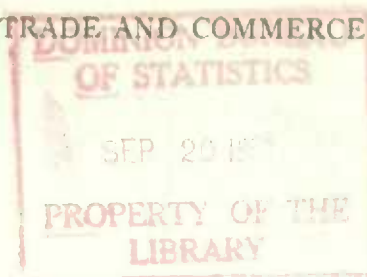


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DOMINION BUREAU OF STATISTICS—DEPARTMENT OF TRADE AND COMMERCE
CANADA



SALES FINANCING 1951

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NOTICE

The annual reports prepared by the Industry and Merchandising Division of the Bureau of Statistics are divided into 4 volumes, as follows: **Volume I**—The Primary Industries, including mining, forestry and fisheries; **Volume II**—Manufacturing; **Volume III**—Construction; **Volume IV**—Merchandising and Services.

Volume IV consists of the following parts with individual trade reports listed under each:

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 parts and accessories, drugs, hardware, plumbing and heating equipment), 25¢.

Part II — Retail Statistics

- E — General Review, 25¢.
- F — Retail Trade, 25¢.
- G — Retail Chain Stores, 25¢.
- H — Operating Results of Chain Food Stores, 25¢.
- I — Operating Results of Chain Clothing Stores, 25¢.
- J — Operating Results of Miscellaneous Chain Stores (variety, drug, furniture), 25¢.
- *K — Operating Results of Retail Food Stores, 25¢.
- *L — Operating Results of Retail Clothing Stores, 25¢.
- *M — Operating Results of Retail Hardware, Furniture, Appliance and Radio Stores, 25¢.
- *N — Operating Results of Filling Stations and Garages, 25¢.
- *O — Operating Results of Miscellaneous Retail Stores, 25¢.
- P — Retail Consumer Credit, 25¢.

Part III — Service and Special Fields

- Q — Laundries, Cleaners and Dryers, 25¢.
- R — Motion Picture Theatres, Exhibitors, and Distributors, 25¢.
- S — Hotels, 25¢.
- T — Sales Financing, 25¢.
- U — Farm Implement and Equipment Sales, 25¢.
- V — New Motor Vehicle Sales and Motor Vehicle Financing 25¢.
- W — Advertising Agencies (Memorandum) 25¢.

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

* Biennial reports — not issued for 1951.

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 and wholesale instalment sales.

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

1. Consumers' Goods—including new and used passenger cars, radios, electric and gas household appliances, furniture, and an "all other" category composed mainly of clothing and jewellery.
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.

SALES FINANCING

1951

Financing of retail instalment sales reached the record high of \$467,302,000 in 1951 according to reports received from 118 sales finance and acceptance companies operating in Canada. This figure was 9% higher than the \$429,196,000 reported by 109 companies in 1950.

Balances outstanding at the end of 1951 totalled \$313,234,000, an increase of 7% over the \$293,163,000 outstanding on books of sales finance and acceptance companies at the end of 1950 and almost five times the amount of total balances outstanding at the end of 1941.

Ontario was responsible for 38% of all retail financing handled in Canada followed by Quebec with 22%. Alberta and British Columbia accounted for 12% and 10% respectively, while the Atlantic provinces handled 7%. Smaller proportions of 6% and 5% were handled by Saskatchewan and Manitoba respectively. Balances outstanding were distributed among the various provinces in approximately the same proportions, as the following table indicates.

Provincial Distribution of Paper Purchased and Balances Outstanding in 1951

Province	Total, all commodities Percent of Canada totals	
	Paper purchased	Balances outstanding
Canada	100.0	100.0
Atlantic Provinces	7.3	7.2
Quebec	21.8	22.7
Ontario	37.9	36.6
Manitoba	5.1	5.0
Saskatchewan	6.3	6.5
Alberta	11.8	12.4
British Columbia	9.8	9.6

CONSUMERS' GOODS

Consumers' goods continued to account for the large proportion of total financing—64% in 1951. This percentage, however, fell below the 1941 and 1950 proportions of 77% and 71% respectively. Consumers' goods were financed to the extent of \$299,558,000 in 1951, a decrease of 2% from the 1950 total of \$305,278,000.

