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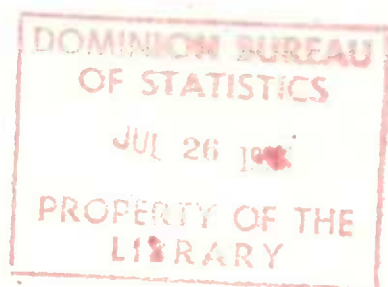


CANADA

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# RETAIL CREDIT

## FIRST QUARTER, 1956



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## RETAIL CREDIT

To avoid any misunderstanding as to the attributes of this series, the word "consumer" has been deleted from the title of the report. No attempt can be made at this time to estimate and deduct retail sales to non-consumers and non-consumer receivables on the books of retailers. The non-consumer content is assumed to occur mainly in Lumber and Building Material Dealers, Farm Implement Dealers, Feed Stores and Farmers' Supply Stores, all of which are included in the miscellaneous classification "All Other Trades." Certain other trade classifications contain portions of non-consumer business. For example, builders' hardware is included in Hardware Stores, commercial vehicles in Motor Vehicle Dealers, etc.

Sales' figures are not adjusted for seasonal variations, price changes, and number of shopping days.

### Instalment Sales

In the first quarter of 1956, retail instalment sales amounted to an estimated \$325.2 million, an increase of 9.7 per cent compared with the first quarter of 1955. In both periods, sales on instalment credit accounted, on the average, for 11.6 cents of each sales' dollar. With the exception of Men's Clothing, all the specified trades for which instalment sales are reported separately showed volume increases, ranging from 8.3 per cent in Women's Clothing Stores to 20.0 per cent in Hardware Stores. The largest absolute gain was made by Motor Vehicle Dealers and amounted to \$15.5 million.

Motor Vehicle Dealers' instalment sales accounted for 56.9 per cent of all instalment sales made in the first three months of the year. The trade, however, held only 5.9 per cent of the total instalment receivables on retailers' books at March 31, 1956, due to large-scale sales of instalment paper to finance companies. Department Stores and Furniture, Appliance and Radio Stores together made instalment sales worth \$100.6 million (30.9 per cent of total) and carried on their books at the quarter-end balances outstanding of \$278.8 million (76.9 per cent of total). Of all sales made in the first quarter of the year by Department Stores, Motor Vehicle Dealers, and Furniture, Appliance and Radio Stores combined, 34.5 per cent were instalment sales. A percentage just fractionally lower was estimated for the first quarter of 1955.

### Charge Account Sales

Charge account sales of Independent Grocery and Combination Stores (in this trade equivalent to total credit sales) were 5.3 per cent lower than in the corresponding quarter of last year, accounting for only 22.6 per cent of the trade's total sales. Estimates have indicated that, for the year 1955, the credit sales of Independent Grocery and Combination Stores were 2.0 per cent greater than in 1951, whereas their total sales were 13.2 per cent larger. A factor contributing to this trend has probably been the growth in recent years of voluntary

chains (treated as independents) which has tended to eliminate credit sales from among stores which formerly extended convenience credit to customers. All other specified trades reported an increase in charge account sales, and total charge accounts sales were 7.8 per cent higher than a year ago. Omitting Independent Grocery and Combination Stores, the increase for all other trades averaged 9.9 per cent.

Department Stores' charge account sales, which contain a significant volume of sales on revolving credit and budgeted charge accounts, amounted to \$50.2 million in the first quarter of 1956 -- an absolute increase of \$5.0 million over the first quarter of last year. These sales accounted for 20.7 per cent of Department Stores' total sales, the same as in the corresponding quarter of last year.

### Accounts Receivable

At the end of the first quarter of 1956, total accounts receivable on the books of retailers (net of repayments) amounted to an estimated \$842.4 million. The decrease from the previous quarter-end, which is seasonally expected, proceeded at a rate just fractionally less rapid than in the corresponding period last year. A considerably faster rate, however, would have been required to reduce outstandings to the level of March 31, 1955 (\$744.2 million).

The instalment receivables of all specified trades were lower at March 31, 1956, than at December 31, 1955, except those held by Motor Vehicle Dealers. Despite a drop of 5.9 per cent in their instalment sales during this period, the balances outstanding of this trade increased by 15.0 per cent. A contributing factor may have been proportionately smaller sales to finance companies of the instalment paper they acquired during the quarter. There was apparently no appreciable increase in the average term of repayment on motor vehicle paper since last year.

