

vehicles is seen not only to be carried on in plants of a size far exceeding the average manufacturing unit, but also in plants which are increasing in capacity and production, while at the same time the smaller and less efficient firms forsake the business. The average value of products per plant in the automobile industry reached in 1923 the large amount of \$9,661,417.

**Localization.**—A further peculiarity of the industry is its extreme localization, a feature which marks both the manufacture and sale of the products as being entirely distinct from the ordinary. Of the ten plants now in operation in the Dominion, all are located in Ontario, along the northern shores of lake Erie and lake Ontario between Windsor and Oshawa. The primary reasons for this centralization are two in number, the dependence of automobile manufacturing on the products of the iron and steel industry which is situated immediately to the south of lake Erie, and the influence of American capital in Canadian factories, several of which are subsidiary companies controlled by larger American concerns, both making essentially the same product. The sale of automobiles, unlike that of many manufactured articles, has evidently but little effect on the location of plants; it is at least of distinctly less importance than the dependence on the raw and partly manufactured goods used in process.

**The Source of Materials.**—If the motor car industry were suddenly removed from the field of production, a considerable range of industries engaged in furnishing materials in a crude or intermediate stage of manufacture would be seriously affected by the lessened demand. Leaving out of consideration the petroleum-refining industry, which had in 1922 a gross production of about \$56,500,000, the industry which probably owes most to the development of the automobile trade is that of rubber tire manufacturing, which has not only supplied the local market, but by an aggressive export policy has also created a favourable balance of \$5,500,000 in three types of tires during the latest fiscal year. The total production of automobile tires in 1923 was valued at \$27,800,000, leaving tires to the value of about \$22,300,000 to meet the needs of the home market. The tires used by the manufacturers of automobiles during 1923 cost nearly \$6,200,000. The automobile industry furnishes an excellent market for steel of the better grades, the ten firms in operation in 1923 using 26,900 tons, costing \$2,225,000, and the steel castings used were worth an additional \$3,184,000. Malleable iron and iron castings were used in sufficient quantities to bring the total cost of the iron and steel in these forms to more than \$8,000,000. The dependence on accessory or affiliated plants, situated chiefly in the United States in 1923, was shown by the use of 116,982 ready-made bodies and 67,446 engines, costing \$12,370,000 and \$10,926,000 respectively. A separate function in itself, the distribution and service of the 587,000 motor vehicles now in operation, has brought into existence an ever-increasing number of establishments which cater to the convenience and comfort of the motor vehicle user. More than 2,500 of these places of business are in operation in Canada.

**External Trade.**—The rapid development of the export trade as shown in Table 24 is one of the notable features of the automobile industry. In the fiscal year 1908, the first full year for which statistics are available, the value of the motor cars exported was \$320,708, as contrasted with \$33,112,094 in 1924. The exports of automobile parts in the latter fiscal year were valued at \$4,612,000, and tires were worth an additional \$6,524,000. In spite of the greatly increased number of cars in use, the imports have not increased, indicating that the growing demand of the domestic market is being supplied by Canadian plants.