

ANNEX II

LIST OF DOCUMENTARY EXHIBITS FILED WITH COMMISSION

Exhibit No.

- 1—Copy and Proceedings, Evidence and Report of the Standing Committee of the House of Commons on Agriculture and Colonization; Session 1932-1933, respecting Milk and Milk Products.
- 2—Memorandum submitted by the Dominion Statistician: "Procedure of investigation under Government notice of motion dated January 29, 1934."
- 3—Statement showing:
 - (a) Community price spreads.
 - (b) Index numbers of Wheat, Flour, and Bread, 1926-1933.
 - (c) Canadian prices of Wheat and Wheat Products, 1932-1933.
 - (d) Index numbers of Hogs, Pork carcass, Bacon and Lard, 1926-1933.
 - (e) Canadian prices of Hogs and Hog Products, 1932-1933.
 - (f) Index numbers of Sugar at Vancouver, 1926-1933.
 - (g) Vancouver prices of Sugar, 1932-1933.
- 4—Minutes of Proceedings, Evidence, and Report of the Select Standing Committee on Banking and Commerce, 1932, respecting the inquiry on the Price of Gasoline.
- 5—Memorandum by the Dominion Statistician, entitled: "Commodities on which Data to be Assembled."
- 6—Reply to questionnaire on Minimum Wage Law, Province of Nova Scotia.
- 7—Reply to questionnaire on Minimum Wage Law, Province of Manitoba.
- 8—Orders of the Ontario Minimum Wage Board, Nos. 3, 6, 10 to 39 inclusive, 41 to 50 inclusive, and Amending Orders Nos. 3 and 29.
- 9—Thirteenth Annual Report of the Ontario Wage Board, 1933.
- 10—Annual Report of the Women's Minimum Wage Commission, Province of Quebec, for the year ending June 30, 1933.
- 11—An Act to provide for fixing a Minimum Wage for Women, Chapter 100, Revised Statutes of Quebec, 1925.
- 12—List of firms prosecuted under the Quebec Women's Minimum Wage Act, and penalty imposed.
- 13—Form indicating "Rates per Hour."
- 14—Question form for employers *re* employees. Women's Minimum Wage Board, Quebec.
- 15—Minimum Wage Board Orders Nos. 3, 7 (amended) and 9a, Province of Quebec.
- 16—Statement entitled: "Various Ways of Evading the Minimum Wage Law."
- 17—Report on Labour Conditions in the Men's Clothing Industry, by Messrs. F. R. Scott and H. M. Cassidy.
- 19—Reply from the Province of Saskatchewan; to questionnaire on Minimum Wage Law.
- 20—Report to the Honourable the Postmaster General on the methods adopted in Canada in carrying out of Government Clothing Contracts, 1898, by W. L. Mackenzie King, M.A., LL.B.
- 21—Report on Wages, Hours and Working conditions in Automotive Transport Industry, 1933, issued by the Department of Labour of Ontario.
- 22—The Public Utilities Act, 1933, Amendment Act, 1933, Province of Alberta.
- 25—Order No. 6996 (Edmonton Order), by the Board of Public Utility Commissioners for Province of Alberta.
- 26—Order No. 6941 (Calgary Order), by Board of Utility Commissioners for the Province of Alberta.
- 27—Memorandum entitled: "Regulations of Milk under the Public Utilities Act, Alberta."
- 28—Reply from the Province of British Columbia, to questionnaire on the Minimum Wage Law.
- 29—Organization Chart, United States National Recovery Administration.
- 30—Memorandum by the Dominion Bureau of Statistics entitled: "Wholesale Prices of Canadian Farm Products and Other Commodity Groups, 1928-1934."
- 31—Memorandum by the Dominion Bureau of Statistics entitled: "Price Index Numbers and Actual Prices of Live Stock and Live Stock Products, 1926-1933."
- 32—Copy of tender and contract *re* purchase of caps by the Department of National Defence, as requested by the Commission.
- 32a—Letter from the Deputy Minister of Labour, to be added as part of Exhibit No. 32.
- 33—Questionnaire sent out by the Canadian Association of Garment Manufacturers to members of the Needle Trades.
- 38—Army and Navy Mail Order Catalogue, Regina, 1934.

Exhibit No.

- 39—Original copy of letter addressed by the Executive Secretary of the Ontario Agricultural Council to chain store Executive.
- 40a—Advertisement of Pickering Farm, Toronto *Telegram*, November 30, 1933.
- 41—Copy of contract between a chain store Executive and the manager of a branch store (Thrift Stores Limited).
- 43—Specimen sales slips showing, on reverse side, cash price guarantee, T. Eaton Co. Ltd.
- 44—Official copy of brief submitted by Mr. G. S. Hougham *re* Ontario Board, Retail Merchants' Association of Canada.
- 45—Reply from the Province of Alberta to questionnaire on Minimum Wage Law.
- 46—Constitution of the Canadian Chain Store Association with accompanying letter.
- 46a—Letters addressed to the Retail Merchants' Association, Winnipeg, by radio manufacturers.
- 47—Letter from the Manitoba Chapter, Association of Electragists International, to Retail Merchants of Canada, Winnipeg.
- 49—Telegram addressed to Mr. C. C. Falconer from Winnipeg *re* glassware as premium in theatres.
- 50—Telegram from Mr. J. W. Harris, Saskatoon, to Mr. W. L. McQuarrie, Secretary, Saskatchewan Branch of Retail Merchants' Association of Canada.
- 51—Copy of Resolution passed by Independent Retail Merchants of Yorkton, Sask., *re* chain and department stores advertising and accompanying file of letters from merchants.
- 52—Series of advertisements, invoices, affidavits and price comparisons described as follows:
- (a) Groceries, fruits and provisions.
 - (b) Dry goods, clothing, men's and women's wear.
 - (c) Boots and shoes, rubber footwear.
 - (d) Meats.
 - (e) Drug trade and jewellers.
 - (f) Pianos, radios, etc.
 - (g) Furniture.
 - (h) Automobile accessories, etc.
 - (i) Hardware, lumber, fuel, and implements.
 - (j) Affidavit *re* misrepresentation in advertising bankrupt sales.
 - (k) Letter *re* misrepresentation in advertising travellers' samples.
- 53—Copy of resolution passed by retailers at Lloydminster, Sask.
- 54—Statement from the Committee of the Charlottetown Board of Trade *re* chain store and mail order houses together with statement of Wholesale Grocers' Committee and Agricultural Committee.
- 56—Copy of bulletin *re* rubber footwear issued by the Dominion Rubber Association.
- 57—Series of advertisements with attached data on cut prices.
- 58—Data *re* cut prices on bread in Alberta as affecting country bakers.
- 59—Series of replies received from merchants of the retail trade in Nova Scotia, to a questionnaire sent out by the Nova Scotia Branch of the Retail Merchants' Association.
- 60—Series of advertisements with invoices, comparisons between wholesale and retail prices and other data indicating the effect of such advertisements as Loss Leaders.
- 61—Brief submitted by the Summerside Board of Trade dealing with the competition merchants have to meet from the Mail Order business.
- 62—Series of advertisements, letters, comparisons between wholesale and retail prices and other data, all identified in Evidence by numbers, from 1 to 26 inclusive (British Columbia).
- 63—Suggestions for the elimination of unethical business practices, as approved by grocers and meat dealers in Vancouver.
- 64—Rules, regulations and by-laws of the Toronto Live Stock Exchange and copy of "An Act respecting Live Stock," chapter 120, 1933.
- 65—Resolutions from farmers' organization, in the Province of Ontario, relative to the grading and supervision of Canadian bacon shipped to the British market and to the shipping and marketing of live stock.
- 66—Summarized report of proceeding of the Committee on Agriculture and Colonization of the Ontario Legislative Assembly with file of letters attached thereto.
- 67—Copy of Report No. 7, by the Department of Agriculture on the origin and quality of Commercial live stock marketed in Canada in 1926, and copy of the thirteenth annual market review, 1932.
- 68—Supplement to brief by the Saskatchewan Co-operative Live Stock Producers, comprising:
- (a) Special act of incorporation and by-laws;
 - (b) Form of producers' agreement;
 - (c) Standard by-laws for local shipping association.
- 69—Draft of a constitution for suggested Canadian organization similar to the Agricultural Council of Denmark.
- 70—Memorandum entitled "Danish Agriculture," containing statistical information and the constitution of the Agricultural Council of Denmark.

Exhibit No.

- 71—Brief submitted by Canadian Live Stock Co-operative (Western) Limited, and Manitoba Co-operative Live Stock Producers, Limited.
- 72—Questionnaire sent to live stock producers and replies thereto with summarized analysis of these replies.
- 73—Brief submitted by Saskatchewan Co-operative Live Stock Producers Limited.
- 74—Statement showing live stock receipts at public markets and private sidings for the years 1927 to 1932 inclusive.
- 75—Memorandum by the Dominion Bureau of Statistics entitled: Gross Sectional Comparison.
- 76—Circular advertising sale of boots and shoes with attached explanatory notes.
- 79—Copy of bill to amend the Dairy Products Act (Province of Quebec), chapter 63, R.S. 1925.
- 80—Letter addressed by the Florists' Delivery Association Inc. Montreal, to the Retail Merchants' Association.
- 83—Series of advertisements together with wholesale prices obtained from three wholesale grocery firms.
- 84—List of prosecutions against chain stores in Montreal from Dec. 7 to Dec. 23, 1933.
- 85—Statement showing special taxes imposed on chain stores by the City of Montreal in March, 1933.
- 86—H. P. Kennedy Commission Co. sales sheet for two carloads of cattle, cows and calves shipped by rail, showing commission of \$34.
- 87—H. P. Kennedy Commission Co. sales sheet for one carload of cattle, cows, calves and sheep, shipped by train, showing commission of \$17.
- 88—H. P. Kennedy Commission Co. sales sheet for twenty-five calves shipped by truck showing commission of \$6.25, and requiring 12 cheques and statements.
- 89—H. P. Kennedy Commission Co. sales sheet for seventeen calves and two cattle shipped by truck, showing commission of \$6.25, and requiring 12 cheques and statements.
- 90—Copy of Bill (S. 2133, January 10, 1934), before the United States Senate, to amend the Packers and Stockyards Act, 1921.
- 91—Copy of Bill (S. 2621, February 5, 1934), before the United States Senate, to amend the Packers and Stockyards Act, 1921.
- 92—Copy of Bill (S. 3064, March 15, 1934), before the United States Senate, to amend the Packers and Stockyards Act, 1921.
- 93—Newspaper clipping reporting evidence given before the United States Senate Committee on Agriculture by D. M. Hildebrand, on the marketing of hogs.
- 94—Comparative statement of market prices for live stock, October, 1934.
- 95—Statements showing receipts of Live Stock at Canadian markets for the years 1924 to 1933 inclusive, compiled by the Union Stock Yards of Toronto, Ltd.
- 96—Specimen copies of Dunn and Levack sales sheets.
- 97—Specimen copies of Dunn and Levack sales sheets with weighers' tickets attached thereto.
- 98—Dunn and Levack sales sheets with attached letter and trucker's statement of account.
- 99—Copies of report of the Toronto Live Stock Commission Brokers for the years 1932 and 1933.
- 100—Two copies of the report of the Registrar under the Combines Investigation Act, on an alleged combine of Tobacco manufacturers and other buyers of raw leaf tobacco in the Province of Ontario, 1933.
- 101—Memorandum to the Hon. Mr. Macaulay from J. P. Bickell, Registrar of motor vehicles with attached copy of letter addressed to various packing houses, copy of the Public Commercial Vehicle Act, R.S.O. 1927, Chapter 253, as amended by 1930, Chapter 49, and copy.
- 102—Statement showing retail cost of handling and distributing milk.
- 103—Copy of the report of the Tobacco Enquiry Commission by the Provinces of Ontario and Quebec, 1928.
- 104—Memorandum entitled: Developments in the Tobacco Producing Industry in Canada, 1928-1934.
- 105—Statement showing statistics relative to the Canadian Tobacco Industry, compiled by the Tobacco Division, Department of Agriculture, Ottawa, dated February 12, 1934.
- 106—Graph showing United States tobacco growers' receipts and manufacturers' profits.
- 107—Three Charts described as follows:
- (a) Showing spreads between average yearly prices of one pound of wheat, flour used in one pound of bread, and one pound of bread. (1913-23.)
 - (b) Showing spreads between average yearly prices of one pound of wheat (Fort William basin), flour used in one pound of bread, and one pound of bread. (1913-23.)
 - (c) Showing relation of Canadian wheat, flour and bread prices, 1924-33, as compared to the relation of their average for the year 1923.
- 108—Copy of report by the Registrar under the Combines Investigation Act, relative to an investigation into an alleged combine in the Bread Baking Industry in Canada, dated February 5, 1931.

