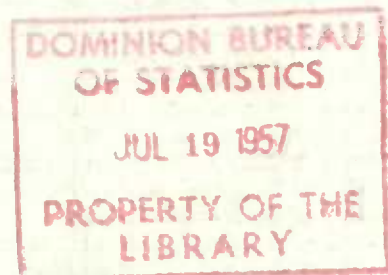




CANADA

SALES FINANCING

1956



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NOTICE

The annual reports prepared by the Industry and Merchandising Division of the Bureau of Statistics are divided into 3 volumes, as follows: **Volume I** — The Primary Industries, including mining, forestry and fisheries; **Volume II** — Manufacturing; **Volume III** — Merchandising and Services.

Volume III 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 — 1 Operating Results of Automotive Parts and Accessories Wholesalers, 25¢
 - 2 Operating Results of Drug Wholesalers, 25¢
 - 3 Operating Results of Hardware Wholesalers, 25¢
 - 4 Operating Results of Plumbing and Heating Supply Wholesalers, 25¢
 - 5 Operating Results of Household Appliance & Electrical Supply Wholesalers, 25¢

Part II — Retail Statistics

- F — Retail Trade, 50¢
- G — Retail Chain Stores, 50¢
- * H — Operating Results of Food Store Chains, 25¢
- * I — Operating Results of Clothing Store Chains, 25¢
- * J — 1 Operating Results of Variety Store Chains, 25¢
 - 2 Operating Results of Drug Store Chains, 25¢
 - 3 Operating Results of Furniture Store Chains, 25¢
- K — Operating Results of Independent Food Stores, 25¢
- L — Operating Results of Independent Clothing Stores, 25¢
- M — Operating Results of Independent Hardware, Furniture, Appliance, Radio and Television Stores, 25¢
- N — Operating Results of Filling Stations and Garages, 25¢
- O — 1 Operating Results of Independent General Stores, 25¢
 - 2 Operating Results of Independent Restaurants, 25¢
 - 3 Operating Results of Independent Fuel Dealers, 25¢
 - 4 Operating Results of Independent Drug Stores, 25¢
 - 5 Operating Results of Independent Jewellery Stores, 25¢
 - 6 Operating Results of Independent Tobacco Stores, 25¢
- P — Retail Credit, 25¢

Part III — Services and Special Fields

- Q — Laundries, Cleaners and Dyers, 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), 10¢
- X — Motion Picture Production (Memorandum), 10¢

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

* Biennial reports — not issued for 1956.

SALES FINANCING

1956

The figures reported in this publication are derived from an annual survey of all known companies primarily engaged in sales financing whether retail or wholesale; the figures, however, exclude any wholesale financing handled by these companies.

In 1956, sales financing reached unprecedented totals in amount financed and in balances outstanding at year-end with both figures exceeding the one billion dollar mark for the first time. Retail instalment financing amounted to \$1,248,347,000 and balances outstanding at year-end \$1,035,376,000. Taken in the same order these figures accounted for increases of 28 and 31 per cent over the 1955 totals.

Of the total amount financed, Ontario accounted for 40 per cent, Quebec 24 per cent, Alberta 11 per cent, British Columbia 10 per cent, Atlantic Provinces 8 per cent, Manitoba 4 per cent and Saskatchewan 3 per cent. Quebec, Saskatchewan, Alberta and British Columbia each accounted for a slightly larger proportion than in 1955. These gains were offset by losses in Ontario and in the Atlantic Provinces but particularly in the former while Manitoba obtained the same ratio. The provincial distribution of balances outstanding at year-end, except for fractional deviations, paralleled those of sales financing as indicated by the following table.

Provincial Distribution of Paper Purchased in 1956 and Balances Outstanding at Year end

Province	Total, all commodities (per cent of Canada totals)	
	Paper purchased	Balances outstanding
Canada	100.0	100.0
Atlantic Provinces	7.9	7.8
Quebec	23.9	23.9
Ontario	40.1	40.3
Manitoba	3.5	3.6
Saskatchewan	3.4	3.4
Alberta	11.0	11.1
British Columbia	10.2	9.9

CONSUMERS' GOODS

Of the total sales financing, consumers' goods accounted for \$924,687,000 or 74 per cent as against 78 per cent in 1955. Consumer goods sales financed were greater than 1955 by 22 per cent. This increase resulted from gains in the financing of new passenger car sales (33 per cent), used passenger car sales (13 per cent), radio set sales (53 per cent), furniture sales (39 per cent), other consumers' goods including clothing and jewellery (87 per cent) and declines in the financing of television set sales (5 per cent) and in electrical and gas household appliance sales (1 per cent).