Charge account receivables of all specified trades, with the exception of Fuel Dealers', showed a reduction at March 31, 1956, compared with amounts outstanding at the end of the fourth quarter of 1955. Jewellery Stores accounted for the largest decrease (33.7 per cent) which approximated the drop in their charge account receivables during the corresponding period last year. Department Stores registered the largest absolute decrease (\$21.0 million), out the level of their charge account receivables was \$6.2 million higher than at March 31, 1955. Charge account debt owing to Motor Vehicle Dealers was reduced by 8.0 per cent in sharp contrast with a 16.7 per cent increase in the corresponding period last year.

Note: 1951 Census benchmarks serve as the base for computations in this series.

Credit Sales

Instalment Sales--credit sales made under conditional sale agreements which provide for time payments and contain a repossession clause. Cash down-payments, trade-in allowances and retailers' service charges are included.

Charge Account Sales--credit sales other than instalment sales. Thirty-day accounts, revolving credit and budgeted charge accounts are included.

Cash Sales--cash and C.O.D. sales exclusive of cash receipts related to instalment and charge sales, e.g., payments on customers' accounts, cash down-payments on credit sales and cash received from the sale of financial paper.

Instalment Receivables exclude contingent liabilities on paper sold to finance companies.

C R E D I T   S A L E S

PERCENTAGE CHANGES - (a) First quarter, 1956, over first quarter, 1955.

(b) First quarter, 1956, over fourth quarter, 1955.

Trade	Instalment Sales		Charge Account Sales	
	(a)	(b)	(a)	(b)
	%	%	%	%
TOTAL, ALL TRADES .....	+ 9.7	- 18.9	+ 7.8	- 21.4
Department Stores .....	+ 13.3	- 42.1	+ 11.1	- 39.7
Motor Vehicle Dealers .....	+ 9.1	- 5.9	+ 6.6	- 10.2
Men's Clothing Stores .....	- 7.7	- 50.0	+ 18.3	- 30.4
Family Clothing Stores .....	+ 16.0	- 46.3	+ 20.0	- 43.4
Women's Clothing Stores .....	+ 8.3	- 23.5	+ 12.9	- 18.6
Hardware Stores .....	+ 20.0	- 21.7	+ 15.2	- 33.7
Furniture, Appliance and Radio Stores .....	+ 12.5	- 20.9	+ 6.5	- 19.9
Jewellery Stores .....	+ 15.0	- 54.5	+ 10.3	- 51.7
Grocery and Combination (Independent) Stores.	N/A	N/A	- 5.3	- 18.1

## Credit Sales

	(a)	(b)
	%	%
General Stores .....	+ 5.9	- 22.2
Fuel Dealers .....	+ 11.0	+ 8.8
Garages and Filling Stations .....	+ 10.7	- 9.2

**Table 1. - Total, All Trades  
Sales and Accounts Receivable**

Period	Sales				Accounts Receivable (at end of period)		
	Cash	Instalment	Charge	Total	Instalment	Charge	Total
Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	1,651.1	296.4	607.0	2,554.5	308.2	436.0	744.2
Apr.-June ....	2,117.5	522.4	774.3	3,414.2	319.5	504.4	823.9
July-Sept. ....	2,098.2	458.3	789.8	3,346.3	339.8	523.1	862.9
Oct.-Dec. ....	2,325.4	401.2	832.4	3,559.0	381.8	542.8	924.6
Total .....	8,192.2	1,678.3	3,033.5	12,874.0			
1956							
Jan.-Mar. (1) ....	1,809.9	325.2	654.5	2,789.6	362.4	480.0	842.4
Percentage Composition							
1955							
Jan.-Mar. ....	64.6	11.6	23.8	100.0	41.4	58.6	100.0
Apr.-June ....	62.0	15.3	22.7	100.0	38.8	61.2	100.0
July-Sept. ....	62.7	13.7	23.6	100.0	39.4	60.6	100.0
Oct.-Dec. ....	65.3	11.3	23.4	100.0	41.3	58.7	100.0
Average .....	63.7	13.0	23.4	100.0			
1956							
Jan.-Mar. (1) ....	64.9	11.6	23.5	100.0	43.0	57.0	100.0

