>100.00</u>		

Foreign Trade: Tables 8 and 9

Imports and Exports by sector are given as dollar amounts (Table 8) and as percentages of total trade (Table 9) for the years 1977 and 1978. The sectors which the profiling report identified as dominated by small business are not listed separately, as they are very little involved in foreign trade. These tables are simply reproduced, with some rearrangement, from the ITC publication "Commodity Trade by Industrial Sector".

It should be noted that these tables include only commodity trade: services are excluded, and this means that the contribution of the tourist industry is missed. It is not, however, known what part of tourist services trade is attributable to small business. The sectors in which small business is a substantial presence are marked by asterisks. The total export contribution of these sectors is 1.7%.

Table R

## GENERAL SUMMARY OF TRADE BY INDUSTRIAL SECTOR\*

Industry	1977		1978		Percent Change	
	Exports (\$000 000)	Imports	Exports (\$000 000)	Imports	Exports (percent)	Imports
GRAND TOTAL	44,375	42,156	52,642	48,607	18.6	15.3
Agriculture	3,045	921	3,427	1,073	12.5	16.5
Forestry	71	67	67	90	-5.3	33.0
Fishing, Trapping	189	42	260	49	37.4	16.3
Mining	8,588	4,505	8,370	4,930	-2.5	9.4
Manufacturing	31,776	34,995	39,600	40,792	24.6	16.5
Food and Beverages	2,124	1,926	2,564	2,298	20.6	19.3
Tobacco Products	5	13	5	16	3.7	20.7
Rubber and Plastics	236	703	315	805	33.4	14.5
Leather Products	66	366	84	415	27.6	13.2
Textiles	182	1,009	226	1,194	24.1	18.3
* Knitting Mills	11	311	14	320	26.7	3.0
* Clothing	124	346	148	365	20.0	5.6
Wood Products	2,967	389	3,998	441	34.7	13.4
* Furniture	89	218	122	245	37.4	12.3
Paper and Allied	4,987	432	5,665	492	13.5	13.8
Printing and Publishing	104	578	135	688	30.6	19.0
Primary Metals	3,701	1,339	4,783	1,858	29.2	38.7
Metal Fabricating	496	1,291	614	1,496	23.7	15.8
Machinery	2,292	5,927	2,915	7,213	27.1	21.6
Transportation Equipment	11,312	12,168	13,575	13,221	20.0	8.6
Electrical Products	773	2,465	1,044	2,951	35.0	19.7
Non-Metal Mineral Products	266	574	393	652	47.9	13.7
Petroleum and Coal Products	213	301	402	375	88.5	24.8
Chemicals	1,358	2,335	1,955	2,891	43.9	23.8
Miscellaneous Manufacturing	470	2,304	641	2,854	36.5	23.8
* Not Elsewhere Allocated	533	558	689	563	29.2	0.8

\* Data may not add due to rounding.

Source: Economic Intelligence Branch, Policy Planning, Dept. of Industry, Trade and Commerce

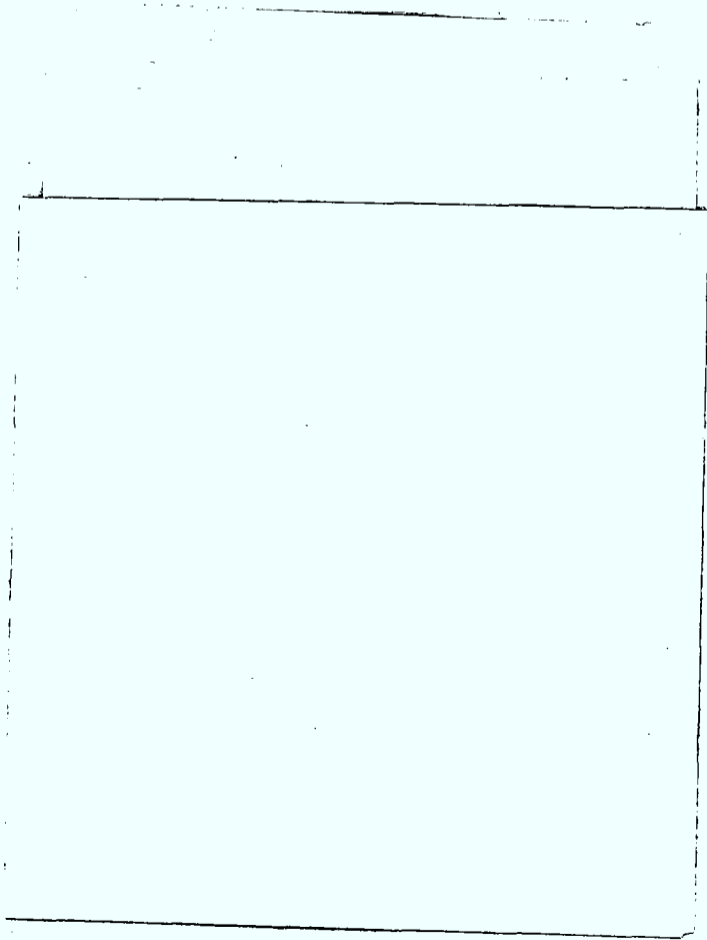


Table 9

## GENERAL SUMMARY OF TRADE BY INDUSTRIAL SECTOR\*

(Major Sectors as Percent of GRAND TOTAL)

Industry	1977		1978	
	Exports	Imports	Exports	Imports
GRAND TOTAL	100.0	100.0	100.0	100.0
Agriculture	6.9	2.2	6.5	2.2
Forestry	.2	.2	.1	.2
Fishing, Trapping	.4	.1	.5	.1
Mining	19.4	10.7	15.9	10.1
Manufacturing	71.4	83.0	75.2	83.9
Food and Beverages	4.8	4.6	4.9	4.7
Tobacco Products	-	-	-	-
Rubber and Plastics	.5	1.7	.6	1.7
Leather Products	.1	.9	.2	.9
Textiles	.4	2.4	.4	2.5
*Knitting Mills	-	.7	-	.7
*Clothing	.3	.8	.3	.8
Wood Products	6.7	.9	7.6	.9
*Furniture	.2	.5	.2	.5
Paper and Allied	11.2	1.0	10.8	1.0
Printing and Publishing	.2	1.4	.3	1.4
Primary Metals	8.3	3.2	9.1	3.8
Metal Fabricating	1.1	3.1	1.2	3.1
Machinery	5.2	14.1	5.5	14.8
Transportation Equipment	25.5	28.9	25.8	27.2
Electrical Products	1.7	5.8	2.0	6.1
Non-Metal Mineral Products	.6	1.4	.7	1.3
Petroleum and Coal Products	.5	.7	.8	.8
Chemicals	3.1	5.5	3.7	5.9
Miscellaneous Manufacturing	1.1	5.5	1.2	5.9
*Not Elsewhere Allocated	1.2	1.3	1.3	1.2

\* Data may not add due to rounding.  
- Negligible

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