Financing of used passenger cars, formed the largest item within the consumers' goods section. Used passenger cars were financed to the extent of \$141,488,000 in 1951, 30% of the total paper purchased and 16% higher than the 1950 volume of \$122,318,000. New passenger car financing accounted for 24% of total financing and decreased 14% in volume from \$132,408,000 in 1950 to \$113,660,000 in 1951. Financing of other consumers' goods amounted to \$44,410,000, a drop of 12% from the 1950 level of \$50,553,000.

Of the total paper purchased of consumers' goods during 1951, \$185,492,000 was still outstanding on the books of finance companies and acceptance corporations at the end of the year. This amount was 8% lower than the \$202,011,000 outstanding on the books at the end of 1950.

Balances outstanding at the end of 1951 on new car financing amounted to \$80,717,000, a decrease of 14% from the \$94,321,000 owing at the end of 1950. Balances outstanding on used passenger cars increased 9% from \$73,445,000 at the end of 1950 to \$80,359,000 at the end of 1951, while the amount outstanding on other consumers' goods was \$24,416,000 or 29% below 1950.

COMMERCIAL AND INDUSTRIAL GOODS

Financing of commercial and industrial goods continued to increase in 1951 forming a higher proportion of total financing than in any previous year. Commercial and industrial goods were financed to the extent of \$167,744,000, accounting for 36% of all financing and representing an increase of 35% over the \$123,918,000 reported in 1950. Financing of new commercial vehicles advanced 34%; used commercial vehicles, 54% and an increase of 20% was recorded for all other commercial and industrial goods.

Balances outstanding on commercial and industrial goods at the end of 1951 amounted to \$127,742,000, an increase of 40% over the \$91,152,000 owing at the end of 1950. Of the total balances outstanding at the end of 1951, \$64,281,000 was on new commercial vehicles, \$31,062,000 on used commercial vehicles and \$32,399,000 on other commercial and industrial goods, representing increases of 40%, 55%, and 28% respectively over balances outstanding on these items at the end of 1950.

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

Percentage Change in Financing of Retail Instalment Sales and Balances Outstanding, 1951/1950

Commodity	Per cent change 1951/1950	
	Amount of financing	Balances outstanding
Total, all commodities	+ 8.9	+ 6.8
Consumers' goods	- 1.9	- 8.2
New passenger cars	- 14.2	- 14.4
Used passenger cars	+15.7	+ 9.4
Radios	1	1
Electric and gas household appliances	1	1
Furniture	1	1
Other consumers' goods, including clothing and jewellery	- 12.2	- 28.7
Commercial and industrial goods	+35.4	+40.1
New commercial vehicles	+34.4	+40.4
Used commercial vehicles	+54.5	+55.3
Other, including farm implements, tractors, factory and commercial equipment	+19.8	+27.7

1. Included with "Other consumers' goods".

WHOLESALE FINANCING

Wholesale financing is the term applied to the extension of credit by a finance company to a dealer for the purpose of financing stock to be held for sale as distinguished from the financing of consumers' goods for immediate use. Information on this phase of financing is collected in conjunction with the decennial census and no information is available for intervening years. In 1951, 35 companies reported themselves engaged at least to some extent in wholesale financing. Many of these were not able to supply commodity data either on paper pur-

chased or balances outstanding and for this reason only the total volume of wholesale financing is available. The total value of wholesale paper purchased in 1951 and was \$819,069,000. This figure compares with a total of \$110,963,000 purchased by 43 companies in 1941. Balances outstanding at the end of 1951 on wholesale paper purchased amounted to \$118,960,000 as compared with \$22,356,000 owing at the end of 1941.

REPOSSESSIONS

As in the case of wholesale financing, information on the repossession of motor vehicles, is collected only once every ten years. Finance companies were asked to report the number of repossessions during 1951, broken down into categories based on the proportion of the contract value paid when the repossession took place.

Most of the companies reporting in this survey were unable to supply this information so that the total number of repossessions in 1951 is not available.

