

CATALOGUE No.

63-006

QUARTERLY



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RETAIL CREDIT

FIRST QUARTER, 1959



Published by Authority of
The Honourable Gordon Churchill, Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
Industry and Merchandising Division

RETAIL CREDIT

Estimates of credit sales and accounts receivable have been published for some ten years on a quarterly basis by the Dominion Bureau of Statistics. Quarterly reporting by a sample of retail stores has been the basis for this series. Recently, an annual survey of a much larger sample of stores has been undertaken which includes information on credit sales and accounts receivable. From this study, more reliable estimates will be available on this subject, but on an annual basis. To accomplish this, it is necessary to reduce the work on the current quarterly series; after some discussion with major users of the report, it was decided that the sales portion of the survey was of doubtful value. Credit sales, as previously contained in this report, included trade-in allowances and cash down payments and, as such, did not represent actual credit granted. Any change in credit extended or in consumer indebtedness is best measured by the item "accounts outstanding." For this reason, this quarterly survey has been reduced to a measurement of accounts receivable on the books of retail dealers at the end of the quarter.

The main purpose of this survey has been to measure the extent of consumer credit; government use of the information is mainly confined to this sector, for which estimates of credit extended by lumber dealers and farm implement dealers were not included. These trades, which extend credit largely to commercial users, have now been excluded from this report. This change will be reflected in the "all other trades" category and "total, all trades." As a measurement of consumer credit, no useful purpose would be served by continuing to survey these kinds of business.

Accounts receivable under the title "Retail Credit" represent the amount outstanding on the books of retailers. They do not include contingent liabilities on paper sold to finance companies and banks. No adjustments are made for seasonal fluctuations or price changes.

Accounts receivable on the books of retailers amounted to an estimated \$865,600,000 at March 31. This was seasonally lower than the December 31 figure but represented an increase of 4.5 per cent over the amount outstanding at March 31, 1958. Department stores carry the most credit on their books with a total of \$247,900,000 at March 31, 1959. The bulk of receivables originating from instalment credit granted by motor vehicle dealers remains on the books of sales finance companies or other lending institutions.

The largest percentage gain in accounts receivable occurred in the fuel business where the total was 16.0 per cent above that a year ago. For all trades combined, there was only a nominal gain in instalment receivables (+2.4 per cent) but a more substantial one for charge accounts (+6.8 per cent).

Percentage Change in Accounts Receivable
on the Books of Retailers

March 31, 1959, over March 31, 1958.

<u>Trade</u>	<u>Instalment Receivables</u>	<u>Charge Account Receivables</u>	<u>Total Receivables</u>
TOTAL, ALL TRADES	+ 2.4	+ 6.8	+ 4.5
Department Stores	+ 6.8	+ 9.3	+ 7.2
Motor Vehicle Dealers	-21.0	+ 5.1	- 0.9
Men's Clothing Stores	- 2.5	+ 2.1	+ 0.7
Family Clothing Stores	+ 8.2	+ 6.2	+ 7.3
Women's Clothing Stores	- 4.3	+ 5.7	+ 3.6
Hardware Stores	+20.0	+ 5.8	+ 8.7
Furniture, Appliance and Radio Stores	+ 0.9	+ 4.3	+ 1.4
Jewellery Stores	0.0	0.0	0.0
Grocery and Combination (Independent) Stores .	n/a	+ 6.0	+ 6.0
Fuel Dealers	+14.3	+16.0	+16.0

Accounts Receivable - Retail Trade

(dollar estimates in millions)

	Amount			Percentage Composition		
	Instalment	Charge	Total	Instalment	Charge	Total
	\$	\$	\$	%	%	%
<u>Total, All Trades</u>						
<u>1958</u>						
March 31	444.3	384.4	828.7	53.6	46.4	100.0
June 30	445.3	396.1	841.4	52.9	47.1	100.0
September 30	451.2	407.1	858.3	52.6	47.4	100.0
December 31 (r) ...	489.6	447.6	937.2	52.2	47.8	100.0
<u>1959</u>						
March 31 (p)	454.9	410.7	865.6	52.6	47.4	100.0
<u>Motor Vehicle Dealers</u>						
<u>1958</u>						
March 31	22.9	76.3	99.2	23.1	76.9	100.0
June 30	24.8	80.2	105.0	23.6	76.4	100.0
September 30	23.6	79.4	103.0	22.9	77.1	100.0
December 31 (r) ...	17.8	76.6	94.4	18.9	81.1	100.0
<u>1959</u>						
March 31 (p)	18.1	80.2	98.3	18.4	81.6	100.0
<u>Men's Clothing Stores</u>						
<u>1958</u>						
March 31	4.0	9.4	13.4	29.9	70.1	100.0
June 30	4.0	9.3	13.3	29.9	70.1	100.0
September 30	3.7	8.6	12.3	29.8	70.2	100.0
December 31 (r) ...	4.4	11.0	15.4	28.4	71.6	100.0
<u>1959</u>						
March 31 (p)	3.9	9.6	13.5	29.1	70.9	100.0
<u>Family Clothing Stores</u>						
<u>1958</u>						
March 31	9.7	8.1	17.8	54.6	45.4	100.0
June 30	9.7	8.1	17.8	54.4	45.6	100.0
September 30	9.5	8.5	18.0	52.6	47.4	100.0
December 31 (r) ...	11.8	9.9	21.7	54.3	45.7	100.0
<u>1959</u>						
March 31 (p)	10.5	8.6	19.1	55.0	45.0	100.0