Exhibit No.

- 109—Copy of report on the Bread and other Bakery Products in Canada, 1932, published by the Dominion Bureau of Statistics.
- 111—Newspapers advertisement containing an extract of an editorial from "Advertising and Selling" on price of bread.
- 113—Copy of a suggested code of ethics submitted by The Master Bakers' Association of Saint John, N.B., together with a number of newspaper advertisements with affidavits attached thereto.
- 117—Copy of a suggested code of ethics submitted by the Master Baker Association of Vancouver.
- 118—Series of advertisements, photographs, invoices, etc., submitted as an illustration of unfair trade practices in the Baking Industry.
- 119—Statement entitled: Toronto Retail Cake Bakers' criticism on Canadian Bakers' Association code.
- 120—All petitions and resolutions of protest received by the House of Commons during the present session against the imposition of an excise tax on raw leaf tobacco.
- 121—Statement by the Dominion Bureau of Statistics showing the price index numbers and actual price of tobacco from 1926 to 1933 and the prices of tobacco and cigarettes, 1923-1933.
- 122—Statement showing the interest of the Imperial Tobacco Company of Canada, Limited, in B. Houde Company, Limited.
- 123—Statement showing the undivided profits of Imperial Tobacco Company of Canada, Limited, and its subsidiary companies as at December 31, 1933.
- 124—Recapitulation of daily contracts of purchases, by the Imperial Tobacco Co. of Canada, Ltd. of flue-cured tobacco, 1931, crop, Delhi.
- 125—Recapitulation of daily contracts for purchases, by the Imperial Tobacco Company of Canada, Limited, of flue-cured tobacco, 1931, crop Leamington.
- 126—Statement showing Delhi, green leaf purchases by Imperial Leaf Tobacco Company of Canada, Ltd., for the years 1930-33 inclusive.
- 127—United Cigar Stores Ltd.: Statement of net income and wages for three years ended December 31, 1931-1933. (For Toronto stores as listed.)
- 128—Imperial Tobacco Company of Canada, Ltd., total factory payroll for the years 1931-33 inclusive.
- 129—List of salaries and bonuses to chief Executives of the Imperial Tobacco Co. of Canada, Ltd., and subsidiary companies.
- 130—Copy of indenture dated July 7, 1921, between British American Tobacco Company, Ltd., and Imperial Tobacco Company of Canada, Ltd.
- 131—Copy of memorandum of agreement dated September 23, 1921, between Imperial Tobacco Company of Canada Ltd., and George Garland Allen and Edgar Simeon Bowling.
- 132—Imperial Tobacco Co. of Canada, Ltd., By-Law 87a. December, 1929.
- 133—Statement showing daily purchases by the Imperial Tobacco Company of Canada, Ltd., of flue-cured tobacco, 1932 crop.
- 134—Imperial Tobacco Company of Canada, Ltd., and subsidiary companies' statements showing Canadian grown leaf on hand as at March 31, 1930 to 1934, inclusive.
- 135—Copy of brief submitted by Mr. Gray Miller, of Imperial Tobacco Co. of Canada, Limited.
- 136—Memorandum on effects of change in policy as to tobacco prices following Mr. T. L. Lea's visit to Montreal, 1931.
- 137—Financial statements of L. O. Grothe, Ltd., for the years 1929 to 1933, inclusive.
- 138—Financial statements of the Rock City Tobacco Company, Ltd., for the years 1929-1933, inclusive.
- 139—Financial statements of the Canadian Leaf Tobacco Company Limited, for the years 1929-1931, inclusive.
- 140—Financial statements of the British Leaf Tobacco Co. Ltd., for the years 1929-1933, inclusive.
- 141—Statements showing history of price changes on ten leading cigarette brands, and on ten leading tobacco brands.
- 142—Series of telegrams relating to the Imperial Tobacco Company's attitude towards price maintenance and merchandising methods.
- 143—Copy of agreement entered into by members of the Ontario Wholesale Tobacco Distributions.
- 144—Financial statements of The Tuckett Tobacco Company, Limited, 1930 to 1933, inclusive.
- 145—Financial statements of The Hodge Tobacco Company of Canada, Limited, 1929 to 1933, inclusive, together with statement covering purchases of 1933 crop of flue-cured tobacco.
- 146—Financial statements of The Dominion Tobacco Co. Ltd., 1929 to 1933, inclusive.
- 147—Financial statements of Empire Tobacco Co. Ltd., 1929 to 1933, inclusive.
- 148—Financial statements of James Kirk Ltd., 1929 to 1933, inclusive.

Exhibit No.

- 149—Financial statements of The H. Fortier Co. Ltd., 1929 to 1933, inclusive.
 150—Financial statements of John Erzinger, Ltd., 1929 to 1933, inclusive.
 151—Financial statements of Scales & Roberts, Ltd., 1929 to 1933, inclusive.
 152—Financial statements of American Tobacco Co. Ltd., 1930 to 1933, inclusive.
 153—Financial statements of Punch Cigar Co. Ltd., 1929 to 1933, inclusive.
 154—Financial statements of Andrew Wilson & Co. Ltd., 1929 to 1933, inclusive.
 155—Financial statements of National Tobacco Co. Ltd., 1929 to 1933, inclusive.
 156—Financial statements of Liggett & Myers Tobacco Co. of Canada, Ltd., 1929 to 1933, inclusive.
 157—Financial statements of Quebec Leaf Tobacco Co. Ltd., 1931 to 1933, inclusive.
 158—Financial statements of General Cigar Co. Ltd., 1929 to 1933, inclusive.
 159—Financial statements of The B. Houde Co. Ltd., 1929 to 1933, inclusive.
 160—Financial statements of United Cigar Stores, Ltd., 1929 to 1933, inclusive.
 161—Financial statement of United Cigar Stores, New Brunswick, Ltd., 1933.
 162—Financial statements of United Cigar Store (Nova Scotia) Ltd., 1933.
 163—List of Canadian Leaf Tobacco Company grade marks.
 164—Statement of W. C. Macdonald, Inc., showing price changes on cut tobacco and cigarettes.
 165—Statement of W. C. Macdonald, Inc., showing wages and hours of labour.
 166—Statement showing Imperial Tobacco Co., scale of wages prior to July 3, 1933, compared with scale of wages at the present time.
 167—Memorandum on cost of producing flue-cured tobacco *re* Imperial Tobacco Co.'s brief page 48 et seq.
 181—Statement submitted by Mr. Gustave Franco, chairman of the Quebec Minimum Wage Board, showing a compilation in the different trades of the Textile Industry in the Province of Quebec and in the City of Montreal together with a copy of the Board's Orders Nos. 5 and 6.
 182—Rules and regulations governing agents of Fertilizer manufacturers, for the spring season of 1934, also rules and instructions to salesmen.
 183—Receipt to Mr. M. M. Robinson, Burlington, Ontario, for \$47.10 paid for one ton nitrate and 200 pounds M. Pot., purchased on May 14, 1934, from National Fertilizer Ltd., Ingersoll, Ontario.
 184—Invoices submitted by Canadian Industries Ltd., to illustrate the difference in cost between shipments of fertilizer products from Hamilton, Ontario and Belœil, Quebec.
 185—Price list of fertilizers and fertilizer materials issued by a number of Canadian Companies.
 186—Copies of contracts passed between tomato growers and canning companies.
 187—Statement submitted by Mr. L. B. Reynolds, Waterford, Ontario, supplementary to his evidence of May 17, 1934, showing cost of growing strawberries, 1928 to 1933.
 188—Statement showing consumers' cash prices in Ontario on 16 per cent superphosphate for the spring seasons of 1929 to 1934 inclusive.
 189—Statement showing comparison of fertilizer sacked actual costs, 1933.
 190—Canadian Industries Ltd. price lists No. 5 and No. 8, spring season of 1934, with attached directions to dealers.
 191—Statement entitled: "Operative investment December 31, 1933, Fertilizer Division—East."
 192—Ontario price schedule, terms, etc., spring season 1934, *re* fertilizer, showing discounts, commissions, etc.
 193—Tires companies' reports on wages.
 194—Rubber Association of Canada statement showing branch distribution and warehouse points for tires.
 195—Tire bonus scale.
 196—Rubber Association of Canada statement *re* Canadian tire production, importation and exportation.
 197—Rubber Association of Canada statement *re* Casings shipments, domestic and report 12 months 1933.
 198—Statement of sales, capital, employees, etc., Rubber Association of Canada.
 199—Reports on wages submitted by rubber footwear companies.
 199a—Agreement between Canadian Rubber Footwear Manufacturers, January 1, 1932, to form Canadian Rubber Footwear Association.
 200—Representation from Retail merchants, Calgary, *re* unfair competition in sale of bicycle tires and tubes, with copy of advertisement, invoices and Dominion Rubber Company price list attached thereto.
 201—Statement *re* Canada Packers Ltd.,—Beef cost sheet classifying carcasses by grades.
 202—Annual report and balance sheet of Canada Packers, Ltd., for the years 1927-1928, 1932-1933.
 203—Copy of letter addressed by Moyer Bros. Ltd., to the Hon. Thomas Weir, Minister of Agriculture, April 19, 1934, together with copies of advertisements featuring butter offered at less than cost.

Exhibit No.