TABLE 1. Financing of Retail Instalment Sales, by Commodities, 1941, 1949-1951

Commodity	Amount				Per cent of total			
	1941	1949	1950	1951	1941	1949	1950	1951
	\$'000	\$'000	\$'000	\$'000	%	%	%	%
Paper purchased								
Total, all commodities	100,277	284,730	429,197	467,302	100.0	100.0	100.0	100.0
Consumers' goods	77,326	190,574	305,278	299,558	77.1	66.9	71.2	64.1
New passenger cars	23,322	71,602	132,408	113,660	23.3	25.1	30.9	24.3
Used passenger cars	44,009	83,001	122,318	141,483	43.9	29.2	28.5	30.2
Radios	1,951	1	1	4,996	1.9	1	1	1.1
Electric and gas household appliances	5,161	1	1	14,881	5.1	1	1	3.2
Furniture	1	1	1	4,648	1	1	1	1.1
Other consumers' goods, including clothing and jewellery	2,883	35,971	50,553	19,915	2.9	12.6	11.6	4.2
Commercial and industrial goods	22,951	94,156	123,918	167,744	22.9	33.1	28.8	35.9
New commercial vehicles	11,548	44,601	60,694	81,545	11.5	15.7	14.1	17.4
Used commercial vehicles	6,779	21,822	30,121	46,549	6.8	7.7	7.0	10.0
Other, including farm implements, tractors, factory and commercial equipment	4,624	27,733	33,103	39,650	4.6	9.7	7.7	6.5
Balances outstanding (Year end)								
Total, all commodities	64,674	184,063	293,163	313,234	100.0	100.0	100.0	100.0
Consumers' goods	48,854	115,977	202,011	185,492	75.5	63.0	68.9	59.2
New passenger cars	2	46,970	94,321	80,717	2	25.5	32.2	25.8
Used passenger cars	2	46,342	73,445	80,359	2	25.2	25.0	25.6
Radios	2	1	1	3,315	2	1	1	1.1
Electric and gas household appliances	2	1	1	8,152	2	1	1	2.6
Furniture	2	1	1	2,934	2	1	1	0.9
Other consumers' goods, including clothing and jewellery	2	22,665	34,245	10,015	2	12.3	11.7	3.2
Commercial and industrial goods	15,820	68,086	91,152	127,742	24.5	37.0	31.1	40.9
New commercial vehicles	2	31,965	45,774	64,231	2	17.4	15.6	20.5
Used commercial vehicles	2	14,401	20,001	31,062	2	7.8	6.8	9.9
Other, including farm implements, tractors, factory and commercial equipment	2	21,720	25,377	32,399	2	11.8	8.7	10.4

1. Included with "All other consumers' goods".
2. Not available.

TABLE 2. Financing of Retail Instalment Sales, by Provinces 1941, 1950 and 1951

Province	Paper purchased										Balances outstanding			
	New and used passenger cars		Other consumers' goods		Commercial and industrial goods		Total all commodities			Per cent change 1951/1950	Total all commodities			Per cent change 1951/1950
	1950	1951	1950	1951	1950	1951	1941	1950	1951		1941	1950	1951	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
Canada	254,726	255,148	50,553	44,410	123,918	167,744	100,277	429,197	467,302	+ 8.9	64,674	293,163	313,234	+ 6.8
Atlantic provinces	20,506	18,605	4,115	2,703	9,862	12,757	6,615	34,483	34,065	- 1.2	4,169	23,462	22,624	- 3.6
Quebec	50,139	54,231	9,363	7,713	27,602	40,074	16,195	87,104	102,018	+17.1	10,103	62,403	70,951	+13.7
Ontario	106,647	98,057	27,483	26,083	40,524	53,184	48,095	174,654	177,329	+ 1.5	29,641	114,840	114,495	- 0.3
Manitoba	11,803	12,852	2,112	1,499	6,664	9,349	5,085	20,579	23,700	+15.2	3,349	14,583	15,695	+ 7.6
Saskatchewan	13,520	16,276	1,271	1,286	8,663	11,680	5,853	23,474	29,242	+24.6	4,560	16,361	20,342	+24.3
Alberta	23,928	27,650	3,125	3,058	19,220	24,590	8,332	46,273	55,298	+19.5	6,362	32,451	38,996	+20.2
British Columbia	28,183	27,477	3,084	2,083	11,363	16,110	9,490	42,630	45,650	+ 7.1	6,490	29,063	30,131	+ 3.7

