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SALES FINANCING
1950

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NOTICE

The Industry and Merchandising Division of the Bureau of Statistics collects and compiles figures on (a) the primary industries in Canada — mining, forestry, and fishing; (b) manufacturing; (c) construction; and (d) merchandising and services.

For the purpose of annual compilation and publication, reports on merchandising and services have been classified as follows:

Part I — Wholesale Statistics

A Wholesale Trade, 25¢.
* B Operating Results of Food Wholesalers, 25¢.
* C Operating Results of Dry Goods, Piece Goods, and Footwear Wholesalers, 25¢.
* D Operating Results of Miscellaneous Wholesalers (automotive equipment, drugs, hardware, plumbing and heating equipment), 25¢.

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U Farm Implement and Equipment Sales, 25¢.
V New Motor Vehicle Sales and Motor Vehicle Financing, 25¢.

The reports are punched to permit of filing in a ring binder.

* Biennial reports — not issued for 1950.

Notes

Results in this report are based on an almost complete coverage of finance and acceptance companies engaged in the purchase or discounting of notes receivable arising from retail instalment sales.

In the first two tables, two principal commodity classifications have been used:

(1) Consumers' Goods – including new and used passenger cars and an "all other" category composed mainly of radios and household appliances.

(2) Commercial and Industrial Goods – including new and used trucks and buses and an "all other" group under which are included such items as farm machinery, tractors, etc.

In Table 3, the major distinction is between "Automotive" and "Non-automotive" financing rather than between "Consumers' Goods" and "Commercial and Industrial Goods".

Totals for the automotive categories shown in this report are slightly different from those contained in the summary report "New Motor Vehicle Sales and Motor Vehicle Financing, 1950". The differences are not significant and are due entirely to minor inconsistencies in information reported to the Bureau of Statistics on different occasions.

SALES FINANCING
1950

Financing of retail instalment sales by 109 companies in 1950 was 51% greater than the amount handled by 104 companies in 1949. Balances outstanding at the end of 1950 were 59% above the total at December 31, 1949.

Total financing amounted to $429,196,000 in 1950 compared with $284,730,000 in 1949, $208,166,000 in 1948 and $100,277,000 in 1941.

Balances outstanding at the end of 1950 totalled $293,163,000, as compared with $184,063,000 outstanding on books of sales finance companies at the end of 1949 and more than four times the amount of total balances outstanding at the end of 1941.

Ontario was responsible for 41% of the total amount of financing while Quebec accounted for 20%. Alberta and British Columbia followed with 11% and 10% while the Atlantic Provinces (including Newfoundland) accounted for 8%. The proportions in Saskatchewan and Manitoba were 6% and 5% of the total respectively. Balances outstanding were distributed among the various provinces in somewhat the same proportions, as the following table indicates.

Provincial Distribution of Paper Purchased and Balances Outstanding in 1950

Province	Total, all commodities Per cent of Canada totals	
	Paper purchased	Balances outstanding
	%	%
CANADA	**100.0**	**100.0**
Atlantic Provinces	8.0	8.0
Quebec	20.3	21.3
Ontario	40.7	39.2
Manitoba	4.8	5.0
Saskatchewan	5.5	5.6
Alberta	10.8	11.0
British Columbia	9.9	9.9

Consumers' Goods

Consumers' goods continued to account for an increasingly high proportion of total financing. The 71% which this category of goods formed of the total in 1950, while higher than in the three previous years, was still below the 1941 proportion of 77%. Consumers' goods were financed to the extent of $305,278,000 in 1950, an increase of 60% over the previous year's total of $190,574,000.

New passenger car financing took the lead long held by used car financing as the largest item within the consumers' goods category. New passenger car financing amounted to $132,407,000, 31% of the total paper purchased and 85% above the 1949 new car volume of $71,602,000. Used passenger cars, forming 28.5% of total financing, advanced 47% in volume, from $83,001,000 in 1949 to $122,318,000 in 1950. Financing of other consumers' goods rose 41% to $50,553,000.

The amount outstanding on consumers' goods in the books of sales finance companies at the end of 1950 was $202,011,000, 74% higher than the $115,977,000 outstanding at the end of 1949. The amount owing on new passenger car sales, about one half of the consumers' goods total, was double the amount outstanding on the books at the end of 1949 for these items.