- 204—Statement showing comparison of beef selling prices (4 weeks ended May 24, 1934) *re* Canada Packers, Ltd.
- 205—Statement showing beef sales—cutter and boner grades—*re* Canada Packers, Ltd.
- 206—Statement *re* Swift Canadian Co. Ltd.; on average monthly cost and selling price of butter, eggs and poultry.
- 207—Statement showing sales and purchases of butter, cheese and eggs by Wilsil Ltd.
- 208—Photographed copy of letter by Dominion Securities Corp. Ltd., dated May 12, to shareholders of P. Burns & Company.
- 209—Burns & Co. Ltd., Annual Reports 1928 to 1933, inclusive.
- 210—Copy of prospectus *re* offering of \$6,900,000 Burns & Co. Ltd., 6 per cent cumulative preferred shares by Dominion Securities Corp. Ltd.
- 211—Copy of prospectus *re* offering by the Dominion Securities Corp. Ltd., of \$7,000,000 Burns & Co. Ltd., first mortgage sinking fund 5½ per cent twenty-year bonds.
- 213—Auditors' report on Woodward Stores, Ltd., Vancouver.
- 214—Auditors' report on David Spencer Ltd., Vancouver.
- 215—Auditors' report Army & Navy Dept. stores, A. J. Freiman, Ltd., James A. Ogilvy's Ltd., Dupuis Frères Limitée.
- 217—Mid-winter catalogue, 1934, of Army & Navy Mail Order Department store, Regina.
- 217a—Examples of merchandising methods taken from invoices and records—Army and Navy Stores, Regina (Midwinter catalogue.)
- 219—Auditors' report *re* Robert Simpson Co. Ltd., and subsidiary companies.
- 221—Auditors' report *re* T. Eaton Company, Ltd.
- 221—(Part of)—Schedules on wages mail order business, price spreads, etc., *re* The T. Eaton Co. Ltd.
- 223—Memoranda *re* The Hudson's Bay Co., on—
 (a) Organization, financial structure and merchandising policies.
 (b) On salaries and wages.
 (c) On purchase in selected departments and price spreads, together with schedules referred to therein.
- 224—Map of the Dominion of Canada, showing the establishments, and transport routes of the Hudson's Bay Co.
- 225—Original report of Creak, Cushing & Hodgson, Chartered Accountants, Montreal, *re* Henry Morgan & Co. Ltd., as submitted by Mr. J. G. Glassco.
- 226—Auditors' report on shoe companies (Referred to in No. 56 and 57 printed record).
- 227—Auditors' report on manufacturers of men's clothing (Referred to in No. 57 of printed record.)
- 228—Auditors' report on Company manufacturing overalls and work-shirts (Referred to in No. 57 of printed record.)
- 229—Report and exhibits in investigation by Auditors of Winnipeg clothing manufacturers.
- 230—A summary of particular purchases of furniture by Department stores, showing cost and profit to manufacturer.
- 231—Record of views expressed by fishermen and others through interviews with Mr. L. W. Fraser.
- 232—Pay off sheets Schooner *Frances G. Roue*, Swim Brothers.
- 233—Petition of Lunenburg Fishermen on measure to relieve the fishing industry.
- 234—Petition of Lockport Fishermen on measures to relieve the fishing industry.
- 235—Weekly Price List, April 2, 1934—National Fish Company.
- 236—General Fisheries Brief of United Maritime Fishermen.
- 237—Memorandum on a plan to provide credits for fishermen to obtain gear.
- 238—Petition of Western Nova Scotia Fishermen.
- 239—Submission to the Jones Commission concerning the fishing industry and tariff.
- 240—Submission from the Premier of New Brunswick on the fish industry, prepared by Mr. E. T. Caughey of Saint Andrews, N.B.
- 241—Report of auditor on the Maritime National Fish Corporation.
- 242—Copy of questionnaire completed by thirty distributing wholesale and retail fish companies.
- 243—Returns to above questionnaire.
- 244—Analysis of operations of five Atlantic Coast fish companies.
- 245—Analysis of price fluctuations of fish.
- 246—Analysis of operations of wholesale fish companies.
- 247—Analysis of operations of retail fish stores.
- 248—Analysis of price spreads on fish shipped to Montreal and Toronto markets.
- 249—Financial Statement and Balance Sheet—F. W. Woolworth Co. Limited.
- 250—Copy of contract between F. W. Woolworth Co. Limited and its American parent company.
- 251—Auditor's Report on F. W. Woolworth Co. Limited.
- 252—Auditor's Report on S. S. Kresge Co. Ltd.
- 253—S. S. Kresge Co. Ltd., Financial Statement and Balance Sheets for 1929-1933 inclusive.

Exhibit No.

- 254**—Auditor's Report—Metropolitan Stores Limited.
255—Financial Statement—Metropolitan Stores Limited.
256—Auditor's Report—United Stores Limited.
257—Financial Statement, 1929-1933 inclusive—United 5c. to \$1.00 Stores Limited.
258—Auditors' Report on Dominion Stores Ltd.
259—Financial Statements Dominion Stores Ltd., 1928-1933.
261—Auditors' Report on Great Atlantic & Pacific Tea Company.
262—Financial Statements, Great Atlantic & Pacific Tea Company.
264—Auditors' Report on Stop & Shop, Limited.
265—Financial Statements of Stop & Shop, Limited.
267—Auditors' Report on Carrolls Limited.
268—Financial Statements of Carrolls Limited.
270—Auditors' Report on Thrift Stores Limited.
271—Financial Statements—Thrift Stores Limited.
273—Auditors' Report on Steinberg's Service Stores, Ltd.
274—Financial Statements, Steinberg's Service Stores Ltd.
275—Auditors' Report on York Trading Co. Ltd.
276—Financial Statements, York Trading Co. Ltd.
277—Auditors' Report on Carload Groceries Limited.
278—Auditors' Report on National Grocers Co. Ltd.
279—Financial Statements, National Grocers Co. Ltd.
280—Auditors' Report on Red & White Corporation Limited.
281—Financial Statements, Red & White Corporation Limited.
284—Auditors' Report on Loblaw Groceries Company.
285—Financial Statements, Loblaw Groceries Company.
287—Auditors' Report on Grafton Stores Limited.
288—Financial Statements, Grafton Stores Limited.
289—Auditors' Report on Ellis Hosiery Co. Limited.
290—Financial Statements, Ellis Hosiery Co. Limited.
291—Auditors' Report on Walker Stores Limited.
292—Financial Statements, Walker Stores Limited.
293—Auditors' Report, Evangeline Stores Limited.
294—Financial Statements, Evangeline Stores, Limited.
295—Auditors' Report—G. Tamblin Limited.
296—Financial Statements, G. Tamblin Limited.
298—Auditors' Report on Louis K. Liggett Co.
299—Financial Statements, Louis K. Liggett Co.
301—Report by Auditors on United Drug Co. Ltd.
302—Auditors' Report on Independent Druggists' Alliance.
303—Auditors' Report on Eaton's Groceries.
304—Auditors' Report on Laura Secord Candy Shops Limited.
305—Financial Statements, Laura Secord Candy Shops Limited.
306—Auditors' Report on Hunt's Limited.
306-A—Financial Statements, Hunt's Limited.
307—Weights and Measures Act and Regulations, 1929.
308—Reasons for conviction registered against chain stores in decisions of Magistrate Maxwell, St. Thomas, January and February, 1930.
309—Record of conviction in respect of chain stores short weighting of meat, Ottawa, July, 1934.
319—Copy of bread contract between George Weston Bread and Cakes Ltd. and Dominion Stores Limited for Toronto, April 29, 1933.
320—Copy of bread contract between Northern Bakeries Ltd. and Dominion Stores Limited for Montreal, March 27, 1933.
321—Certified copies of convictions in Ottawa for false and unjust scales, July, 1934.
322—Report by Food Council to President of Board of Trade (United Kingdom) on short weight and measures in the sale of food stuffs—Cmd. 2591, 1926.
323—Report on Short Weight and Deceptive Packages with reference to Chain Store System of Merchandising, Weights and Measures Inspection Service, Department of Trade and Commerce, Ottawa, Ont.
325—Crowder Report and accompanying exhibits.
326—Memorandum on Merchandising in Canada (Dominion Bureau of Statistics).
327—Wage earnings for Canada and the Provinces (Dominion Bureau of Statistics).
328—Letters—Mr. E. J. Young, M.P., to Dominion Statistician.
329—Dominion Stores: Forms—Fruit Credit, Merchandise Credit, Price Change Credit.
330—Agreements between L. O. Vitue, Arnold Bros. Ltd., and Stop & Shop Ltd., with receipt attached.
331—Contract between Samuel Kirk and Stop & Shop Ltd.
332—Store Forms for Allowances—Great Atlantic & Pacific Tea Co.
333—Beef Chart—Department of Agriculture.
334—Meat Chart—Armour & Co.
335—Metropolitan Insurance Company pamphlet, "Controlling Profits in Chain Meat Stores."

Exhibit No.

- 336—Beef Test Charts—Dominion Stores Limited.
 337—Meat Price Charts—Butcher's & Packer's Gazette.
 338—Statement of credits for merchants returned to warehouse not in good condition, during November, 1933.
 339—Credits claimed by Mr. R. A. Sair in November, 1933.
 340—Credits for Mr. R. A. Sair for November, 1933, for merchandise sold at reduced prices.
 341—List of permanent prices changed for which credits were given to Mr. R. A. Sair.
 342—Allowances for short weights from Head Office to stores—Thrift Stores, Limited.
 343—General allowances for damaged goods—Thrift Stores, Limited.
 344—Allowances made in respect of customers' complaints—Thrift Stores, Limited.
 345—Report of system of shrinkage allowed on bulk goods in four chain stores and one independent, together with report of overages and shortages.
 346—Record of Thrift Stores Limited overages and shortages, April 29, 1933, to March 31, 1934.
 347—Returns from Branch Managers of National Grocers Co. Ltd., giving wage-scale of independent retailers.
 348—Sample contract between National Grocers Co. Ltd. and group retailers.
 349—United States Senate Document No. 81, 72nd Congress—Table of Chain Store Prices.
 350—Comparison of prices and per cents of 30 items of branded goods stocked in stores in London, Ont., 1930.
 353—Statistics from the Dominion Bureau of Statistics relating to the retail price of butter in Canada and the United States.
 354—Letter from Catelli Macaroni Products Corp. Ltd.
 355—Brief of the Canadian Chain Store Association.
 356—Shopping Record at chain stores and independent stores, September 18, 19, 20, 25 and 27, 1934—Toronto and vicinity.
 357—Investigation of weights of goods purchased in independent stores in Toronto for Canadian Chain Stores Association.
 358—Form of questionnaire submitted to the Textile Industry.
 359—Auditors' Report, Primary Cotton Manufacturers.
 360—Wage report for all sections of Textile Industry.
 361—Auditors' Report on Silk Manufacturers.
 362—Auditors' Report on Synthetic Silk Manufacturers.
 363—Auditors' Report on Woollen Manufacturers.
 364—Auditors' Report on Hosiery Manufacturers.
 365—Auditors' Report on Manufacturers of Specialty Fabrics.
 366—Auditors' Report on Manufacturers of Carpets and Rugs.
 367—Auditors' Report on Knit Goods Manufacturers.
 368—Auditors' Report on Thread and Cordage Manufacturers.
 369—Report on Section 1 Textile Manufacturing Industry; concluding section of Textile Report.
 370—Samples of vegetable and fruit Growers' Contracts with Canadian Cannery, Ltd.
 371—Auditors' Report on Canadian Cannery, Ltd.
 372—Copies of various contracts between Associated Quality Cannery Ltd. and the Growers.
 373—Auditors' Report on Associated Quality Cannery Ltd.
 374—Auditors' Report on King & Rankin Ltd.
 375—Agreement between Canadian Cannery Ltd. and American Can Co.
 376—Copy of contract, dated January 2, 1934, between American Can Co. and Canadian Cannery Ltd.
 377—Copy of contract, dated March 21, 1932, between Whittall Can Co., Ltd., and Associated Quality Cannery Ltd.
 378—Copy of contract, dated December 31, 1932, between American Can Co. and King & Rankin Limited.
 379—Copy of contract, dated May 16, 1928, between American Can Co. and Associated Quality Cannery Limited.
 380—Letters throwing light upon price changes—King & Rankin, Limited; and American Can Co.
 381—Auditors' Special Report on Relationship between Canadian Manufacturers and Canning Company.
 382—Auditors' General Report on Canning and Preserving Companies.
 383—Tentative scheme submitted by Ontario Growers' Market Council to Dominion Marketing Board.
 384—Copies of the Published Financial Statements of Canadian Cannery Ltd., 1923 to 1934 inclusive.
 385—Statements on individual Baking companies.
 386—Report of Milling and Baking Investigators.
 387—Contract for sanitary cans dated October 25, 1930, between the American Can Co. and Crosse and Blackwell, Ltd.
 388—Copy of contract for sanitary cans dated March 20, 1931, between American Can Co. and Campbell's Soups Ltd., with copies of correspondence.