Sales finance companies had \$756,304,000 outstanding on their books at the end of 1956 under the heading of consumers' goods. This amount was 26 per cent greater than the amount

outstanding at the end of the previous year. All consumer commodities showed increased balances in 1956 over 1955 except television sets which decreased nominally.

COMMERCIAL AND INDUSTRIAL GOODS

Commercial and industrial goods were financed to the extent of \$323,680,000, a 49 per cent rise over 1955. This figure was 26 per cent of the total amount financed as against 22 per cent in the previous year, thus ending the downward trend experienced since 1952. This gain in ratio was brought about by a large increase of 67 per cent in the "all other" classification which includes the financing of farm implements, tractors and factory and commercial equipment, a smaller but also substantial increase of 55 per cent in new commercial vehicles and a moderate increase of 5 per cent in used commercial vehicles.

Balances outstanding at the end of 1956 amounted to \$279,072,000, up 46 per cent over the previous year. This rise was attributable to increases of 46 per cent in the financing of sales of new commercial vehicles, 2 per cent in used commercial vehicles and 65 per cent in the "all other" classification with farm implements, tractors, factory and commercial equipment included.

Percentage Change in Financing of Retail Instalment Sales during year and Balances Outstanding at year end, 1956/1955

Commodity	Per cent change 1956/1955	
	Amount of financing	Balances outstanding
Total, all commodities	+ 27.8	+ 30.9
Consumers' goods	+ 21.8	+ 26.2
New passenger cars	+ 33.1	+ 38.0
Used passenger cars	+ 13.5	+ 16.3
Radio sets	+ 52.8	+ 50.7
Television sets	- 4.8	- 0.6
Electric and gas household appliances	- 0.7	+ 4.5
Furniture	+ 39.3	+ 41.0
Other consumers' goods, including clothing and jewellery	+ 87.0	+ 82.7
Commercial and industrial goods	+ 48.7	+ 45.6
New commercial vehicles	+ 54.8	+ 46.5
Used commercial vehicles	+ 4.9	+ 1.8
Other, including farm implements, tractors, factory and commercial equipment	+ 67.1	+ 64.9

Notes

This report covers sales finance and acceptance companies only and excludes similar contracts held by companies whose business is primarily money lending.

It does not include subsidiary acceptance companies of larger merchandisers. When such financing is for store accounts only, the data are included with the D.B.S. quarterly report "Retail Credit".

SALES FINANCING

TABLE 1. Financing of Retail Instalment Sales, Historical Summary, 1941 and 1947-1956

Year	Paper purchased			Balances outstanding (Year end)		
	Consumers' goods	Commercial and industrial goods	Total	Consumers' goods	Commercial and industrial goods	Total
	\$000	\$000	\$000	\$000	\$000	\$000
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 ²	719,149	228,597	947,746	516,191	184,472	700,663
1954 ²	630,837	174,187	805,024	491,645	164,220	655,865
1955 ²	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

1. Including Newfoundland from 1949.
2. Revised.

TABLE 2. Financing of Retail Instalment Sales, by Commodities, 1955 and 1956

Commodity	Paper purchased				Balances outstanding (year end)			
	Amount		Per cent of total		Amount		Per cent of total	
	1955 ¹	1956	1955 ¹	1956	1955 ¹	1956	1955 ¹	1956
	\$000	\$000	%	%	\$000	\$000	%	%
Total, all commodities	977,078	1,248,347	100.0	100.0	791,099	1,035,376	100.0	100.0
Consumers' goods	759,412	924,687	77.7	74.1	599,382	756,304	75.8	73.0
New passenger cars	306,987	408,660	31.4	32.7	264,053	364,382	33.4	35.2
Used passenger cars	296,837	337,001	30.4	27.0	214,308	249,243	27.1	24.0
Radio sets	1,683	2,571	0.2	0.2	1,244	1,875	0.2	0.2
Television sets	57,647	54,870	5.9	4.4	45,576	45,302	5.8	4.4
Electric and gas household appliances	58,232	57,807	6.0	4.6	44,774	46,783	5.6	4.5
Furniture	15,352	21,386	1.5	1.7	12,093	17,055	1.5	1.6
Other consumers' goods, including clothing and jewelry	22,674	42,392	2.3	3.4	17,334	31,664	2.2	3.1
Commercial and industrial goods	217,666	323,660	22.3	25.9	191,717	279,072	24.2	27.0
New commercial vehicles	72,325	111,998	7.4	9.0	67,070	98,274	8.5	9.5
Used commercial vehicles	50,169	52,645	5.1	4.2	39,235	39,942	4.9	3.9
Other, including farm implements, tractors, factory and commercial equipment	95,172	159,017	9.8	12.7	85,412	140,856	10.8	13.6

