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SALES FINANCING

1961



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PUBLICATIONS RELATING TO RETAIL TRADE

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61-004	Credit Statistics.....	per year 2.00
63-001	Chain Store Sales and Stocks.....	per year 1.00
63-002	Department Store Sales and Stocks	per year 1.00
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63-505	Retail Trade, 1930-5125

Other occasional reports and 1951 Census reports on retail trade are shown in a complete list of publications of the Dominion Bureau of Statistics which is available on request from the Publications Distribution Unit, Financial Control Section; D.B.S., or from the Queen's Printer, Ottawa.

SALES FINANCING

1961

The data shown in this report is derived from an annual survey of all known companies engaged primarily in financing retail instalment sales. Firms whose main activity is extending cash loans are not included nor are acceptance companies who are subsidiaries of large retail merchandisers.

In 1961, sales financing by the above-mentioned companies suffered a decline for the second year in a row. During this year, the volume of paper purchased amounted to \$1,112,527,000, a decrease of 10.6 per cent from the 1960 volume of \$1,243,904,000. Balances outstanding at year-end on the books of sales finance companies also declined from \$1,221,811,000 in 1960 to \$1,150,914,000; a decrease of 5.8 per cent.

Consumer Goods

The financing of consumer goods continued to be the major source of paper purchased by sales finance companies. In 1961, the value of consumer goods paper purchased accounted for 69.1 per cent of total paper purchased, a decrease of 1.5 per cent from 1960. This decrease in ratio resulted from losses in the financing of new passenger cars (12.6 per cent); used passenger cars (16.1 per cent) and other consumer goods (7.0 per cent) as well as a smaller decrease in the financing of commercial and industrial goods (5.9 per cent) as compared to the financing of consumer goods (12.5 per cent).

Sales finance companies had \$755,791,000 outstanding on their books at the end of 1961 under the heading of consumer goods. This amount is the lowest volume registered since 1956, and represents a decrease of 8.8 per cent over 1960. The balances outstanding for all commodity classes declined; new and used passenger cars (9.0 per cent) and other consumer goods (8.1 per cent).

Commercial and Industrial Goods

The financing of commercial and industrial goods by sales finance companies declined by 5.9 percent over the previous year. The \$344,412,000

value of paper purchased for commercial and industrial goods represented 30.9 per cent of the total paper purchased by these companies during 1961. As mentioned above the financing of all commercial and industrial goods declined from 1960. This decline, however, was less severe than in the consumer goods sector thus creating the shift in the ratio of financing of consumer goods to commercial and industrial goods.

Balances outstanding at the end of 1961 amounted to \$395,123,000, an increase of 0.4 per cent over the previous high of \$393,392,000. This increase can be attributed directly to the rise in balances outstanding in the other commercial goods sector (6.0 per cent).

As stated in previous reports, not all firms were able to provide a breakdown of balances outstanding between new and used vehicles and paper purchased for consumer goods other than passenger cars. The results from the panel of firms which were able to provide this information are shown in Text Tables on page 5.

Commodity	Per cent change 1961 / 1960	
	Paper purchased	Balances outstanding
Total, all commodities	-10.6	- 5.8
Consumer goods	- 12.5	- 8.8
New passenger cars	- 12.6	- 9.0
Used passenger cars	- 16.1	
Other consumer goods	- 7.0	- 8.1
Commercial and industrial goods	- 5.9	+ 0.4
New commercial vehicles	- 11.0	- 8.5
Used commercial vehicles	- 17.0	
Other commercial goods (including farm implements, tractors, factory and commercial equipment	- 0.6	+ 6.0

TABLE 1. Retail Instalment Credit (extended and outstanding) of Sales Finance Companies
Historical Summary, 1941 and 1947-61