Exhibit No.

- 389—Copy of contract for sanitary cans dated June 11, 1934, between American Can Co. and Libby, McNeill & Libby of Canada Ltd., with relevant correspondence.
- 390—Contract dated May 30, 1932, between American Can Co. and Fine Foods of Canada Ltd., together with supplementary documents dated May 30, November 15, 1932, and May 20, 1932.
- 391—Copy of contract between Whittall Can Company and Messrs. W. Clark Ltd., 1932.
- 392—Canadian Cannery Ltd.—Inventories of manufactured goods on hand as at February 28, 1930; also 1931-1934 inclusive.
- 393—File of correspondence and notes from millers and bakers and Mr. W. J. Boulton.
- 394—Analyses of bread samples submitted by Chief Dominion Analyst.
- 395—Brief submitted by Inter-City Baking Company.
- 396—Statement of the Inventory carry-over of the Canadian Cannery Ltd. for 1934.
- 397—Canadian Cannery, Ltd. Statement showing estimated cost of packing, 1934.
- 398—Brief on behalf of Canadian Cannery Ltd.
- 399—Comparative statement of Balance Sheets and Operating Statements, Agricultural Implement Manufacturers.
- 400—Copies of contracts with Agents and lien notes: Massey-Harris Co. Ltd., Frost and Wood Co. Ltd., Cockshutt Plow Co. Ltd., and International Harvester Co. of Canada, Limited.
- 401—Statement from International Harvester Company of Canada, Limited, showing changes in selling prices and costs since 1913.
- 402—Statement from Massey-Harris Company, showing changes in selling prices and costs since 1913.
- 403—Report of Auditors on Agricultural Implement Industry.
- 404—Report of Mr. C. V. Fessenden on Canadian Furniture Industry.
- 405—Lists showing wage scale of Rubins Bros. and Fashion-Craft at Victoriaville.
- 406—Order of Minimum Wage Board of Ontario dated April 3, 1934.
- 408—Wages report for week ending January 25, 1934—Factory F8, T. Eaton Co., Ltd.
- 410—Breakdown showing cost of producing dress, T. Eaton Co., Ltd.
- 411—Wages report, T. Eaton Co., Ltd.
- 412—Report on Labour Conditions in Toronto.
- 413—Specimen of Department Budget, T. Eaton Co., Ltd.
- 414—Invoices of Rubin Bros. and advertisements of Robt. Simpson Co. Ltd.
- 416—Report of Mr. F. M. Johnson on Department Store Merchandising.
- 417—Photostats of twelve garments showing articles and related breakdown of costs, T. Eaton Co., Ltd.
- 418—Report, Mail Order offices in Ontario, T. Eaton Co., Ltd.
- 419—Statements showing mark downs, T. Eaton Co., Ltd.
- 420—Invoices and affidavits relating to the citation in the evidence: H. P. Kennedy Commission Co. and A. D. Quinn and Son.
- 421—Circular issued by Acme Farm Meat Market.
- 422—System of beef grading and marking as applied in the United States, with circulars, pamphlets and illustrations.
- 423—File of confidential correspondence submitted for the information of the Commission.
- 424—Report on Live Stock Industry with relative newspaper clipping.
- 425—Introduction to a Marketing scheme submitted to the Hon. the Minister of Agriculture, under provisions of the Marketing Act, by Saskatchewan Co-operative Live Stock Producers Ltd.
- 426—Introduction to a Marketing scheme submitted to the Hon. the Minister of Agriculture by the Co-operative poultry organizations of Manitoba, Saskatchewan and Alberta.
- 427—Marketing schemes submitted by the poultry co-operative organizations of Manitoba, Saskatchewan and Alberta.
- 428—Memorandum respecting co-operative organization.
- 429—A compilation of information on international organizations relative to certain consumers' standards.
- 430—Pay report on Miss Eleanor Hamel, January 7, 1933, to August 25, 1934.
- 431—Order of the Minimum Wage Board, Province of Quebec.
- 432—Collective Agreement between Manufacturers and Workers, Province of Quebec.
- 433—Analysis of purchases of clothing by T. Eaton Co. Ltd.
- 434—Textile Manufacturing Industry; supplementary report *re* workers' wages in certain cotton mills.
- 435—Report: Textile companies, manufacturers of shirts and overalls.
- 436—Report: Washing Machine manufacturers and Monarch Battery Manufacturing Co. Ltd.
- 437—Report: Manufacturers of ladies' ready-to-wear.
- 438—Detailed analysis of wages paid to employees of Fashion-Craft Ltd., Victoriaville, Quebec.
- 439—Bacon Grading Regulations; related ministerial orders number 1, 2 and 3; form of application for licence to export bacon.
- 440—Report on Garment Manufacturing Industry. Filed 25th February, 1935.

ANNEX III

Supplementary to Chapter III

FURTHER STATISTICS OF CORPORATIONS AND CONCENTRATION

TABLE 1

METHODS OF CONTROL IN 145 LARGEST CANADIAN CORPORATIONS DIVIDED INTO CLASSES

	Number of Companies	Number of Management Control	Number of Joint Management Minority	Number of Minority	Number of Majority	Number of Privately-Owned	Number of Subsidiaries
Foodstuffs.....	9		5	1		2	1
Rubber.....	2						2
Milling.....	13	3	4	4			2
Textiles.....	7		4	1			2
Construction.....	5	1	3				1
Beverages.....	6	4		1	1		
Iron and Steel.....	21	4	6	4	2		5
Pulp and Paper.....	13	1	6	2	1	2	1
Public Utilities.....	31	4	4	4	3		16
Merchandising.....	4	1			2	1	
Mines.....	14	6	3	3			2
Real Estate.....	2		1	1			
Oil Refining.....	7	1	1			1	4
Transportation.....	3	1	1				1
Miscellaneous.....	8		3		1	1	3
Totals.....	145	26	41	21	10	7	40

TABLE 2

NUMBER AND ASSETS, BY CLASSES OF COMPANIES, OF 145 LARGEST COMPANIES WITH PERCENTAGES FOR EACH CLASS

Class of Securities	Number of Companies	Percentage of total number of Companies	Assets of Companies (thousands of dollars)	Percentage of total assets of Companies
\$				
Foodstuffs.....	9	6.21	109,100	2.04
Rubber.....	2	1.38	34,323	0.64
Milling.....	13	8.96	143,186	2.68
Textiles.....	7	4.83	93,229	1.74
Construction.....	5	3.45	89,724	1.68
Beverages.....	6	4.14	92,381	1.73
Iron and Steel.....	21	14.48	393,264	7.35
Transportation.....	3	2.07	1,424,742	26.64
Pulp and Paper.....	13	8.96	466,194	8.72
Public Utilities.....	31	21.38	1,387,896	25.95
Merchandising.....	4	2.71	87,391	1.60
Mines.....	14	9.65	409,529	7.66
Real Estate.....	2	1.38	17,124	0.32
Oil Refining.....	7	4.38	360,805	6.74
Miscellaneous.....	8	5.50	239,786	4.41
Totals.....	145	100.0	5,348,674	100.0

TABLE 3
NUMBER AND DISTRIBUTION OF SHAREHOLDERS IN 145 LARGEST CANADIAN COMPANIES

Number of Shareholders	Subsidiaries	Private-ly Owned	Majority owned	Minority Control	Joint Minority Control	Management	Total
1— 999.....	23	6	5	9	8		51
1,000— 1,999.....	2	1	2	4	9	3	21
2,000— 2,999.....	4		1	3	5	2	15
3,000— 3,999.....	2				5	3	10
4,000— 4,999.....				1	2	2	5
5,000— 5,999.....	2		1	1	4	1	9
6,000— 6,999.....					1	1	2
7,000— 7,999.....				1	1	3	5
8,000— 8,999.....				1		1	2
9,000— 9,999.....						1	1
10,000—10,999.....							
11,000—11,999.....	1				1		2
12,000—12,999.....	1			1			2
13,000—13,999.....	1					1	1
14,000—14,999.....							
15,000 and over.....	2		1		2	6	11
No information.....	3				3	2	8
Total.....	40	7	10	21	41	26	145

This table gives a frequency distribution of the number of voting shareholders by groups of companies. Of the four subsidiary companies with more than eleven thousand shareholders, three are large Canadian companies which have a substantial block of their shares held by allied foreign companies, e.g. Bell Telephone, Imperial Tobacco, and Imperial Oil. The fourth company (Beauharnois Power) started out as a separate entity, and under unusual circumstances was taken over by another company.

TABLE 4
METHODS OF CONTROL IN 105 LARGEST CANADIAN CORPORATIONS¹
(Exclusive of Subsidiaries)

	Number of Companies	Percentage of total number of Companies	Assets of Companies (in thousands of dollars)	Percentage of total assets of Companies
Management control (5.99 per cent and under).....	26	24.8	2,290,058	57.5
Joint minority and management control (6 per cent to 19.99 per cent).....	41	39.0	987,609	24.9
Minority control (20 per cent to 49.99 per cent).....	21	20.0	440,978	11.1
Majority control.....	10	9.5	171,711	4.3
Privately controlled (80 per cent to 100 per cent).....	7	6.7	87,432	2.2
Total.....	105	100	3,977,788	100

This table shows the extent to which subsidiary companies increased the number of the majority and wholly owned classes. Where these are eliminated, the importance of the management and minority management classes is increased on both bases.

(1) The difference in amounts of assets between the ownership analysis and that of rates of growth is mainly accounted for by the elimination of the Canadian National railways from the former. For our purpose of ownership analysis this company—being government owned—was not important.