Balances outstanding at the end of the year on used car financing advanced 59%, from $46,342,000 in 1949 to $73,445,000 in 1950, while on other consumers' goods, the amount outstanding was $34,245,000 or 51% above 1949.

Commercial and Industrial Goods

Financing of commercial and industrial goods continued to increase in 1950, but to a lesser extent than did the financing of consumers' goods. In 1950, commercial and industrial goods were financed for an amount of $123,918,000, forming 28.8% of all financing and registering an increase of 32% over the $94,156,000 reported in 1949. New commercial vehicle financing advanced 36%; used vehicle financing, 38%; while a smaller increase of 19% was recorded in amount of financing of all other commercial and industrial goods.

Balances outstanding also showed increases in each of the three categories. Total amount outstanding at the end of 1950 on commercial and industrial goods was $91,152,000, 34% above the $68,086,000 owing at December 31, 1949. Of the total balances outstanding at the end of 1950, $45,774,000 was on new commercial vehicles, an increase of 43% over 1949; $20,001,000 was on used commercial vehicles, a gain of 39%; while $25,377,000 was on other commercial and industrial goods and represented an increase of 17% over balances outstanding at the end of 1949.

The following table shows percentage increases in amount of financing and balances outstanding between the years 1949 and 1950.

Percentage Increases in Financing of Retail Instalment Sales and Balances Outstanding, 1950/1949

Commodity	Per cent Increase 1950/1949	
	Amount of financing	Balances outstanding
	%	%
Total, All Commodities	**50.7**	**59.3**
Consumers' goods	60.2	74.2
New passenger cars	84.9	106.3
Used passenger cars	47.4	58.5
All other consumers' goods	40.5	51.1
Commercial and industrial goods	31.6	33.9
New commercial vehicles	36.1	43.2
Used commercial vehicles	38.0	38.9
All other commercial and industrial goods	19.4	16.8

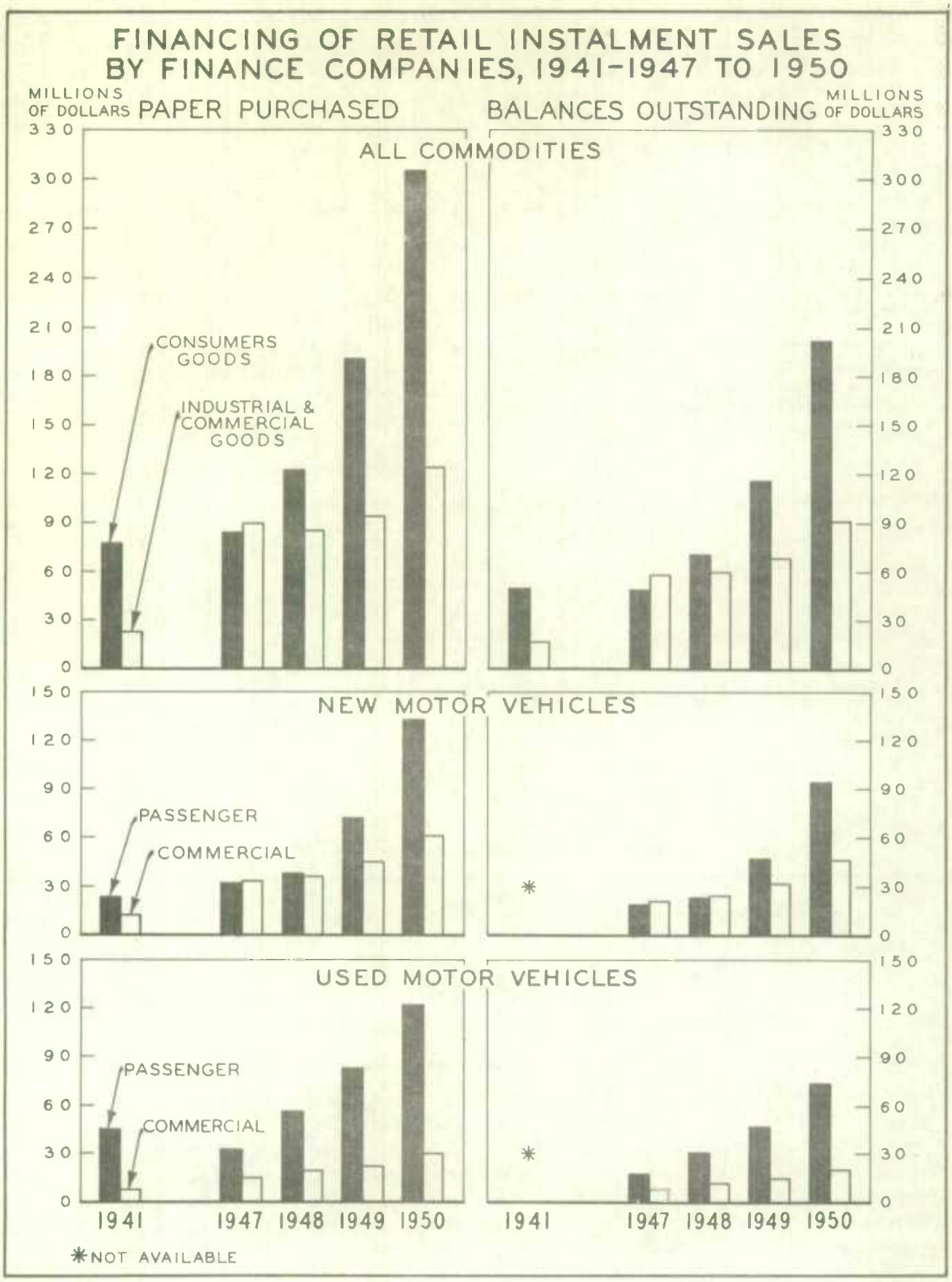

FINANCING OF RETAIL INSTALMENT SALES
BY FINANCE COMPANIES, 1941-1947 TO 1950
MILLIONS OF DOLLARS
PAPER PURCHASED
BALANCES OUTSTANDING
MILLIONS OF DOLLARS
ALL COMMODITIES
CONSUMERS GOODS
INDUSTRIAL & COMMERCIAL GOODS
NEW MOTOR VEHICLES
PASSENGER
COMMERCIAL
USED MOTOR VEHICLES
PASSENGER
COMMERCIAL
330
300
270
240
210
180
150
120
90
60
30
0
1941
1947
1948
1949
1950
*NOT AVAILABLE

TABLE 1. Financing of Retail Instalment Sales, by Commodities, 1941, 1948-1950

Commodity	Amount				Per cent of total			
	1941	1948	1949	1950	1941	1948	1949	1950
	$'000	$'000	$'000	$'000	%	%	%	%
	PAPER PURCHASED							
Total, All Commodities	**100,277**	**208,166**	**284,730**	**429,196**	**100.0**	**100.0**	**100.0**	**100.0**
Consumers' goods	77,326	122,522	190,574	305,278	77.1	58.9	66.9	71.2
New passenger cars	23,322	38,027	71,602	132,407	23.2	18.3	25.1	30.9
Used passenger cars	44,009	56,572	83,001	122,318	43.9	27.2	29.2	28.5
All other consumers' goods	9,995	27,923	35,971	50,553	10.0	13.4	12.6	11.8
Commercial and industrial goods	22,951	85,644	94,156	123,918	22.9	41.1	33.1	28.8
New commercial vehicles	11,548	36,173	44,601	60,694	11.5	17.4	15.7	14.1
Used commercial vehicles	6,779	18,350	21,822	30,121	6.8	8.8	7.7	7.0
All other commercial and industrial goods	4,624	31,121	27,733	33,103	4.6	14.9	9.7	7.7
	BALANCES OUTSTANDING (YEAR END)							
Total, All Commodities	**64,674**	**130,120**	**184,063**	**293,163**	**100.0**	**100.0**	**100.0**	**100.0**
Consumers' goods	48,854	70,451	115,977	202,011	75.5	54.1	63.0	68.9
New passenger cars	1	23,627	46,970	94,321	1	18.1	25.5	32.2
Used passenger cars	1	30,599	46,342	73,445	1	23.5	25.2	25.0
All other consumers' goods	1	16,225	22,665	34,245	1	12.5	12.3	11.7
Commercial and industrial goods	15,820	59,669	68,086	91,152	24.5	45.9	37.0	31.1
New commercial vehicles	1	24,734	31,965	45,774	1	19.0	17.4	15.6
Used commercial vehicles	1	11,135	14,401	20,001	1	8.6	7.8	6.8
All other commercial and industrial goods	1	23,800	21,720	25,377	1	18.3	11.8	8.7

1. Not available.

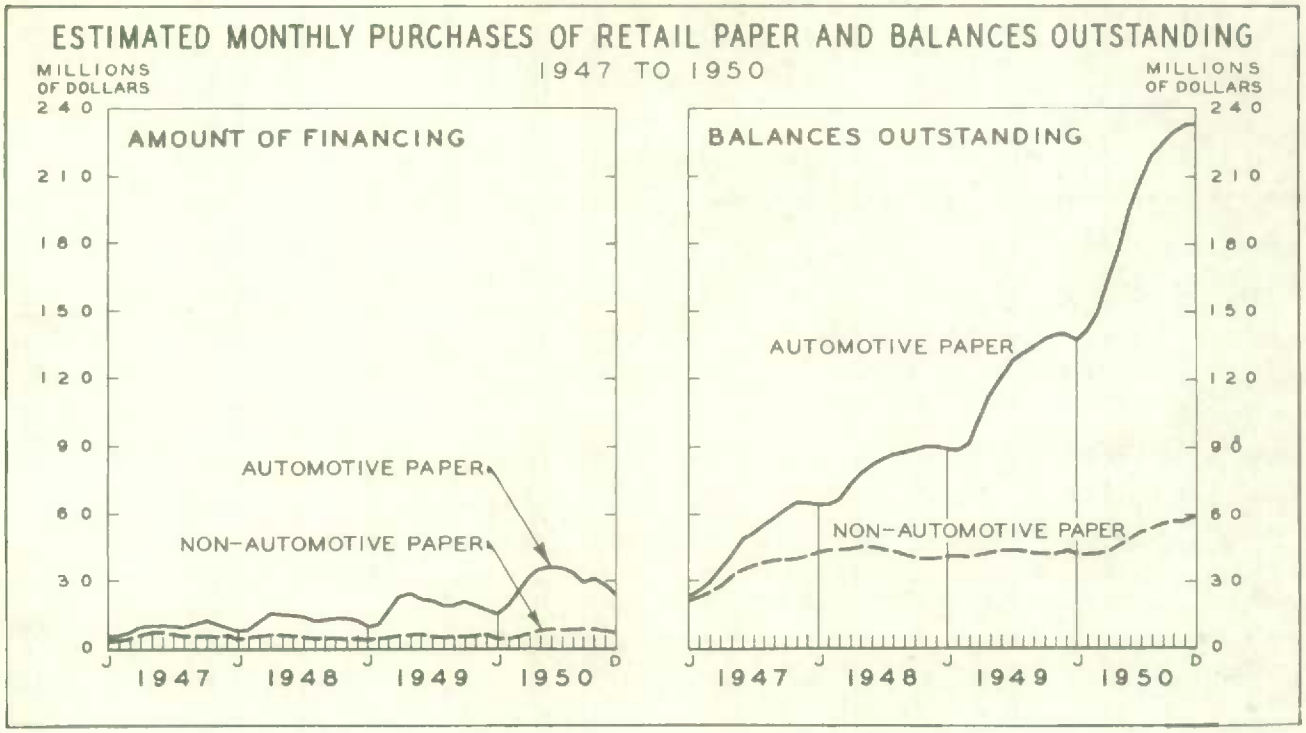
TABLE 2. Financing of Retail Instalment Sales, by Provinces, 1941, 1949 and 1950

Province	Paper purchased										Balances outstanding			
	New and used passenger cars		Other consumers' goods		Commercial and industrial goods		Total, all commodities			Per cent change	Total, all commodities			Per cent change
	1949	1950	1949	1950	1949	1950	1941	1949	1950	1950/1949	1941	1949	1950	1950/1949
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	%	$'000	$'000	$'000	%
Canada	**154,603**	**254,725**	**35,971**	**50,553**	**94,156**	**123,918**	**100,277**	**284,730**	**429,196**	**+ 50.7**	**64,674**	**184,063**	**293,163**	**+ 59.3**
Atlantic Provinces	12,086	20,506	3,212	4,115	8,928	9,862	6,615	24,226	34,484	+ 42.3	4,169	15,419	23,462	+ 52.2
Quebec	30,506	50,138	6,622	9,363	21,955	27,602	16,195	59,083	87,103	+ 47.4	10,103	39,782	62,403	+ 56.9
Ontario	70,585	106,647	19,283	27,483	29,696	40,524	48,095	119,564	174,654	+ 46.1	29,641	75,662	114,840	+ 51.8
Manitoba	5,762	11,803	1,286	2,112	5,325	6,664	5,085	12,373	20,580	+ 66.3	3,349	8,507	14,583	+ 71.4
Saskatchewan	5,600	13,520	967	1,271	5,358	8,683	5,838	11,925	23,473	+ 96.8	4,560	7,344	16,361	+ 122.3
Alberta	12,679	23,928	2,318	3,125	13,715	19,220	8,959	28,712	46,272	+ 61.2	6,362	18,726	32,451	+ 73.3
British Columbia	17,385	28,183	2,283	3,084	9,179	11,363	9,490	28,847	42,630	+ 47.8	6,490	18,623	29,063	+ 56.1

TABLE 3. Estimated Monthly Purchases of Retail Paper and Balances Outstanding, 1948, 1949 and 1950

(millions of dollars)

Year and Month	Automotive paper		Non-automotive paper		Total, all retail paper	
	Amount of financing	Balances outstanding	Amount of financing	Balances outstanding	Amount of financing	Balances outstanding
1948						
January	7.5	64.0	4.1	42.6	11.6	106.6
February	8.3	64.4	5.0	43.0	13.3	107.4
March	12.1	66.6	5.1	44.1	17.2	110.5
April	15.4	72.8	6.0	44.2	21.4	117.0
May	14.8	78.0	5.4	44.9	20.2	122.9
June	14.5	82.2	5.5	44.9	20.0	127.1
July	13.7	85.0	4.9	44.1	18.6	129.1
August	11.7	87.0	4.4	43.3	16.1	130.3
September	12.5	68.3	4.5	41.8	17.0	130.1
October	13.4	89.5	4.7	40.5	18.1	130.0
November	13.1	90.4	4.3	39.5	17.4	129.9
December	12.3	90.1	5.3	40.0	17.6	130.1
1949						
January	9.6	89.1	3.7	40.8	13.3	129.9
February	10.6	89.0	4.3	40.8	14.9	129.8
March	16.3	92.0	4.9	40.4	21.2	132.4
April	23.6	103.0	5.7	41.9	29.3	144.9
May	24.4	113.5	6.2	43.1	30.6	156.6
June	21.5	121.3	6.1	44.0	27.6	165.3
July	20.7	127.7	5.3	44.0	26.0	171.7
August	19.0	131.1	5.0	43.4	24.0	174.5
September	18.8	134.1	5.3	42.5	24.1	176.6
October	20.7	137.7	5.4	42.3	26.1	180.0
November	18.8	139.0	5.6	42.4	24.4	181.4
December	17.0	139.7	6.2	44.4	23.2	184.1
1950						
January	14.6	136.4	4.1	42.1	18.7	178.5
February	19.5	141.7	4.5	42.5	24.0	184.2
March	25.8	149.7	5.5	42.2	31.3	191.9
April	31.9	165.3	6.4	43.8	38.3	209.1
May	35.4	180.0	8.2	46.2	43.6	226.2
June	36.0	195.6	8.5	49.0	44.5	244.6
July	36.0	208.7	8.1	52.0	44.1	260.7
August	33.7	219.4	8.1	54.1	41.8	273.5
September	29.3	225.3	8.2	56.2	37.5	281.5
October	31.0	229.3	8.2	57.0	39.2	286.3
November	28.1	233.3	7.3	57.2	35.4	290.5
December	24.2	233.6	6.6	59.6	30.8	293.2



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