Year	Paper purchased			Balances outstanding (year end)		
	Consumer goods	Commercial and industrial goods	Total	Consumer goods	Commercial and industrial goods	Total
thousands of dollars						
1941	77,326	22,951	100,277	48,854	15,820	64,674
1947	84,374	89,816	174,190	48,275	58,356	106,631
1948	122,522	85,644	208,166	70,451	59,669	130,120
1949 ¹	190,574	94,156	284,730	115,977	68,086	184,063
1950	305,278	123,918	429,196	202,011	91,152	293,163
1951	299,558	167,744	467,302	185,492	127,742	313,234
1952	590,994	227,639	818,633	372,778	167,029	539,807
1953	719,149	228,597	947,746	516,191	184,472	700,663
1954	630,837	174,187	805,024	491,645	164,220	655,865
1955	759,412	217,666	977,078	599,382	191,717	791,099
1956	924,687	323,660	1,248,347	756,304	279,072	1,035,376
1957	900,414	290,577	1,190,991	779,576	287,827	1,067,403
1958	869,847	264,703	1,134,550	768,214	257,380	1,025,594
1959	902,575	355,628	1,258,203	805,627	343,935	1,149,562
1960	877,901	366,003	1,243,904	828,419	393,392	1,221,811
1961	768,115	344,412	1,112,527	755,791	395,123	1,150,914

¹ Including Newfoundland from 1949.

**TABLE 2. Retail Instalment Credit (extended and outstanding) of Sales Finance Companies,
by Commodities, 1960 and 1961**

Commodity	Paper purchased				Balances outstanding (year end)			
	Amount		Per cent of total		Amount		Per cent of total	
	1960	1961	1960	1961	1960	1961	1960	1961
	\$'000		%		\$'000		%	
Total, all commodities	1,243,904	1,112,527	100.0	100.0	1,221,811	1,150,914	100.0	100.0
Consumer goods	877,901	768,115	70.6	69.1	828,419	755,791	67.8	65.7
New passenger cars	377,851	330,199	30.4	29.7	624,737	568,636	51.1	49.4
Used passenger cars	298,415	250,366	24.0	22.5				
Other consumer goods (radios, television sets, electrical and gas appliances, furniture, jew- ellery, clothing, etc.)	201,635	187,550	16.2	16.9	203,682	187,155	16.7	16.3
Commercial and industrial goods	366,003	344,412	29.4	30.9	393,392	395,123	32.2	34.3
New commercial vehicles	97,506	86,760	7.8	7.8	150,791	138,001	12.3	12.0
Used commercial vehicles	56,634	47,000	4.6	4.2				
Other commercial goods (includ- ing farm implements, tractors, factory and commercial equip- ment)	211,863	210,652	17.0	18.9	242,601	257,122	19.9	22.3

**TABLE 3. Motor Vehicle Instalment (paper purchased) by Sales Finance Companies,
by Provinces, 1961**

Province	Passenger cars					
	New		Used		Total	
	Units	Amount	Units	Amount	Units	Amount
	\$'000		\$'000		\$'000	
Canada	141,234	330,199	248,728	250,366	389,962	580,565
Atlantic Provinces	11,163	24,794	20,415	18,946	31,578	43,740
Quebec	47,217	111,120	70,885	69,709	118,102	180,829
Ontario	54,484	126,858	85,651	88,404	140,135	215,262
Manitoba	5,618	13,659	12,059	12,617	17,677	26,276
Saskatchewan	4,771	10,994	12,446	11,205	17,217	22,199
Alberta	10,076	23,859	26,321	26,781	36,397	50,640
British Columbia ¹	7,905	18,915	20,951	22,704	28,856	41,619
	Commercial vehicles					
	New		Used		Total	
	Units	Amount	Units	Amount	Units	Amount
	\$'000		\$'000		\$'000	
Canada	22,177	86,760	32,714	47,000	54,891	133,760
Atlantic Provinces	2,370	8,120	3,477	3,643	5,847	11,763
Quebec	6,862	31,475	8,191	12,795	15,053	44,270
Ontario	6,592	23,773	7,746	12,052	14,338	35,825
Manitoba	677	2,805	1,352	2,219	2,029	5,024
Saskatchewan	1,012	3,252	2,184	2,433	3,196	5,685
Alberta	2,960	10,504	5,633	7,671	8,593	18,175
British Columbia ¹	1,704	6,831	4,131	6,187	5,835	13,018