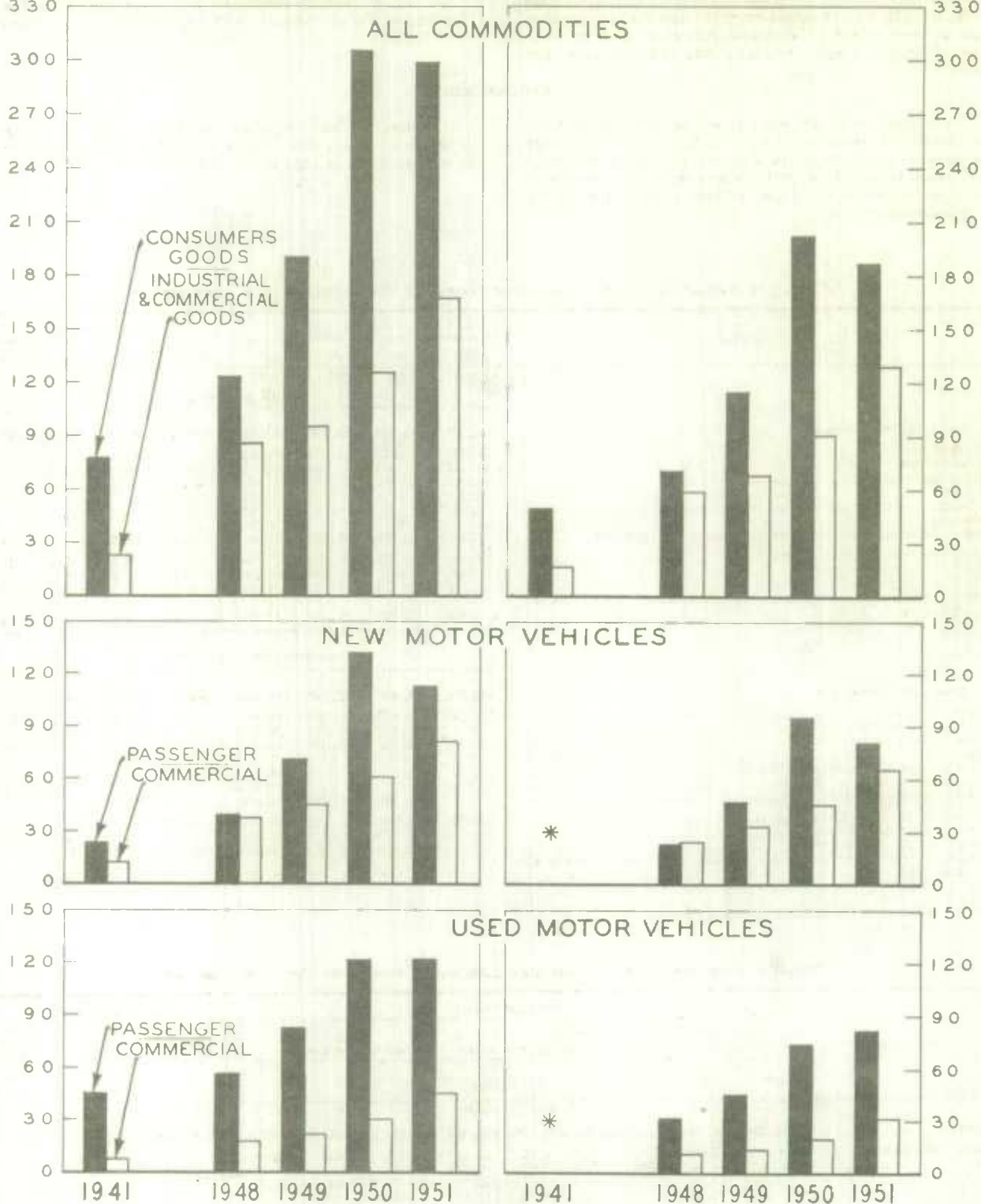
FINANCING OF RETAIL INSTALMENT SALES BY FINANCE COMPANIES, 1941-1948 TO 1951

MILLIONS
OF DOLLARS
3 3 0

PAPER PURCHASED

BALANCES OUTSTANDING

MILLIONS
OF DOLLARS
3 3 0



* NOT AVAILABLE