TABLE 5
METHODS OF CONTROL OF FOREIGN AND DOMESTIC SUBSIDIARY COMPANIES

	Number of Companies			Percentage of total No. of Companies	Assets of Companies (in thousands of dollars)	Percentage of total assets of Companies
	Domestic	Foreign	Total			
Minority of stock held by parent company (20 per cent to 49.99 per cent).....	4	4	8	20	396,179	28.9
Majority of stock held by parent company (50 per cent to 79.99 per cent).....	13	5	18	45	585,198	42.7
More than 80 per cent stock held by parent company.....	5	9	14	35	389,509	28.4
	22	18	40	100	1,370,886	100

As far as this table indicates the situation, it would appear that most of the subsidiaries are better than majority controlled, though this is in part a matter of definition. It is interesting to note, however, the effect of subsidiaries upon the information given on pages 16 and 17 of the text.

TABLE 6
THE VOTING SHARE—HOLDINGS OF DIRECTORS IN 54 CORPORATIONS

Percentage of voting shares	Number of Directors
1% to 1.99% of voting stock.....	38
2% to 2.99% ".....	22
3% to 3.99% ".....	7
4% to 4.99% ".....	8
5% to 5.99% ".....	5
6% to 6.99% ".....	1
7% to 7.99% ".....	3
8% to 8.99% ".....	1
9% to 9.99% ".....	0
10% to 10.99% ".....	2
11% to 11.99% ".....	3
12% to 12.99% ".....	0
13% to 13.99% ".....	0
14% to 14.99% ".....	0
15% to 15.99% ".....	0
16% to 16.99% ".....	1
17% to 17.99% ".....	0
18% to 18.99% ".....	1
19% to 19.99% ".....	0
20% to 20.99% ".....	1
21% to 21.99% ".....	0
22% to 22.99% ".....	0
23% to 23.99% ".....	0
24% to 24.99% ".....	1
25% to 25.99% ".....	1
26% to 26.99% ".....	2
27% to 27.99% ".....	0
28% to 28.99% ".....	0
29% to 29.99% ".....	0
30% to 30.99% ".....	0
31% to 31.99% ".....	1
32% to 32.99% ".....	0
33% to 33.99% ".....	1
34% to 34.99% ".....	1
35% to 35.99% ".....	0
36% to 36.99% ".....	0
37% to 37.99% ".....	0
38% to 38.99% ".....	0
39% to 39.99% ".....	0
40% to 40.99% ".....	0
41% to 41.99% ".....	1
Total number of Directors holding 1% or more of the voting stock.....	101

This table gives a frequency distribution of directors holdings of voting stock where the director holds in the company 1 per cent or more of the total of voting stock. The list covers only 54 of the 145 outstanding corporations because in the other 91, presumably *no* director held more than 1 per cent of the voting stock of the company in which he was a director.

The names of the directors of each company were obtained from the published reports and then checked against the returned schedules.

TABLE 7:

THE VOTING RIGHTS OF SHAREHOLDERS IN 133 OUT OF 145 COMPANIES

<i>Companies with one Class of Stock only</i>	
Number of Companies in which common stock only has voting rights.....	50
<i>Companies with two Classes of Stock</i>	
Number of Companies in which both common and preferred stock have voting rights.....	30
Number of Companies in which common stock has voting rights and preferred stock has none.....	30
<i>Companies with more than two Classes of Stock</i>	
Number of Companies with two or more classes of common stock (one class voting) and no preferred stock.....	8
Number of Companies with two or more classes of common stock (one class voting) and one non-voting class of preferred stock.....	4
Number of Companies with two classes of common stock (both classes voting) and one non-voting class of preferred stock.....	1
Number of Companies with one class of voting common stock and two or more classes of preferred stock (one class voting).....	3
Number of Companies with one class of voting common stock and two or more classes of preferred stock (both classes voting).....	2
<i>Companies with more than two Classes of Stock</i>	
Number of Companies with one class of voting common stock and two or more classes of preferred stock (all preferred classes non-voting).....	3
Number of Companies having two classes of common stock and two classes of preferred stock, all having voting rights.....	1
Number of Companies having two classes of common stock and two classes of preferred stock, one class of common stock only having voting rights.....	1

TABLE 8

PERCENTAGE AMOUNT OF CHANGE IN NET ASSETS 1923-1933

THE 1933 ASSETS OF EACH COMPANY BEING EXPRESSED AS A PERCENTAGE OF THE 1923 FIGURES¹

Group	Number of Companies	25 to 49	50 to 74	75 to 99	100 to 119	120 to 139	140 to 159	160 to 179	180 to 199	200 to 249	250 to 299	300 to 399	400 to 499	500 to 699	Changes shown in the groups of identical companies at the two dates
Transportation.....	5				2	2	1								20.6
Public Utilities.....	13					2	2	1	1	2	3	1	1		144.8
Miscellaneous.....	3					1				1					76.0
Iron and Steel.....	9		1	3	1	1	1	1	1	1					27.6
Pulp and Paper.....	5			1	1	2							1		109.5
Mines.....	7			1	1	2			2	1				1	45.1
Construction Materials.....	3			2		1									11.2
Milling.....	3			1	2		1			1					19.2
Textiles.....	4			2	1				1						5.9
Merchandising.....	1						1								67.1
Rubber.....	2			1			1								0.3
Beverages.....	2				1		1								24.4
Foodstuffs.....	1				1		1								15.3
Real Estate.....	1														41.3
Totals.....	63	2	2	11	10	9	7	3	6	5	3	2	2	1	30.5

¹The 500-699 group was omitted as no item fell in this group.

TABLE 9

PERCENTAGE DISTRIBUTION OF THE NET ASSETS OF THE 98 LARGEST COMPANIES,
EXCLUDING THE CANADIAN NATIONAL AND THE CANADIAN PACIFIC
RAILWAY COMPANIES

Class	Percentage Distribution		Cumulative Percentages	
	1923	1933	1923	1933
Net Assets				
(in millions of dollars)				
100. and up.....	7.8	38.4	7.8	38.4
75.0-99.9.....	3.7	2.1	11.5	40.5
50.0-74.9.....	9.1	14.2	20.6	54.7
45.0-49.9.....	7.3	5.1	27.9	59.8
40.0-44.9.....	10.4	1.1	38.3	60.9
35.0-39.9.....	7.4	6.2	45.7	67.1
30.0-34.9.....	7.7	3.6	53.4	70.7
25.0-29.9.....	6.7	5.3	60.2	76.0
20.0-19.9.....	6.6	8.2	66.8	84.2
15.0-19.9.....	5.8	5.7	72.6	89.9
10.0-14.9.....	16.1	7.3	88.7	97.2
8.0-9.9.....	4.4	2.8	93.1	99.9
6.0-7.9.....	5.1	Nil	98.2	99.9
Under 5.9.....	1.7	Nil	99.9	99.9
	100.0	100.0		

TABLE 10

NET ASSETS OF 100 LARGEST COMPANIES BY SIZE OF COMPANY

Class	Net Assets		Percentage Distribution	
	1923	1933	1923	1933
Net Assets				
(in millions of dollars)	(in thousands of dollars)			
100 and up.....	\$ 3,233,930	\$ 5,093,580	63.5	69.6
75.0-99.9.....	75,002	77,016	1.5	1.1
50.0-74.9.....	184,797	512,398	3.6	7.0
45.0-49.9.....	147,228	186,010	2.9	2.5
40.0-44.9.....	210,184	40,186	4.1	0.5
35.0-39.9.....	149,027	223,343	2.9	3.0
30.0-34.9.....	154,531	132,001	3.0	1.8
25.0-29.9.....	136,565	190,546	2.7	2.6
20.0-24.9.....	134,245	296,768	2.6	4.1
15.0-19.9.....	117,171	206,242	2.3	2.8
10.0-14.9.....	326,050	264,532	6.4	3.6
8.0-9.9.....	88,934	101,762	1.7	1.4
6.0-7.9.....	103,109	Nil	2.0	0.0
Under 5.9.....	34,851	Nil	0.7	0.0
Total.....	5,095,624	7,324,384	100.0	100.0

Table 10 provides a slightly different approach to the same range of facts, from that of the Table on pages 24-6 of the text. It keeps the same class intervals as the other Table, but gives the total of assets represented in each group instead of the number of companies. Its results are seen to be much the same, a shrinkage in the lower groups, and a very great gain in the groups containing companies with assets of 50 millions or more.

TABLE II
 QUANTITATIVE ANALYSIS OF CONSOLIDATIONS, 1900 TO 1933, INCLUSIVE
 (in thousands of dollars)

Year	Issued Capital of Purchasing Company	Year	Net Assets of Companies Absorbed
1900.....	4,000	1921.....	3,000
1901.....	Nil	1922.....	Not known
1902.....	3,000	1923.....	Not known
1903.....	Nil	1924.....	47,000
1904.....	3,000	1925.....	145,000
1905.....	10,000	1926.....	33,000
1906.....	11,000	1927.....	108,000
1907.....	Nil	1928.....	302,000
1908.....	Nil	1929.....	188,000
1909.....	79,000	1930.....	86,000
1910.....	153,000	1931.....	Not known
1911.....	64,000	1932.....	Not known
1912.....	70,000	1933.....	Not known
1913.....	38,000		
1914.....	9,000		
1915.....	7,000		
1916.....	Nil		
1917.....	32,000		
1918.....	7,000		
1919.....	9,000		
1920.....	161,000		

The outstanding figure for 1920 is accounted for by two consolidations; one was the formation of the British Empire Steel Corporation, while the other was the Riordon and Kipawa merger.

TABLE 12

CONSOLIDATIONS 1921-1930 ACCORDING TO CLASS OF INDUSTRY

Class of Industry	Number of Consolidated Companies in 1930	Number of Concerns Absorbed
Fruit and Vegetable Preparations.....	3	52
Flour and Cereals.....	4	47
Prepared Grain Foods and Confectionery.....	7	28
Liquors.....	13	61
Rubber Products.....	1	1
Tobacco.....	2	6
Fish Curing and Packing.....	2	9
Leather and Leather Products.....	1	5
Meat Products.....	1	4
Dairy Products.....	9	57
Cotton Textiles.....	3	6
Woollen Textiles.....	1	2
Silk and Silk Goods.....	1	2
Hosiery and Knit Goods.....	3	7
Garments and Personal Furnishings.....	1	3
Pulp and Paper Mills.....	9	49
Paper Goods.....	4	10
Printing, Publishing and Lithographing.....	3	17
Saw and Planing Mills.....	2	7
Castings and Forgings.....	4	17
Machinery, Boilers and Engines.....	2	9
Vehicles, Principally of Iron and Steel.....	3	5
Wire and Wire Goods.....	2	2
Sheet Metal Products.....	2	9
Hardware and Tools.....	1	1
Miscellaneous Iron and Steel Products.....	4	9
Brass and Copper Products.....	1	5
Electrical Apparatus.....	3	7
Asbestos and Asbestos Products.....	1	8
Petroleum and Petroleum Products.....	4	14
Stone Dressing, Gypsum Products, etc.....	6	46
Aerated Waters.....	2	7
Coal Tar and Its Products.....	1	6
Acids, Alkalies, Salts and Compressed Gases.....	1	7
Paints, Pigments and Varnishes.....	3	4
Dyeing, Cleaning and Laundry Work.....	3	7
Non-Ferrous Smelting and Refining.....	1	2
Clay Products.....	3	7
Shipbuilding.....	1	2
Cement.....	1	2
Commerce—Grain.....	9	49
Commerce—Amusements.....	3	13
Commerce—Miscellaneous.....	16	100