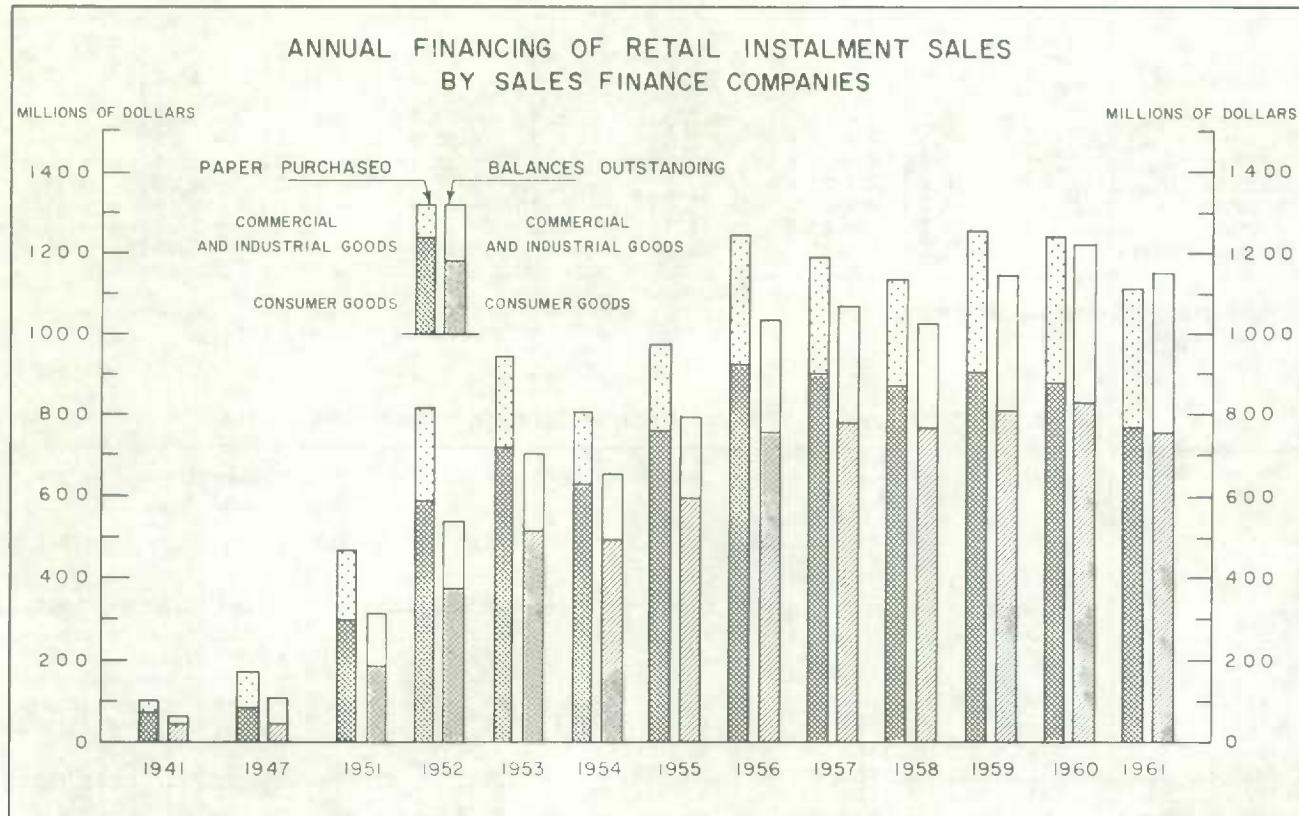
¹ Includes Yukon and Northwest Territories.