**Table 2. - Department Stores  
Sales and Accounts Receivable**

Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	138.0	35.4	45.2	218.6	111.8	52.6	164.4
Apr.-June ....	170.0	44.5	59.7	274.2	113.7	56.7	170.4
July-Sept. ....	152.2	49.1	53.2	254.5	123.2	58.0	181.2
Oct.-Dec. ....	251.1	69.3	83.2	403.6	146.6	79.8	226.4
Total .....	711.3	198.3	241.3	1,150.9			
1956							
Jan.-Mar. (1) ....	152.4	40.1	50.2	242.7	135.0	58.8	193.8
Percentage Composition							
1955							
Jan.-Mar. ....	63.1	16.2	20.7	100.0	68.0	32.0	100.0
Apr.-June ....	62.0	16.2	21.8	100.0	66.7	33.3	100.0
July-Sept. ....	59.8	19.3	20.9	100.0	68.0	32.0	100.0
Oct.-Dec. ....	62.2	17.2	20.6	100.0	64.8	35.2	100.0
1956							
Jan.-Mar. (1) ....	62.8	16.5	20.7	100.0	69.7	30.3	100.0

(1) Preliminary

**Table 3. - Motor Vehicle Dealers  
Sales and Accounts Receivable**

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Period	Sales				Accounts Receivable (at end of period)		
	Cash	Instalment	Charge	Total	Instalment	Charge	Total
Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	144.6	169.5	116.2	430.3	12.8	55.9	68.7
Apr.-June ....	257.4	355.4	164.9	777.7	22.4	73.9	96.3
July-Sept. ....	202.2	291.3	156.7	650.2	21.4	72.7	94.1
Oct.-Dec. ....	151.4	196.6	138.0	486.0	18.7	70.0	88.7
Total .....	755.6	1,012.8	575.8	2,344.2			
1956							
Jan.-Mar. (1) ....	153.2	185.0	123.9	462.1	21.5	64.4	85.9
Percentage Composition							
1955							
Jan.-Mar. ....	33.6	39.4	27.0	100.0	18.6	81.4	100.0
Apr.-June ....	33.1	45.7	21.2	100.0	23.3	76.7	100.0
July-Sept. ....	31.1	44.8	24.1	100.0	22.7	77.3	100.0
Oct.-Dec. ....	31.1	40.5	28.4	100.0	21.1	78.9	100.0
1956							
Jan.-Mar. (1).....	33.2	40.0	26.8	100.0	25.0	75.0	100.0

**Table 4. - Men's Clothing Stores  
Sales and Accounts Receivable**

Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	30.2	1.3	9.3	40.8	1.5	9.7	11.2
Apr.-June ....	38.8	1.8	12.6	53.2	1.4	10.8	12.2
July-Sept. ....	35.4	1.0	9.0	45.4	1.2	10.3	11.5
Oct.-Dec. ....	55.8	2.4	15.8	74.0	1.7	12.8	14.5
Total .....	160.2	6.5	46.7	213.4			
1956							
Jan.-Mar. (1) ....	32.2	1.2	11.0	44.4	1.5	11.4	12.9
Percentage Composition							
1955							
Jan.-Mar. ....	74.1	3.1	22.8	100.0	13.9	86.1	100.0
Apr.-June ....	73.1	3.3	23.6	100.0	11.4	88.6	100.0
July-Sept. ....	78.0	2.2	19.8	100.0	10.6	89.4	100.0
Oct.-Dec. ....	75.4	3.2	21.4	100.0	11.9	88.1	100.0
1956							
Jan.-Mar. (1) ....	72.4	2.8	24.8	100.0	12.0	88.0	100.0

(1) Preliminary

**Table 5. - Family Clothing Stores  
Sales and Accounts Receivable**

Period	Sales				Accounts Receivable (at end of period)		
	Cash	Instalment	Charge	Total	Instalment	Charge	Total
Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	23.9	2.5	7.5	33.9	6.6	9.6	16.2
Apr.-June .....	36.3	3.4	10.8	50.5	6.5	10.3	16.8
July-Sept. ....	33.5	2.8	8.6	44.9	6.7	9.6	16.3
Oct.-Dec. ....	47.8	5.4	15.9	69.1	8.0	13.5	21.5
Total .....	141.5	14.1	42.8	198.4			
1956							
Jan.-Mar. (1) ....	26.4	2.9	9.0	38.3	7.1	11.2	18.3
Percentage Composition							
1955							
Jan.-Mar. ....	70.4	7.4	22.2	100.0	40.7	59.3	100.0
Apr.-June .....	72.0	6.7	21.3	100.0	38.7	61.3	100.0
July-Sept. ....	74.6	6.2	19.2	100.0	41.1	58.9	100.0
Oct.-Dec. ....	69.2	7.8	23.0	100.0	37.2	62.8	100.0
1956							
Jan.-Mar. (1) ....	68.9	7.6	23.5	100.0	38.6	61.4	100.0