TABLE 13

CONSOLIDATIONS 1921-1930 CLASSIFIED BY INDUSTRIES AND THEIR SUBSEQUENT HISTORY

Name of Consolidation	No. of concerns absorbed 1921-1930	Net assets at date of last acquisition	Per cent of total "capital" of group at 1930 Census	Earnings History to 1934
Group No. 11—Fruit and Vegetable Preparations				
Total "Capital" Employed in Group, \$35,119,475				
Canada Vinegars, Ltd.	13	\$ 1,591,000		Maintained, but below estimate.
Canadian Cannery, Ltd.	31	13,179,452		Satisfactory.
Whittall Can. Co., Ltd.	8	3,243,600		Poor; deficit 1932.
Group No. 12—Flour and Cereals				
Total "Capital" Employed in Group, \$56,264,148				
Lake of the Woods Milling Co., Ltd.	15	9,446,000		Improving.
Maple Leaf Milling Co., Ltd.	14	10,215,000		Reorganized 1931.
Ogilvie Flour Mills Co., Ltd.	10	14,995,000		Diminishing.
Western Canada Flour Mills Co., Ltd.	8	6,663,000		Diminishing.
Group No. 13—Prepared Grain Foods and Confectionery				
Total "Capital" Employed in Group, \$106,320,263				
Blue Ribbon Corp., Ltd.	6	2,154,193		Diminishing.
Burns & Co., Ltd.	2	14,707,000		Reorganization 1933.
Canada Biscuit Co., Ltd.	7	6,696,178		Reorganization 1932.
Catelli Macaroni Products.	8	2,093,819		Deficits 1930 and 1933.
Hunts, Ltd.	1	527,988		Deficits 1932 and 1933.
Viau Biscuit Corp., Ltd.	2	1,676,701		Always much below estimate. Deficit 1933.
George Weston, Ltd.	2	912,833		Steadily increasing.
Group No. 14—Liquors				
Total "Capital" Employed in Group, \$129,170,967				
Associated Breweries of Canada, Ltd.	4	3,254,076		Always below estimate, steadily falling.
Brewers and Distillers of Vancouver, Ltd.	3	6,224,000		Maintained to 1930; deficit in 1931.
Brewing Corp. of Can., Ltd.	13	6,807,645		Deficits 1931, 1932, 1933.
Calgary Brewing and Malting Co., Ltd.	1	2,300,000		Not known.
Canadian Industrial Alcohol Co., Ltd.	3	14,092,000		Large up to 1929; deficits 1931, 1932, 1933.
Canadian Wineries, Ltd.	7	1,763,000		Irregular and falling.
Coast Breweries.	4	1,919,651		Steadily falling.
Distillers Corp.—Seagrams, Ltd.	2	19,509,851		Irregular.
Dom. Distillers Consolidated, Ltd.	2	1,520,611		Failed in 1930.
Hiram Walker-Gooderham & Worts, Ltd.	2	22,949,904		Dropped sharply 1931/33.
National Breweries, Ltd.	13	12,054,000		Large and maintained.
National Distillers, Ltd.	2	1,633,000		Liquidated 1931.
Western Breweries, Ltd.	5	3,204,419		Negligible; deficits 1931/33.
Group No. 15—Rubber Products				
Total "Capital" Employed in Group, \$69,164,512				
Goodyear Tire & Rubber Goods Co., Ltd.	1	11,588,026		Large to 1929; irregular since.
Group No. 16—Tobacco				
Total "Capital" Employed in Group, \$51,376,115				
Imperial Tobacco Co. of Can., Ltd.	5	35,286,053		Large and steadily increasing
H. Simon & Sons, Ltd.	1	946,690		Drop in 1930; deficit 1932.

TABLE 13

CONSOLIDATIONS 1921-1930 CLASSIFIED BY INDUSTRIES AND THEIR
SUBSEQUENT HISTORY—Continued

Name of Consolidation	No. of concerns absorbed 1921-1930	Net assets at date of last acquisition	Per cent of total "capital" of group at 1930 Census	Earnings History to 1934
\$				
<i>Group No. 20—Fish Curing and Packing</i>				
<i>Total "Capital" Employed in Group, \$30,827,607</i>				
Anglo-Norwegian Holdings, Ltd.....	3	3,174,537	.....	Good to 1930; poor since. Maximum 1%; deficits 1931/34.
British Columbia Packers, Ltd.....	6	8,316,000	.....
<i>Group No. 22—Leather and Leather Products (Boots and Shoes)</i>				
<i>Total "Capital" Employed in Group, \$28,162,582</i>				
Agnew-Surpass Shoe Stores, Ltd.....	5	1,471,000	.....	Irregular but fairly good.
<i>Group No. 23—Meat Products</i>				
<i>Total "Capital" Employed in Group, \$62,003,021</i>				
Canada Packers, Ltd.....	4	17,893,809	.....	Very fair; drop since 1930.
<i>Group No. 24—Dairy Products</i>				
<i>Total "Capital" Employed in Group, \$58,588,836</i>				
Bordens Ltd.....	19	Not known	.....	Not known.
Caulder's Creameries, Ltd.....	2	1,400,000	.....	Not known.
Consolidated Creameries Ltd.....	6	Not known	.....	Not known.
Dairy Corp., Ltd.....	10	4,748,000	.....	Good to 1931; deficit 1932.
Eastern Dairies Ltd.....	10	7,493,000	.....	Irregular.
Highland Dairy Ltd.....	2	Not known	.....	Not known.
Mount Royal Dairy Stores Inc.....	2	191,520	.....	Liquidation 1930.
Silverwood's Dairies, Ltd.....	3	4,838,622	.....	Fair but irregular.
United Dairies Ltd.....	3	1,837,500	.....	Poor and diminishing.
<i>Group No. 31—Cotton Textiles</i>				
<i>Total "Capital" Employed in Group, \$84,925,755</i>				
Cosmos Imperial Mills, Ltd.....	3	3,670,000	.....	Irregular and poor.
Dominion Textile Co., Ltd.....	2	32,639,000	.....	Steady but poor.
Hamilton Cotton Co., Ltd.....	1	2,485,000	.....	Poor and diminishing.
<i>Group No. 32—Woollen Textiles</i>				
<i>Total "Capital" Employed in Group, \$35,852,951</i>				
Dominion Woollens and Worsted Ltd..	2	6,054,476	.....	Unsatisfactory—deficits 1931 and 1933.
<i>Group No. 34—Silk and Silk Goods</i>				
<i>Total "Capital" Employed in Group, \$50,506,080</i>				
Belding-Corticelli, Ltd.....	2	1,971,000	.....	Good and fairly well maintained.
<i>Group No. 35—Hosiery and Knit Goods</i>				
<i>Total "Capital" Employed in Group, \$65,047,351</i>				
Mercury Mills, Ltd.....	1	4,391,000	.....	5% in 1929; deficits 1930 and 1932.
J. R. Moodie Co., Ltd.....	4	1,972,000	.....	Not known.
Zimmerkmit Co., Ltd.....	2	2,531,000	.....	Reorganized 1930.

TABLE 13
 CONSOLIDATIONS 1921-1930 CLASSIFIED BY INDUSTRIES AND THEIR
 SUBSEQUENT HISTORY—Continued

Name of Consolidation	No. of concerns absorbed 1921-1930	Net assets at date of last acquisition	Per cent of total "capital" of group at 1930 Census	Earnings History to 1934
\$				
<i>Group No. 37—Garments and Personal Furnishings</i>				
<i>Total "Capital" Employed in Group, \$17,597,012</i>				
Tooke Bros., Ltd.....	3	2,103,000		Poor, deficits 1931 and 1933.
<i>Group No. 40—Pulp and Paper Mills</i>				
<i>Total "Capital" Employed in Group, \$714,497,104</i>				
Abitibi Power & Paper Co.....	13	158,849,000		Receivership 1932.
Canada Power and Paper Corp.....	13	168,251,000		Reorganized 1931.
Fraser Companies, Ltd.....	1	15,667,772		Huge deficits 1930 and 1932.
Hinde and Dauch Paper Co. of Canada, Ltd.....	1	5,000,613		Very poor; highly irregular.
Howard Smith Paper Mills, Ltd.....	9	15,236,000		Poor; irregular.
International Paper and Power Co.....	4	287,560,000		Very large and increasing.
Northern Paperboard Co., Ltd.....	3	Not known		Not known.
Price Bros. & Co., Ltd.....	2	70,192,000		1933 receivership.
St. Lawrence Corp., Ltd.....	3	56,639,000		Not known.
<i>Group No. 41—Paper Goods</i>				
<i>Total "Capital" Employed in Group, \$27,014,819</i>				
Brantford Roofing Co., Ltd.....	2	924,000		Irregular and poor.
Building Products, Ltd.....	3	2,211,000		Good to 1931; sharp drop since.
Canadian Wirebound Boxes, Ltd.....	3	2,388,255		Good to 1929; continuous decline since.
Firstbrook Boxes, Ltd.....	2	1,286,500		Good to 1927; poor since; deficit 1932.
<i>Group No. 42—Printing, Publishing and Lithographing</i>				
<i>Total "Capital" Employed in Group, \$115,504,126</i>				
Moore Corp., Ltd.....	9	9,193,000		Good 1929; falling since.
Photo Engravers & Electrotypers, Ltd.....	4	647,019		Good but falling 1932 on.
Willson Stationers and Envelopes, Ltd.....	4	1,057,777		Heavy deficits 1932 and 1933.
<i>Group No. 43—Saw and Planing Mills</i>				
<i>Total "Capital" Employed in Group, \$230,450,054</i>				
Clarke, Howe, Waters & Knight Bros., Ltd.....	4	953,187		Fair.
Cushing Mills, Ltd.....	3	582,715		Not known.
<i>Group No. 51—Castings and Forgings</i>				
<i>Total "Capital" Employed in Group, \$100,318,189</i>				
Enamel and Heating Products, Ltd.....	3	1,218,000		Poor 1930; deficits 1931 to 1933.
General Steel Wares, Ltd.....	8	15,098,000		Fair to 1929; poor since.
Page-Hersey Tubes, Ltd.....	1	7,532,000		Excellent to 1931; fair since.
Robert Mitchell Co., Ltd.....	5	1,570,000		Fair to 1930; deficits 1932 and 1933.
<i>Group No. 52—Machinery, Boilers and Engines</i>				
<i>Total "Capital" Employed in Group, \$69,454,103</i>				
W. D. Beath & Son, Ltd.....	3	1,260,561		Good 1929; negligible since.
Service Stations, Ltd.....	6	14,094,273		Irregular; heavy deficits 1932 and 1933.