**Percentage Breakdown of Credit Outstanding
Between New and Used Motor Vehicles**
(for reporting panel only)

Commodity	Balances outstanding Dec. 31, 1961
	%
Passenger cars	100.0
New passenger cars	58.7
Used passenger cars	41.3
Commercial vehicles	100.0
New commercial vehicles	69.2
Used commercial vehicles	30.8

Percentage Breakdown of Financing of "Consumer Goods other than Passenger Cars"
(for reporting panel only)

Commodity	Paper purchased 1961
	%
Consumer goods other than passenger cars.....	100.0
Television and radio	14.9
Electrical and gas appliances	26.2
Furniture	13.4
Heating and plumbing equipment	2.7
Mobile homes.....	7.9
All other consumer goods	34.9



Financing of Motor Vehicle Sales

The data in the following tables relate to the financing of sales of new and used motor vehicles—passenger and commercial—by sales finance companies and acceptance corporations. No other institutions engaged in this field of activity are included in this report. The information represents a revised summary of the 12 monthly reports of motor vehicle financing published during 1961 in the report Credit Statistics Catalogue Number 61-004.

The downward trend in the financing of new and used vehicles by sales finance companies and acceptance corporations which commenced after reaching a record of 663,749 units financed during

1956 continued throughout 1961. The number and value of vehicles financed during 1961 decreased by 14.5 per cent and 14.0 per cent respectively. As shown in the following tables, the financing of both new and used passenger and commercial vehicles registered substantial decreases during 1961.

It is important to stress that the financing of motor vehicle sales is an activity of numerous lending institutions such as chartered banks, credit unions, etc. The financing shown in this report refers only to sales finance companies and therefore comparisons of such financing to the sales of total new and used motor vehicles in Canada are not shown.

TABLE 4. Percentage Change in Number of Vehicles Financed and Amount of Financing by Provinces 1961-1960

Province	Number				Amount			
	New vehicles		Used vehicles		New vehicles		Used vehicles	
	Passenger	Commercial	Passenger	Commercial	Passenger	Commercial	Passenger	Commercial
Canada	- 14.1	- 10.8	- 14.7	- 17.7	- 12.6	- 11.0	- 16.1	- 17.0
Atlantic Provinces	- 8.2	- 8.3	- 17.5	- 16.9	- 4.4	- 11.4	- 14.2	- 8.7
Quebec	+ 6.7	+ 4.8	- 1.6	- 8.7	+ 7.8	+ 21.8	- 2.4	+ 4.0
Ontario	- 22.4	- 13.4	- 18.7	- 19.0	- 21.1	- 16.3	- 21.1	- 9.1
Manitoba	- 21.6	- 33.4	- 24.6	- 31.1	- 20.9	- 40.1	- 28.5	- 34.1
Saskatchewan	- 26.8	- 25.2	- 21.4	- 23.1	- 24.9	- 29.2	- 24.6	- 25.5
Alberta	- 23.5	- 20.3	- 14.7	- 18.8	- 22.5	- 31.4	- 13.7	- 30.8
British Columbia ¹	- 27.2	- 16.3	- 21.4	- 21.8	- 25.5	- 28.1	- 22.6	- 33.9

¹ Includes Yukon and Northwest Territories.

TABLE 5. Financing of Motor Vehicle Sales in Canada 1947-1961

Year	Total new and used vehicles		New vehicles				Used vehicles			
			Passenger		Commercial		Passenger		Commercial	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
		\$'000		\$'000		\$'000		\$'000		\$'000
1947	118,867	108,745	27,409	32,419	19,291	33,004	56,024	29,643	16,143	13,679
1948	155,634	144,955	29,923	37,680	21,944	36,126	83,323	53,255	20,444	17,894
1949	232,988	219,184	53,185	71,044	28,317	44,467	124,595	81,983	26,891	21,690
1950	364,681	342,081	97,051	131,003	38,253	60,432	189,635	120,771	39,742	29,875
1951	423,830	376,671	81,726	110,146	44,529	81,057	239,140	138,775	58,435	46,693
1952	620,354	639,889	124,879	194,422	47,708	98,032	375,825	283,069	71,942	64,166
1953	640,512	725,545	146,431	252,160	42,621	90,087	382,106	320,321	69,354	62,977
1954	538,728	611,646	126,099	230,900	28,005	61,359	325,953	269,144	58,671	50,243
1955	599,330	719,328	156,191	305,089	28,938	70,928	355,638	294,508	58,565	48,823
1956	663,749	910,833	190,109	408,993	34,796	111,951	382,026	337,154	56,818	52,735
1957	615,251	878,522	171,904	385,043	29,118	95,056	365,883	344,799	48,348	53,624
1958	550,367	786,550	147,402	335,827	21,119	70,280	339,414	333,011	42,432	47,432
1959	541,348	848,302	158,022	371,392	25,453	94,707	315,898	322,746	41,975	59,457
1960	520,511	830,406	164,335	377,851	24,864	97,506	291,560	298,415	39,752	56,634
1961	444,853	714,325	141,234	330,199	22,177	86,760	248,728	250,366	32,714	47,000

