

Retail Sales of Used Motor-Vehicles.*—That the sale of a new motor-vehicle in Canada means the sale by distributors of two used models is the opinion generally recognized in the automotive trade. The accuracy of this ratio is confirmed by the results of a special survey of the retail automotive trade for 1937 for which reports were secured direct from 3,426 retail distributors of motor-vehicles in the country. Dealers and distributors reported a total of 413,043 motor-vehicles sold for \$245,277,623 in 1937 of which 141,881† were new models which sold for \$157,671,890† or an average of \$1,111 each and 271,162 were used vehicles which retailed for \$87,605,733 or an average of \$323 each. The total number of vehicles sold is thus divided in the proportions 34.4 p.c. new and 65.6 p.c. used or, on the average, there were 1.91 used vehicles sold for every new model.

The ratio of used to new vehicles sold varies considerably for different regions of the country. In districts where the concentration of motor-vehicles in proportion to population is greatest the ratio is usually high and lower in those sections in which there are fewer used vehicles available to be traded in as part payment for new models. The ratio of used to new models sold ranged from 1.53 in Quebec Province where the population per motor-vehicle registration is highest to 2.16 in Ontario where the population per motor-vehicle registration is lowest. A table showing sales of new and used motor-vehicles in the different provinces for 1937 appears at p. 616 of the 1939 Year Book. Comparable figures for later years are not available.

Financing of Motor-Vehicle Sales.*—Financing corporations play an important part in the retail distribution of both new and used motor-vehicles in Canada. They extend credit facilities to customers who could not enter the market if required to pay with cash and to others who, though in a position to pay cash, find it more convenient to budget their expenditures on the instalment basis. They also provide a valuable service to the dealers by assuming the risks and inconveniences connected with instalment sales, thus permitting the dealers to operate on a smaller capital outlay than would otherwise be necessary.

Statistics on financing are compiled monthly from returns secured from all large finance companies in Canada that are engaged in purchasing accounts, contracts, or notes arising out of retail sales of motor-vehicles. Aggregates of the monthly data show that sales of 176,578 motor-vehicles (including both new and used models) were financed to the extent of \$75,235,793 in 1940. These figures reveal increases of 15.3 p.c. in number and 19.9 p.c. in amount from the 153,107 vehicles that were financed for \$62,768,746 in 1939. New vehicles numbering 42,982 were financed for \$33,473,397 or an average of \$779 each. There were also 133,596 used vehicles whose sales were financed to the extent of \$41,762,396 or for \$313 each.

In 1940, 32.9 p.c. of all new motor-vehicle sales in Canada passed through the hands of financing corporations. The corresponding amount of financing amounted to 22.5 p.c. of the total selling value of all new models. Total sales of used vehicles are known only for 1937. In that year 44.9 p.c. of all used vehicle purchases were financed by these corporations.

* See footnote to p. 510.

† These figures are made up from returns from individual dealers for this special survey and do not agree with those given in Tables 26 and 27 obtained from manufacturers and assemblers.