**Table 6. - Women's Clothing Stores  
Sales and Accounts Receivable**

Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	32.4	1.2	10.1	43.7	1.2	9.3	10.5
Apr.-June .....	46.7	1.5	12.3	60.5	1.3	9.4	10.7
July-Sept. ....	39.8	1.3	10.2	51.3	1.3	9.1	10.4
Oct.-Dec. ....	53.1	1.7	14.0	68.8	1.5	10.8	12.3
Total .....	172.0	5.7	46.6	224.3			
1956							
Jan.-Mar. (1) ....	36.2	1.3	11.4	48.9	1.4	9.6	11.0
Percentage Composition							
1955							
Jan.-Mar. ....	74.2	2.7	23.1	100.0	11.9	88.1	100.0
Apr.-June .....	77.2	2.5	20.3	100.0	12.8	87.2	100.0
July-Sept. ....	77.6	2.6	19.8	100.0	12.1	87.9	100.0
Oct.-Dec. ....	77.2	2.4	20.4	100.0	12.3	87.7	100.0
1956							
Jan.-Mar. (1) ....	74.0	2.7	23.3	100.0	12.4	87.6	100.0

(1) Preliminary

**Table 7. - Hardware Stores  
Sales and Accounts Receivable**

Period	Sales				Accounts Receivable (at end of period)		
	Cash	Instalment	Charge	Total	Instalment	Charge	Total
Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	24.4	1.5	14.5	40.4	2.4	17.7	20.1
Apr.-June ....	43.8	2.2	23.7	69.7	2.7	20.8	23.5
July-Sept. ....	41.2	2.4	25.5	69.1	3.6	24.4	28.0
Oct.-Dec. ....	46.9	2.3	25.2	74.4	3.7	23.1	26.8
Total .....	156.3	8.4	88.9	253.6			
1956							
Jan.-Mar. (1) ....	25.6	1.8	16.7	44.1	3.4	20.1	23.5
Percentage Composition							
1955							
Jan.-Mar. ....	60.3	3.7	36.0	100.0	12.1	87.9	100.0
Apr.-June ....	62.8	3.2	34.0	100.0	11.6	88.4	100.0
July-Sept. ....	59.6	3.5	36.9	100.0	13.0	87.0	100.0
Oct.-Dec. ....	63.0	3.1	33.9	100.0	13.9	86.1	100.0
1956							
Jan.-Mar. (1) ....	58.1	4.1	37.8	100.0	14.6	85.4	100.0

**Table 8. - Furniture, Appliance and Radio Stores  
Sales and Accounts Receivable**

Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	37.5	53.8	23.1	114.4	128.0	21.6	149.6
Apr.-June ....	36.4	62.6	22.2	121.2	124.0	20.6	144.6
July-Sept. ....	38.2	65.5	25.0	128.7	134.0	21.3	155.3
Oct.-Dec. ....	48.6	76.5	30.7	155.8	149.0	25.9	174.9
Total .....	160.7	258.4	101.0	520.1			
1956							
Jan.-Mar. (1) ....	39.1	60.5	24.6	124.2	143.8	23.0	166.8
Percentage Composition							
1955							
Jan.-Mar. ....	32.8	47.0	20.2	100.0	85.6	14.4	100.0
Apr.-June ....	30.0	51.6	18.4	100.0	85.8	14.2	100.0
July-Sept. ....	29.7	50.9	19.4	100.0	86.3	13.7	100.0
Oct.-Dec. ....	31.2	49.1	19.7	100.0	85.2	14.8	100.0
1956							
Jan.-Mar. (1) ....	31.5	48.7	19.8	100.0	86.2	13.8	100.0

(1) Preliminary

**Table 9. - Jewellery Stores**  
**Sales and Accounts Receivable**

Period	Sales				Accounts Receivable (at end of period)		
	Cash	Instalment	Charge	Total	Instalment	Charge	Total
Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	13.3	4.0	3.9	21.2	9.8	5.1	14.9
Apr.-June ....	15.0	4.9	4.7	24.6	9.0	4.5	13.5
July-Sept. ....	17.5	5.5	4.7	27.7	9.7	5.2	14.9
Oct.-Dec. ....	26.9	10.1	8.9	45.9	13.6	8.3	21.9
Total .....	72.7	24.5	22.2	119.4			
1956							
Jan.-Mar. (1) ....	13.9	4.6	4.3	22.8	11.3	5.5	16.8
Percentage Composition							
1955							
Jan.-Mar. ....	62.9	18.8	18.3	100.0	65.8	34.2	100.0
Apr.-June ....	61.2	19.8	19.0	100.0	66.7	33.3	100.0
July-Sept. ....	63.0	19.9	17.1	100.0	65.2	34.8	100.0
Oct. Dec. ....	58.5	22.0	19.5	100.0	61.9	38.1	100.0
1956							
Jan.-Mar. (1) ....	61.2	20.0	18.8	100.0	67.3	32.7	100.0