TABLE 6. Number of Motor Vehicles Financed by Provinces and by Months, 1961

	Canada	Atlantic Provinces	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia ¹
New passenger cars								
Annual totals								
141,234	11,163	47,217	54,484	5,618	4,771	10,076	7,905	
January	8,553	532	2,150	3,540	599	345	893	494
February	9,297	602	2,787	3,990	426	309	667	516
March	11,113	746	3,392	4,571	450	375	807	772
April	13,113	981	4,528	4,746	730	438	996	696
May	15,721	1,341	5,658	5,898	617	520	975	712
June	15,080	1,316	5,289	5,676	500	500	1,068	713
July	14,939	1,286	5,147	5,769	656	448	817	818
August	12,674	1,147	4,221	4,907	378	367	859	797
September	9,149	804	3,187	3,221	304	337	721	575
October	11,158	949	3,939	3,965	407	453	821	624
November	11,316	796	3,914	4,560	318	367	744	617
December	9,121	663	3,005	3,641	235	314	690	573
New commercial vehicles								
Annual totals								
22,177	2,370	6,862	6,592	677	1,012	2,960	1,704	
January	1,518	152	486	411	56	74	235	104
February	1,415	155	471	396	53	57	178	105
March	1,706	137	520	552	47	84	210	156
April	2,021	198	531	680	59	110	298	145
May	2,481	267	717	823	72	136	297	189
June	2,096	262	631	614	72	99	274	144
July	1,862	227	564	527	51	82	248	163
August	1,855	208	551	566	58	55	237	180
September	1,814	160	629	550	50	65	235	125
October	1,897	240	557	517	69	101	259	154
November	1,968	204	697	544	54	83	256	130
December	1,544	160	508	412	36	66	233	129
Used passenger cars								
Annual totals								
248,728	20,415	70,885	85,651	12,059	12,446	26,321	20,951	
January	15,835	1,061	3,514	5,943	1,232	791	1,843	1,451
February	18,013	1,201	5,108	6,491	915	829	1,892	1,577
March	21,576	1,513	8,055	7,584	1,029	1,092	2,491	1,812
April	24,300	1,837	7,496	7,968	1,158	1,217	2,599	2,025
May	27,945	2,378	8,734	9,200	1,336	1,434	2,681	2,182
June	28,470	2,336	7,852	8,971	1,252	1,281	2,658	2,120
July	24,704	2,264	7,278	8,583	1,091	1,160	2,400	1,928
August	23,993	2,136	6,760	8,507	1,029	1,062	2,360	2,139
September	18,298	1,679	4,953	6,057	833	980	2,115	1,681
October	17,514	1,615	4,837	5,729	855	979	2,045	1,454
November	18,849	1,338	4,669	5,920	755	916	1,825	1,406
December	13,231	1,057	3,609	4,698	574	705	1,412	1,176
Used commercial vehicles								
Annual totals								
32,714	3,477	8,191	7,746	1,352	2,184	5,633	4,131	
January	2,160	188	538	517	112	161	383	261
February	2,218	199	524	596	79	123	380	317
March	2,715	213	603	741	134	194	467	363
April	3,165	294	790	729	142	233	556	421
May	3,629	350	952	842	145	276	623	441
June	3,276	403	835	770	118	172	585	393
July	2,700	365	664	608	108	163	451	341
August	2,921	358	707	694	127	183	486	366
September	2,705	325	669	627	101	184	459	340
October	2,646	297	667	583	112	162	459	346
November	2,533	277	682	574	110	175	427	308
December	2,046	208	580	485	64	138	357	234

¹ Includes Yukon and Northwest Territories.



MERCHANDISING AND SERVICES

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TABLE 7. Amount of Motor Vehicle Financing, by Provinces and by Months, 1961

Month	Canada	Atlantic Provinces	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia ¹
thousands of dollars								
New passenger cars								
Annual totals								
	330,199	24,794	111,120	126,858	13,659	10,994	23,859	18,915
January	20,309	1,183	5,225	8,528	1,481	842	1,879	1,171
February	22,200	1,319	6,708	9,481	1,080	725	1,643	1,244
March	25,917	1,685	7,903	10,641	1,089	893	1,973	1,728
April	30,777	2,171	10,539	11,087	1,873	1,004	2,409	1,694
May	36,968	3,005	13,301	13,871	1,475	1,204	2,366	1,746
June	35,493	2,947	12,393	13,384	1,215	1,155	2,691	1,708
July	34,296	2,843	11,816	13,080	1,608	1,005	1,951	1,993
August	28,619	2,522	9,684	10,804	894	834	1,976	1,905
September	20,291	1,772	7,219	6,972	701	745	1,621	1,261
October	26,280	2,086	9,488	9,239	934	1,077	1,928	1,528
November	26,878	1,752	9,439	10,860	773	797	1,735	1,522
December	22,171	1,509	7,400	8,911	536	713	1,687	1,415
New commercial vehicles								
Annual totals								
	86,760	8,120	31,475	23,773	2,805	3,252	10,504	6,831
January	6,055	528	2,079	1,546	226	235	979	462
February	5,227	494	2,085	1,254	207	170	597	420
March	6,018	433	2,134	1,862	180	249	686	474
April	7,659	636	1,999	3,030	254	352	905	483
May	9,623	1,047	2,855	2,465	574	444	1,321	917
June	8,359	992	2,532	2,410	268	427	1,047	683
July	7,547	825	2,567	1,932	212	278	959	784
August	7,902	700	3,123	2,211	243	205	716	704
September	7,767	590	3,481	2,078	138	185	843	452
October	6,868	749	2,515	1,879	186	274	758	507
November	7,535	635	3,353	1,764	182	248	918	435
December	6,200	491	2,762	1,342	135	185	775	510
Used passengers cars								
Annual totals								
	250,366	18,946	69,709	88,404	12,617	11,205	26,781	22,704
January	16,556	1,018	3,599	6,392	1,369	754	1,803	1,621
February	18,750	1,132	5,266	6,929	965	793	1,889	1,776
March	22,019	1,415	6,135	7,938	1,091	1,001	2,535	1,904
April	24,662	1,686	7,404	8,395	1,195	1,083	2,679	2,220
May	28,000	2,266	8,427	9,476	1,435	1,316	2,696	2,384
June	26,683	2,200	7,606	9,257	1,329	1,155	2,828	2,308
July	24,492	2,169	6,941	8,638	1,137	1,010	2,430	2,167
August	23,324	1,925	6,463	8,443	976	912	2,369	2,236
September	17,801	1,511	4,731	5,920	848	865	2,162	1,764
October	17,190	1,434	4,691	5,776	914	852	2,005	1,518
November	17,036	1,205	4,743	6,146	745	821	1,865	1,511
December	13,853	985	3,703	5,094	613	643	1,520	1,295
Used commercial vehicles								
Annual totals								
	47,000	3,643	12,795	12,052	2,219	2,433	7,671	6,187
January	3,373	188	822	770	229	197	691	476
February	3,106	199	785	869	172	129	431	521
March	3,871	258	895	1,217	205	230	631	435
April	4,556	320	1,248	1,103	207	247	724	707
May	5,131	344	1,249	1,315	237	272	1,044	670
June	4,497	401	1,256	1,138	165	205	769	563
July	3,756	416	1,013	992	191	203	514	427
August	4,035	330	1,074	1,106	249	193	594	489
September	3,881	365	1,071	1,067	117	213	567	481
October	3,781	302	1,103	911	158	206	592	509
November	3,676	283	1,118	857	175	167	597	479
December	3,337	237	1,161	707	114	171	517	430

¹ Includes Yukon and Northwest Territories.