

THE AUTOMOBILE INDUSTRY IN CANADA*

Although Canada's automobile industry is now over 40 years old, it has become one of the major units in the economy of the Dominion. In value of products, in labour directly and indirectly employed, and in capital investment it ranks high among the manufactures of the nation and exercises far-reaching influence on the affairs of the people. In the period from 1917-45 the automobile and automobile-parts companies paid out more than \$1,000,000,000 in salaries and wages and spent over \$3,000,000,000 on manufacturing materials. Production to the end of 1945 totalled 4,500,000 complete cars worth \$3,250,000,000 at factory prices. Meanwhile, automobile registrations in Canada increased steadily, except during the war years, numbering 1,500,000 in 1945, or an average of one car to every eight persons.

The Canadian industry is, to a large extent, an off-shoot of the industry in the United States where manufacturing methods in this field have reached their highest state of development; the leading concerns in Canada are branches of the parent organizations in the United States. It was in 1904 that the Ford Motor Company of Canada Limited was incorporated and commenced operations. Its original capital of \$125,000 was subscribed by 60 shareholders and its charter gave it the right to make and sell Ford products in Canada and in practically all of the British Empire except the British Isles. It also acquired the right to use then-existing and all future patents, designs, inventions and trade marks of the Ford Motor Company of the United States. From 1904 to 1909, prior to the introduction of the Model 'T' Ford car, the Company operated on a very small scale, the total output during this period amounting to only 1,353 units. By 1925, the annual production had risen to 79,000 units and in 1939, the last pre-war year, it was 61,000 units. At that time, the Company had its main plant at Windsor, Ont., and assembly units at Winnipeg, Man.; Vancouver, B.C., and Saint John, N.B.

Another pioneer in the industry was the McLaughlin Motor Car Company Limited, Oshawa, Ont., which was formed in 1907 with contracts for the right to make Buick cars in this country. Chevrolet rights were also acquired in 1915 and three years later the enlargement of the two McLaughlin Companies was effected to form the General Motors of Canada Limited, a subsidiary of the General Motors Limited of the United States. Operations of this Company expanded steadily until output in 1925 totalled 44,000 units and in 1939 reached 54,000 units for the domestic and export markets. An assembly plant was opened at Regina, Sask., in 1929.

The other member of the "big three" of the present Canadian industry is the Chrysler Corporation of Canada Limited, which entered the Canadian field in 1925 to take over the Windsor factory of the Maxwell Chrysler Corporation of Canada Limited established in the previous year in succession to the Chalmers-Maxwell Motor Company of Canada. A few years later, about 1928, this Company absorbed the Dodge Motor Company Limited, which had operated in Canada from 1923. Continued growth has established this firm as one of the principal producers in the Dominion.

The above-mentioned concerns constitute the core of the industry, but numerous other plants have been in existence from time to time. Some of these were merely assembly units, branches of United States companies set up to take advantage of

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