**Table 10. - Grocery and Combination Stores (Independent)**  
**Sales and Accounts Receivable**

Period	Sales					Accounts Receivable (Charge)
	Cash		Charge		Total	
	Amount	%	Amount	%	Amount	
	Dollar Estimates (in millions)					
1955						
Jan.-Mar. ....	245.0	74.8	82.5	25.2	327.5	33.2
Apr.-June ....	283.2	75.8	90.5	24.2	373.7	33.9
July-Sept. ....	286.9	75.5	93.1	24.5	380.0	32.6
Oct.-Dec. ....	285.5	74.9	95.4	25.1	380.9	34.8
Total .....	1,100.6		361.5		1,462.1	
1956						
Jan.-Mar. (1) ....	266.7	77.4	78.1	22.6	344.8	31.5

(1) Preliminary

**Table 11. - General Stores**  
**Sales and Accounts Receivable**  
(in millions of dollars)

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Period	Sales					Accounts Receivable
	Cash		Credit		Total	
	Amount	%	Amount	%	Amount	
1955						
Jan.-Mar. ....	70.1	67.4	34.0	32.6	104.1	26.1
Apr.-June ....	93.4	68.4	43.1	31.6	136.5	29.1
July-Sept. ....	100.1	68.7	45.7	31.3	145.8	29.9
Oct.-Dec. ....	95.5	67.3	46.3	32.7	141.8	27.1
Total .....	359.1		169.1		528.2	
1956						
Jan.-Mar. (1) .....	75.1	67.6	36.0	32.4	111.1	25.3

**Table 12. - Fuel Dealers**  
**Sales and Accounts Receivable**  
(in millions of dollars)

Period	Sales					Accounts Receivable
	Cash		Credit		Total	
	Amount	%	Amount	%	Amount	
1955						
Jan.-Mar. ....	20.3	22.9	68.3	77.1	88.6	34.7
Apr.-June ....	7.3	18.7	31.9	81.3	39.2	24.7
July-Sept. ....	10.4	23.4	34.1	76.6	44.5	28.0
Oct.-Dec. ....	22.2	24.1	69.7	75.9	91.9	40.2
Total .....	60.2		204.0		264.2	
1956						
Jan.-Mar. (1) .....	23.8	23.9	75.8	76.1	99.6	43.0

**Table 13. - Garages and Filling Stations**  
**Sales and Accounts Receivable**  
(in millions of dollars)

Period	Sales					Accounts Receivable
	Cash		Credit		Total	
	Amount	%	Amount	%	Amount	
1955						
Jan.-Mar. ....	91.3	70.4	38.3	29.6	129.6	24.5
Apr.-June ....	125.0	71.3	50.4	28.7	175.4	28.1
July-Sept. ....	136.2	72.6	51.5	27.4	187.7	30.0
Oct.-Dec. ....	115.8	71.3	46.7	28.7	162.5	27.8
Total .....	468.3		186.9		655.2	
1956						
Jan.-Mar. (1) .....	97.3	69.6	42.4	30.4	139.7	26.0

(1) Preliminary



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**Table 14. - All Other Trades  
Sales and Accounts Receivable**

Period	Sales				Accounts Receivable (at end of period)		
	Cash	Instalment	Charge	Total	Instalment	Charge	Total
Dollar Estimates (in millions)							
1955							
Jan.-Mar. ....	780.1	27.2	154.1	961.4	34.1	136.0	170.1
Apr.-June ....	964.2	46.1	247.5	1,257.8	38.5	181.6	220.1
July-Sept. ....	1,004.6	39.4	272.5	1,316.5	38.7	192.0	230.7
Oct.-Dec. ....	1,124.8	35.1	244.4	1,404.3	36.9	170.8	207.7
Total .....	3,873.7	147.8	918.5	4,940.0			
1956							
Jan.-Mar. (1) ....	868.0	26.7	172.2	1,066.9	35.1	152.5	187.6
Percentage Composition							
1955							
Jan.-Mar. ....	81.2	2.8	16.0	100.0	20.0	80.0	100.0
Apr.-June ....	76.6	3.7	19.7	100.0	17.5	82.5	100.0
July-Sept. ....	76.3	3.0	20.7	100.0	16.8	83.2	100.0
Oct.-Dec. ....	80.1	2.5	17.4	100.0	17.8	82.2	100.0
1956							
Jan.-Mar. (1) ....	81.4	2.5	16.1	100.0	18.7	81.3	100.0

(1) Preliminary