TABLE 13
 CONSOLIDATIONS 1921-1930 CLASSIFIED BY INDUSTRIES AND THEIR
 SUBSEQUENT HISTORY—Continued

Name of Consolidation	No. of concerns absorbed 1921-1930	Net assets at date of last acquisition	Per cent of total "capital" of group at 1930 Census	Earnings History to 1934
<i>Group No. 53—Vehicles, Principally of Iron and Steel</i> <i>Total "Capital" Employed in Group, \$90,871,678</i>		\$		
Gotfredson Corp., Ltd.....	2	2,176,040		1928—Receivership.
Hayes Wheels & Forgings, Ltd.....	2	1,936,835		Good to 1929; deficits 1930 to 1933.
Russell Motor Car Co., Ltd.....	1	2,520,038		Poor and irregular.
<i>Group No. 56—Wire and Wire Goods</i> <i>Total "Capital" Employed in Group, \$54,944,992</i>				
Canadian Wire & Cable Co., Ltd.....	1	5,627,052		Steadily falling; deficit 1932.
Frost Steel and Wire Co., Ltd.....	1	1,397,086		Good to 1930; deficits 1932 and 1933.
<i>Group No. 57—Sheet Metal Products</i> <i>Total "Capital" Employed in Group, \$53,368,130</i>				
Corporate Steel Products, Ltd.....	7	4,442,790		1932—Receivership.
Eastern Steel Products, Ltd.....	2	1,118,757		Fair to 1930; deficit 1932.
<i>Group No. 58—Hardware and Tools</i> <i>Total "Capital" Employed in Group, \$32,259,337</i>				
Starr Manufacturing Co., Ltd.....	1	Not known		Not known.
<i>Group No. 59—Miscellaneous Iron and Steel Products</i> <i>Total "Capital" Employed in Group, \$40,661,817</i>				
Canadian Vickers, Ltd.....	2	6,974,000		Poor; deficits 1933 and 1934.
Dominion Bridge Co., Ltd.....	5	21,295,000		Fair, but falling rapidly since 1931.
Hamilton Bridge Co., Ltd.....	1	4,563,678		Fair to 1930; deficits 1932 and 1933.
Vulcan Engineering Works, Ltd.....	1	Not known		1933—Bankrupt.
<i>Group No. 62—Brass and Copper Products</i> <i>Total "Capital" Employed in Group, \$26,820,527</i>				
Canadian Bronze Co., Ltd.....	5	1,606,000		Good; falling off 1932.
<i>Group No. 65—Electrical Apparatus</i> <i>Total "Capital" Employed in Group, \$102,979,396</i>				
Amalgamated Electric Corp., Ltd.....	4	1,317,084		Very poor; deficits 1931 to 1933.
English Electric Co., of Can., Ltd.....	2	2,614,424		Very irregular.
Rogers-Majestic Corp., Ltd.....	1	2,161,000		Good to 1932; heavy deficit 1933.
<i>Group No. 70—Asbestos and Products</i> <i>Total "Capital" Employed in Group, \$37,414,517</i>				
Asbestos Corp., Ltd.....	8	23,067,104		Reorganized 1932; deficits continue.
<i>Group No. 75—Petroleum and Products</i> <i>Total "Capital" Employed in Group, \$193,654,625</i>				
Crown-Dominion Oil Co., Ltd.....	5	620,014		Negligible; deficit 1933.
Imperial Oil, Ltd.....	6	193,442,000		Good and fairly maintained.
McCull-Fontenac Oil Co., Ltd.....	2	9,495,000		Very good.
Supertest Petroleum Corp.....		628,793		Very good.

TABLE 13.
 CONSOLIDATIONS, 1921-1930 CLASSIFIED BY INDUSTRIES AND THEIR
 SUBSEQUENT HISTORY—*Continued*

Name of Consolidation	No. of concerns absorbed 1921-1930	Net assets at date of last acquisition	Per cent of total "capital" of group at 1930 Census	Earnings History to 1934
<i>Group No. 76—Stone Dressing, Gypsum Products, Artificial Abrasives and Cement Products</i>		\$		
<i>Total "Capital" Employed in Group, \$22,536,991</i>				
Canada Paving & Supply Co., Ltd.....	14	3,244,991		1932—voluntary assignment.
Consolidated Oka Sand & Gravel Co., Ltd.	2	1,767,507		Fair to 1929; deficit 1933.
Dufferin Paving & Crushed Stone, Ltd.	7	3,609,993		Fair to 1930; nil 1932.
Foundation Company of Canada, Ltd.	2	510,000		Excellent, but falling since 1931.
Gypsum Lime & Alabastine, Ltd.	12	11,012,000		Fair to 1930; deficit 1932.
Standard Paving & Materials, Ltd.	9	3,232,259		Fair to 1931; deficit 1933.
<i>Group No. 78—Aerated Waters</i>				
<i>Total "Capital" Employed in Group, \$14,934,798</i>				
Orange Crush, Ltd.	5	1,130,000		Good to 1930; deficit 1933.
Sussex Ginger Ale, Ltd.	2	225,719		Good to 1930; deficits 1932 and 1933.
<i>Group No. 80—Coal Tar and Its Products</i>				
<i>Total "Capital" Employed in Group, \$39,987,235</i>				
Dominion Tar & Chemical Co., Ltd.	6	13,300,000		Good to 1930; falling rapidly since.
<i>Group No. 81—Acids, Alkalies, Salts and Compressed Gases</i>				
<i>Total "Capital" Employed in Group, \$52,314,567</i>				
Canadian Industries, Ltd.	7	22,968,000		Not known.
<i>Group No. 85—Paints, Pigments and Varnishes</i>				
<i>Total "Capital" Employed in Group, \$26,212,323</i>				
Brandram-Henderson, Ltd.	1	3,585,000		Poor; deficits 1931 to 1933.
International Paints (Canada), Ltd.	2	980,000		Good to 1930; deficits 1932-1933
Sherwin-Williams Co. of Can., Ltd.	1	12,779,000		Fair to 1930; deficits 1932-1933.
<i>Group No. G70—Dyeing, Cleaning and Laundry Work</i>				
<i>Total "Capital" Employed in Group, \$28,551,092</i>				
Pantorium Dye Works of Can., Ltd.	2	235,564		Good to 1931; deficit 1933.
Premium Laundry, Ltd.	2	181,710		Good to 1929; deficits 1932 and 1933.
Snowflake Laundry & Dry Cleaners, Ltd.	3	227,500		Not known.
<i>Group No. C170—Non-Ferrous Smelting and Refining</i>				
<i>Total "Capital" Employed in Group, \$175,010,688</i>				
International Nickel Co. of Can., Ltd.	2	171,441,000		Fair but irregular.
<i>Group No. C30—Clay Products</i>				
<i>Total "Capital" Employed in Group, \$33,430,777</i>				
The Cooksville Co., Ltd.	2	2,760,000		Fair to 1929; deficits 1932 and 1933.
National Brick Co. of Laprairie, Ltd.	1	5,451,000		Poor but maintained.
National Sewer Pipe Co., Ltd.	4	2,295,010		Fair to 1931; deficit 1933.

TABLE 13
 CONSOLIDATIONS 1921-1930 CLASSIFIED BY INDUSTRIES AND THEIR
 SUBSEQUENT HISTORY—*Concluded*¹

Name of Consolidation	No. of concerns absorbed 1921-1930	Net assets at date of last acquisition	Per cent of total "capital" of group at 1930 Census	Earnings History to 1934
		\$		
<i>Group No. F300—Shipbuilding</i>				
<i>Total "Capital" Employed in Group, \$31,597,501</i>				
Collingwood Shipyards, Ltd.....	2	4,056,000	.....	Very poor.
<i>Group No. C310—Cement</i>				
<i>Total "Capital" Employed in Group, \$59,210,737</i>				
Canada Cement Co., Ltd.....	2	50,052,000	.....	Fair but declining since 1931.
<i>Commerce—Grain</i>				
Alberta Pacific Grain Co., Ltd.....	1	10,364,000	.....	Poor and declining.
N. Bawlf Grain Co., Ltd.....	1	3,989,000	.....	Fair to 1930; negligible since.
Canadian Terminal System, Ltd.....	21	17,254,000	.....	Reorganization 1931.
Federal Grain, Ltd.....	10	9,250,000	.....	Poor; one fifth of estimated.
Midland & Pacific Grain Corp., Ltd....	3	1,225,842	.....	Good; Fall in 1933.
Phoenix Elevator Co., Ltd.....	2	.....	.....	Reorganization 1930.
Toronto Elevators, Ltd.....	1	1,693,664	.....	Good but much below estimate.
Reliance Grain Co., Ltd.....	3	4,346,000	.....	Good to 1929; steady decline since.
Western Grain Co., Ltd.....	7	5,827,514	.....	Poor and irregular.
<i>Commerce—Amusement</i>				
Consolidated Theatres, Ltd.....	3	917,000	.....	Very poor; deficits 1932 and 1933.
Famous Players Canadian Corpn., Ltd..	8	22,829,760	.....	Fair; irregular.
United Amusement Corp., Ltd.....	2	2,661,000	.....	Good to 1932.
<i>Commerce—Miscellaneous</i>				
Claude Neon Gen. Advertising, Ltd....	7	8,170,696	.....	Fair to 1931; deficit 1933.
Consolidated Food Products, Ltd.....	6	4,000,000	.....	Very poor; deficits 1930 and 1931.
T. Eaton Co., Ltd.....	21	8,672,000	.....	Not known.
Evans, Coleman & Gilley Bros., Ltd...	2	1,625,493	.....	Not known.
Gordon & Belyea, Ltd.....	1	447,842	.....	Fair.
Irving Oil Co., Ltd.....	3	607,749	.....	Excellent.
Johnston National Storage, Ltd.....	2	460,000	.....	Good to 1929; deficit 1933.
McLennan, McFeely & Prior, Ltd.....	2	2,123,346	.....	Fair and Steady.
National Grocers, Ltd.....	27	5,275,000	.....	Very fair and steady.
Standard Fuel Co., Ltd.....	4	1,784,306	.....	Fair.
Thayers, Ltd.....	5	550,050	.....	Not known.
Thrift Stores, Ltd.....	2	430,000	.....	Excellent; beyond estimate.
Transcontinental Storage & Distributing Co., Ltd.	7	Not known.	.....	Not known.
Vancouver Western Drug Co., Ltd.....	2	833,606	.....	Poor.
Wentworth Radio & Auto Supply Co., Ltd.	2	403,509	.....	Good to 1930; Deficits 1931 to 1933.
Western Grocers, Ltd.....	7	2,588,000	.....	Poor; deficit 1932.

¹ Group numbers in this table are from the Dominion Bureau of Statistics original classification.