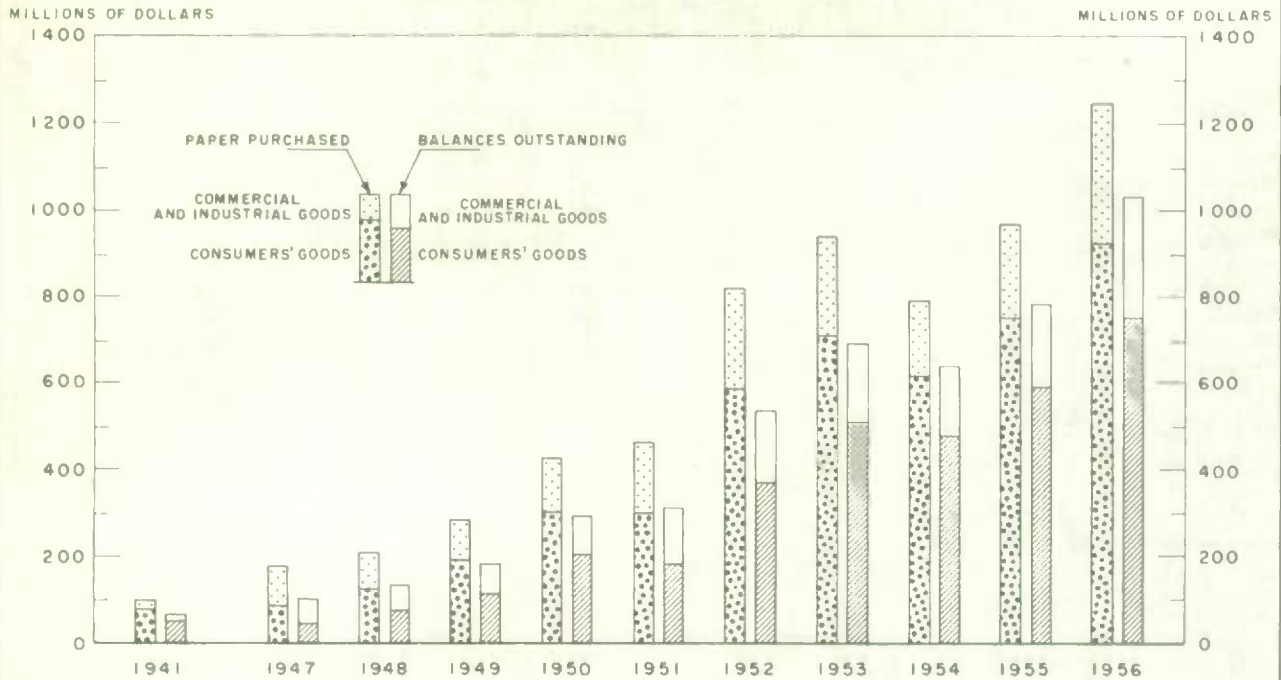
1. Revised.

TABLE 3. Financing of Retail Instalment Sales, by Provinces, 1955 and 1956

Province	Paper purchased								Balances outstanding (Year end)			
	New and used passenger cars		Other consumers' goods		Commercial and industrial goods		Total, all commodities		Per cent change	Total, all commodities		Per cent change
	1955 ²	1956	1955 ²	1956	1955 ²	1956	1955 ²	1956		1955 ²	1956	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%	\$000	\$000	%
Canada	603,824	745,661	153,588	179,026	217,666	323,660	977,078	1,248,347	+27.8	791,099	1,035,376	+30.9
Atlantic Provinces	51,417	58,405	15,817	18,222	18,388	21,789	85,622	98,416	+14.9	68,236	80,933	+18.6
Quebec	135,482	175,906	38,496	47,093	51,070	75,195	225,048	298,194	+32.5	187,425	247,909	+32.3
Ontario	284,074	317,628	67,060	73,018	73,656	109,763	404,790	500,409	+23.6	317,342	416,910	+31.4
Manitoba	21,119	24,230	4,180	5,005	8,321	14,331	33,620	43,566	+29.6	26,997	36,938	+36.8
Saskatchewan	20,793	25,639	3,171	4,982	8,310	12,457	32,274	43,078	+33.5	29,755	35,199	+18.3
Alberta	54,085	69,770	15,438	19,117	33,229	48,892	102,802	137,779	+34.0	88,566	115,056	+29.9
British Columbia ¹	56,854	74,083	11,426	11,589	24,892	41,233	92,922	126,905	+36.6	72,778	102,438	+40.8

1. Including Yukon and Northwest Territories.
2. Revised.

ANNUAL FINANCING OF RETAIL INSTALMENT SALES BY SALES FINANCE COMPANIES



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