(r) Revised

(p) Preliminary

Accounts Receivable - Retail Trade

(dollar estimates in millions)

	Amount			Percentage Composition		
	Instalment	Charge	Total	Instalment	Charge	Total
	\$	\$	\$	%	%	%
<u>Women's Clothing Stores</u>						
<u>1958</u>						
March 31	2.3	8.8	11.1	20.5	79.5	100.0
June 30	2.1	8.6	10.7	19.8	80.2	100.0
September 30	2.1	9.1	11.2	18.8	81.2	100.0
December 31 (r) ...	2.6	10.3	12.9	19.8	80.2	100.0
<u>1959</u>						
March 31 (p)	2.2	9.3	11.5	19.3	80.7	100.0
<u>Hardware Stores</u>						
<u>1958</u>						
March 31	5.5	20.8	26.3	21.0	79.0	100.0
June 30	5.8	24.6	30.4	19.2	80.8	100.0
September 30	6.3	25.6	31.9	19.8	80.2	100.0
December 31 (r) ...	6.8	25.0	31.8	21.5	78.5	100.0
<u>1959</u>						
March 31 (p)	6.6	22.0	28.6	23.2	76.8	100.0
<u>Furniture, Appliance and Radio Stores</u>						
<u>1958</u>						
March 31	159.7	23.5	183.2	87.2	12.8	100.0
June 30	160.7	23.6	184.3	87.2	12.8	100.0
September 30	164.9	25.1	190.0	86.8	13.2	100.0
December 31 (r) ...	169.6	27.0	196.6	86.3	13.7	100.0
<u>1959</u>						
March 31 (p)	161.2	24.5	185.7	86.8	13.2	100.0
<u>Jewellery Stores</u>						
<u>1958</u>						
March 31	13.3	4.9	18.2	73.1	26.9	100.0
June 30	12.6	5.0	17.6	71.5	28.5	100.0
September 30	12.1	4.9	17.0	71.6	28.4	100.0
December 31 (r) ...	16.0	7.9	23.9	67.0	33.0	100.0
<u>1959</u>						
March 31 (p)	13.3	4.9	18.2	72.8	27.2	100.0
<u>Fuel Dealers</u>						
<u>1958</u>						
March 31	1.4	43.7	45.1	3.1	96.9	100.0
June 30	1.3	29.5	30.8	4.1	95.9	100.0
September 30	1.4	28.3	29.7	4.8	95.2	100.0
December 31 (r) ...	1.6	47.3	48.9	3.4	96.6	100.0
<u>1959</u>						
March 31 (p)	1.6	50.7	52.3	3.1	96.9	100.0

(r) Revised

(p) Preliminary

Accounts Receivable - Retail Trade
(dollar estimates in millions)

Department Stores

	Amount				Percentage Composition			
	Instalment		Charge	Total	Instalment		Charge	Total
	C.S.A. ^{1/}	Other ^{2/}			C.S.A. ^{1/}	Other ^{2/}		
	\$	\$	\$	\$	%	%	%	%
<u>1958</u>								
March 31	161.6	30.8	38.8	231.2	69.9	13.3	16.8	100.0
June 30	162.4	28.7	39.7	230.8	70.4	12.4	17.2	100.0
September 30.	164.0	28.7	43.0	235.7	69.6	12.2	18.2	100.0
December 31(r)	186.5	37.1	58.2	281.8	66.2	13.2	20.6	100.0
<u>1959</u>								
March 31 (p).	173.1	32.4	42.4	247.9	69.8	13.1	17.1	100.0

^{1/} Conditional-sale agreements

^{2/} Other deferred payment plans

Grocery and Combination
Stores (Independent)

	Charge
	\$
<u>1958</u>	
March 31	31.5
June 30	32.4
September 30.	32.2
December 31(r)	35.3
<u>1959</u>	
March 31 (p).	33.4

General Stores

	Charge
	\$
<u>1958</u>	
March 31	25.1
June 30	28.0
September 30.	29.5
December 31 (r)	29.0
<u>1959</u>	
March 31 (p).	27.4

Garages and
Filling Stations

	Charge
	\$
<u>1958</u>	
March 31	28.9
June 30	29.8
September 30.	30.2
December 31 (r)	28.6
<u>1959</u>	
March 31 (p).	27.3

All Other Trades

	Amount			Percentage Composition		
	Instalment	Charge	Total	Instalment	Charge	Total
	\$	\$	\$	%	%	%
<u>1958</u>						
March 31	32.9	64.8	97.7	33.7	66.3	100.0
June 30	33.0	77.5	110.5	29.9	70.1	100.0
September 30	34.7	82.9	117.6	29.5	70.5	100.0
December 31 (r) ...	35.1	81.8	116.9	30.0	70.0	100.0
<u>1959</u>						
March 31 (p)	31.7	70.7	102.4	31.0	69.0	100.0

(r) Revised

(p) Preliminary

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