TABLE 14
HISTORIES OF CERTAIN CONSOLIDATIONS OF THE PERIOD 1900-1920

Name of Consolidation	Year Formed	Issued Capital at Inception	Subsequent History
		\$	
Amalgamated Asbestos Corpn.....	1909	18,000,000	Profits: 1910—\$517,969; 1911 (7 months) \$195,424; 1912—Reorganization. Assets sold to new company with capitalization of \$10,000,000.
Black Lake Consolidated Asbestos Corpn., Ltd.	1909	5,230,500	Profits: 1911 (15 months) \$168,000. 1912—Reorganized with contributions from security holders. Up to 1920 part interest paid on bonds, no dividends on preferred or common shares.
Canadian Cereal & Milling Co., Ltd..	1910	3,250,000	1912—Reorganized with capitalization of \$1,500,000. 1915—Again reorganized. Sold to new company with capitalization of \$300,000. 1920—Receiver appointed.
Canada Machinery Corporation, Ltd.	1910	1,962,100	1912—Reorganized, Preferred stock replaced by common. 1915—Bonds replaced in part by preferred shares.
City Dairy Co., Ltd.....	1910	1,265,000	1913—Common Stock reduced \$282,500. No dividend on common stock since 1916 up to 1920.
British Columbia Fisheries, Ltd.....			1913—Receiver appointed.
Spanish River Pulp & Paper Co., Ltd.	1912	9,250,000	1914—Bondholders asked to sanction modifications of their rights.
Canada Furniture Manufacturers, Ltd.	1900		1914—Reorganized—Preferred and common share capital reduced.
Standard Chemical Co. Ltd.....	1911	6,000,000	1914—"On the verge of liquidation"—No preferred dividends.
Dominion Explosives, Ltd.....	1910	3,370,000	Assets sold by sheriff prior to 1921.
Nova Scotia Clay Works, Ltd.....	1912	600,000	1915—ceased operating plants.
American Sales Book Co., Ltd.....	1911	6,646,600	1915—common capital reduced by 80%.
Canadian Coal & Coke Co., Ltd.....	1910	18,750,580	1914—Deficit for 7 months was \$73,270.06. Bonds replaced by preferred shares. 1915—Deficit \$86,668.42. Sold to new company with share capital of \$1,000,000.
British Columbia Breweries Ltd.....	1912	5,750,000	1916—Receiver appointed. 1919—Sold to new company with capitalization of \$2,906,000.
Steel and Radiator, Ltd.....	1910	1,648,500	1921—Liquidated.
United Cigar Stores, Ltd.....	1915	3,380,000	1921—Efforts made to finance and reorganize the company which was in a critical condition.
Canadian Pacific Lumber Co., Ltd..	1911	3,750,000	1921—wound up by the court.
Riordon Co., Ltd.....	1920	58,901,000	Profits: 1918, \$886,565; 1919, \$1,135,161; 1920, \$3,684,588. 1921—Protective Committee formed; trustee in bankruptcy appointed.
Ames Holden McCready, Ltd.....	1919	8,000,000	1925—Reorganized and capital reduced.
Belding-Corticelli, Ltd.....	1911	2,350,000	1912—Profits available for common shares \$6,366 as against \$97,000 estimated. Preferred dividends deferred from Sept. 1913 to the end of 1917.

TABLE 14—Concluded

HISTORIES OF CERTAIN CONSOLIDATIONS OF THE PERIOD 1900-1920—Concl.

Name of Consolidation	Year Formed	Issued Capital at Inception	Subsequent History
		\$	
Canada Cement Co., Ltd.....	1909	30,256,966	1910—Estimated earnings \$1,900,000; actual \$1,012,698. 1911—Estimated earnings on common stock \$765,000; actual, \$1,42,697.84. No dividend until 1916 on common stock.
Canadian Car & Foundry Co., Ltd...	1909	13,475,000	1910—Estimated earnings \$1,500,000. Actual earnings 1910 (11 months) \$832,530; 1911—\$1,007,137. Nothing paid on common 1914-1920.
Canadian Converters Co., Ltd.....	1906	2,268,500	Dividends passed for some time prior to 1912. Since then up to 1920 irregular.
Carriage Factories, Ltd.....	1909	2,900,000	1910—Surplus for common shares of \$38,465. 1915—Preferred dividend discontinued. 1919—Loss \$88,926. 1920—Loss \$92,952.
Cockshutt Plow Co., Ltd.....	1911	10,000,000	1920—Arrears on preferred stock amounted to 26½%. No dividends paid on common up to 1920.
Dominion Canners, Ltd.....	1910	5,700,000	1911—Net earnings estimated at \$400,000. Actual earnings \$362,870. Six per cent paid on common stock up to March, 1914, but none since up to 1920.
Goodwins, Ltd.....			No dividends on common stock up to 1920. Preferred dividends passed since July, 1914, up to 1920.
Ontario Steel Products, Ltd.....	1913	2,100,000	No dividend on common stock up to August, 1920.
Sherwin-Williams Co. of Canada, Ltd.	1911	9,450,000	No dividend declared on common stock up to 1920.

TABLE 15
CANADIAN COMPANIES REFINANCED
1926-1930 (Inclusive)

Date and Case No.	Name of New Company	Incorporated under Statutes of	Name of Predecessor Company and Date of its Incorporation
1926			
1	Acadia Sugar Refining Co., Ltd.	N.S.	Acadia Sugar Refining Co., Ltd. 1893
2	Alberta Pacific Grain Co., Ltd.	Dom.	Alberta Pacific Grain Co., Ltd. 1912
3	Cosmo Imperial Mills, Ltd.	Dom.	Cosmos Imperial Mills, Ltd. 1924
4	Gosse Packing Co., Ltd.	B.C.	Gosse-Miller, Ltd.
5	Hiram Walkers, Ltd.	Dom.	Hiram Walker & Sons, Ltd. 1858
6	Laura Secord Candy Shops, Ltd.	Dom.	Laura Secord Confections, Ltd. 1913
7	Page-Hersey Tubes, Ltd.	Dom.	Page-Hersey Tubes, Ltd. 1902
1927			
8	Asch Limited	Dom.	Asch, Limited 1911
9	Associated Beverages, Ltd.	Ont.	Associated Beverages, Ltd. 1927
10	British American Brewing Co., Ltd.	Dom.	British American Brewing Co., Ltd. 1882
11	Canada Cement Co., Ltd.	Dom.	Canada Cement Co., Ltd. 1909
12	Canada Malting Co., Ltd.	Dom.	Canada Malting Co., Ltd. 1905
13	Canada Dredge & Dock Co., Ltd.	Dom.	Canadian Dredging Co., Ltd. 1906
14	Carling Breweries, Ltd.	Dom.	Carling Export Brewing & Malting. 1840
15	Conduits Co., Ltd.	Ont.	Conduits Company, Ltd. 1900
16	Evangeline Shops, Ltd.	Ont.	Heywood, McMillan & Co. 1926
17	Holsum Packing Co., Ltd.		Holsum Products Co., Ltd.
18	Malagash Salt Products Co., Ltd.	N.S.	Malagash Salt Products Co., Ltd. 1924
19	Northern Bakeries of Canada	Dom.	Northern Bakeries, Ltd. 1925
20	Orange Crush, Ltd.	Ont.	Orange Crush, Ltd.
21	Pelissier's, Ltd.	Dom.	Pelissier's Ltd.
22	Provincial Paper, Ltd.	Ont.	Provincial Paper Mills, Ltd. 1909
23	Quebec Southern Power Corp.		Southern Quebec Power Corp. 1925
24	Service Station Equip. Co., Ltd.	Dom.	Clear Vision Pump Co. 1928
25	Sleeman's Spring Brook Brewing Co., Ltd.	Dom.	Spring Brook Brewery 1850
1927			
26	Sobie Silk Shops, Ltd.	Dom.	Sobie Silk Shops, Ltd. 1917
27	Stanford's Ltd.	Dom.	Stanford's Ltd. 1905
1928			
28	Bathurst Power & Paper Co., Ltd.	Dom.	Bathurst Co., Ltd. 1907
29	N. Bawlf Grain Co., Ltd.	Dom.	N. Bawlf Grain Co., Ltd. 1909
30	British Columbia Power Corp., Ltd.	Dom.	Br. Col. Electric Ry. Co., Ltd.
31	Burns & Co., Ltd.	Dom.	P. Burns & Co., Ltd. 1890
32	Canada Vinegars, Ltd.	Dom.	Canada Vinegars, Ltd. 1925
33	Corrugated Paper Box Co., Ltd.	Dom.	Corrugated Paper Box Co., Ltd. 1913
34	Curtiss-Reid Aircraft Co., Ltd.	Dom.	Reid Aircraft Co., Ltd.
35	David & Frere, Ltd.	Que.	David & Frere Co. 1905
36	De Forest Crosley Radio Co., Ltd.	Dom.	De Forest Radio Corp., Ltd. 1923
37	Donnacona Paper Co., Ltd.	Que.	Donnacona Paper Co., Ltd. 1914
38	Eau Claire Saw Mills, Ltd.	Dom.	Eau Claire Bon River Lumber Co.
39	George Weston, Ltd.	Dom.	George Weston, Ltd. 1910
40	Great West Saddlery Co., Ltd.	Dom.	Great West Saddlery Co., Ltd. 1899
41	Hamilton Bridge Co., Ltd.	Dom.	Hamilton Bridge Works Co., Ltd. 1895
42	Hamilton Cotton Co., Ltd.	Dom.	Hamilton Cotton Co., Ltd. 1918
43	Hamilton Leather Goods Co., Ltd.	Ont.	Hamilton Leather Goods Co., Ltd. 1899
44	Honey Dew, Ltd.	Ont.	Honey Dew, Ltd. 1916
45	Howard Smith Paper Mills, Ltd.	Dom.	Howard Smith Paper Mills, Ltd. 1912
46	Howe Lumber Co., Ltd.	Que.	Howe Lumber Co., Ltd. 1923
47	International Paints (Can.), Ltd.	Dom.	International Paints (Canada), Ltd. 1924
48	C. W. Lindsay & Co.	Que.	C. W. Lindsay, Ltd. 1902
49	McKinnon Steel Corp., Ltd.	Dom.	McKinnon Steel Co., Ltd. 1909
50	M. & P. Stores, Ltd.	Dom.	M. & P. Stores, Ltd. 1914
51	Medicine Hat Greenhouses, Ltd.	Dom.	Rosary Flower Co. 1909
52	Melchers Distilleries, Ltd.	Que.	Melchers Distillery Co., Ltd.
53	National Hosiery Mills, Ltd.	Ont.	Real Silk Hosiery Mills of Canada, Ltd. 1925
54	Ontario Silknit, Ltd.	Dom.	Ontario Silknit, Ltd. 1922
55	Regent Knitting Mills, Ltd.	Que.	Regent Knitting Mills, Ltd. 1907
56	Restigouche Co., Ltd.	Que.	Stetson, Cutler & Co.
57	Robinson Consolidated Cone Co., Ltd.	Dom.	Robinson & Sons, Ltd.

TABLE 15
CANADIAN COMPANIES' REFINANCED—*Concluded*
1926-1930 (inclusive)

Date and Case No.	Name of New Company	Incorporated under Statutes of	Name of Predecessor Company and Date of its Incorporation
1928			
58	Rolland Paper Co., Ltd.....	Dom.	Rolland Paper Co., Ltd.....1882
59	St. Lawrence Paper Mills Co., Ltd.....	Dom.	St. Lawrence Paper Mills, Ltd.....1922
60	Sarnia Bridge Co., Ltd.....	Dom.	Sarnia Bridge Co., Ltd.....1907
61	H. Simon & Sons, Ltd.....	Dom.	H. Simon & Sons, Ltd.....1909
62	Standard Steel Construction Co., Ltd.....	Ont.	Standard Steel Construction Co., Ltd.....1912
63	G. Tamblyn, Ltd.....	Dom.	G. Tamblyn, Ltd.....1904
64	Tip Top Tailors, Ltd.....	Dom.	Berger Tailoring Co., Ltd.....1910
65	United Press, Ltd.....	Ont.	United Press, Ltd.....1922
66	Waterloo Manufacturing Co., Ltd.....	Dom.	Waterloo Manufacturing Co., Ltd.....1850
67	Western Steel Products, Ltd.....	Dom.	Western Steel Products, Ltd.....1920
1929			
68	Acme Glove Works, Ltd.....	Ont.	Acme Glove Works, