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CURRENT TRENDS IN FOOD DISTRIBUTION, JUNE, 1944

Indexes reflecting current trends in food distribution in Canada have been published for some years, indexes of retail and wholesale grocery sales forming components of the two regular monthly bulletins on retail and wholesale trade issued by the Merchandising and Services Branch of the Dominion Bureau of Statistics. This series brings together in one report the information on retail and wholesale grocery sales contained in the other bulletins thus facilitating a comparison of the trends in monthly sales in the two stages of food distribution.

Wholesale Trade

Statements received from 75 of the larger wholesale grocery establishments in Canada revealed that the value of wholesale grocery sales transacted during June, 1944, were 10 per cent higher than the dollar sales realized in June of last year, and the June volume of business exceeded May sales by 3 per cent. The 10 per cent increase reflects an active grocery trading market in each of the provinces, but sales expanded to a lesser degree in British Columbia than in the other regions and declined 3 per cent from the May volume of business in that province. Gains recorded for the economic regions are as follows: Maritimes, 11 per cent; Quebec, 9 per cent; Ontario, 11 per cent; Prairies, 11 per cent; British Columbia, 3 per cent. Cumulative sales in all regions for the first half of this year were 11 per cent higher than the January-June period of last year.

Inventories held by wholesale grocers at the end of June were valued 15 per cent higher than on the same date of last year, but the inventory position at the end of June declined by 6 per cent from the May month-end level. Stocks at the beginning of June are normally 20 per cent in excess of the volume of business transacted during that month. Stocks at the beginning of June this year exceeded the sales of this month by 6 per cent, indicating that the inventory position at the beginning of June was considerably below the normal level for that period of the year.

Wholesale Grocery Trade by Economic Divisions

Division	Number of firms reporting	Dollar Sales (add 000)		Per cent change		
		June, 1943	June, 1944	June, 1944 over June, 1943		Year-to-date, 1944
		\$	\$	June, 1943	May, 1944	Year-to-date, 1943
CANADA	75	20,044	21,978	+ 9.6	+ 2.5	+10.8
Maritimes	16	2,564	2,854	+11.3	+ 1.9	+15.9
Quebec	21	3,024	3,299	+ 9.1	+ 0.4	+ 5.6
Ontario	20	5,900	6,570	+11.3	+ 5.9	+11.7
Prairies	12	5,716	6,319	+10.6	+ 1.7	+14.0
British Columbia	6	2,840	2,936	+ 3.4	- 2.8	+12.1

Retail Sales

Chain Stores

Sales of 877 chain store units operated by 22 chain companies in the food retailing field averaged 22 per cent higher in June, 1944, than sales of 889 units operated by the same 22 firms in June a year ago. Average sales per store were \$17,456 in June, 1944, 24 per cent higher than the \$14,117 average for the same month of 1943.

Sales increased by 25 per cent in Quebec, 23 per cent in Ontario, 20 per cent in the Prairie Provinces and 13 per cent in British Columbia.

Comparison of Stores and Sales for June, 1943 and 1944

	June, 1943		June, 1944		Per cent change in sales
	No. Stores	Sales	No. Stores	Sales	
		\$		\$	
CANADA	889	12,550,018	877	15,308,720	+22.0
Quebec	174	2,636,960	171	3,290,994	+24.8
Ontario	517	6,968,038	511	8,580,984	+23.2
Prairie Provinces	104	1,593,782	101	1,915,004	+20.2
British Columbia	94	1,351,238	94	1,521,738	+12.6

Independent Stores

Sales of 843 independent grocery or grocery and meat stores increased by 10 per cent in dollar volume in June, 1944, over the value of business transacted in the same month of last year. The following gains were recorded over June, 1943: Alberta, 16 per cent; Maritime Provinces and Manitoba, 12 per cent; Saskatchewan, 11 per cent; Ontario, 9 per cent; Quebec and British Columbia, 8 per cent.

Comparison of Sales Reported for June, 1943 and 1944

	No. stores reporting	No. reporting increase	Per cent change in sales
CANADA	843	668	+ 9.5
Maritimes	116	97	+12.3
Quebec	176	125	+ 7.9
Ontario	343	270	+ 8.6
Manitoba	55	44	+12.3
Saskatchewan	30	27	+11.4
Alberta	57	50	+15.9
British Columbia	66	55	+ 8.4



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On September 20, 1970, the Government of Canada announced that it had
 decided to increase the federal sales tax from 15% to 17% on September 22, 1970.
 This increase was part of a package of measures designed to reduce the
 federal deficit. The increase in the sales tax was expected to raise
 approximately \$1.5 billion in additional revenue for the government.

Table 1. Federal Sales Tax, 1970-71

Category	1970-71	1969-70
Total	17.0	15.0
Food	15.0	15.0
Alcohol and tobacco	17.0	17.0
Transportation	17.0	17.0
Recreation	17.0	17.0
Health	17.0	17.0
Education	17.0	17.0
Other	17.0	17.0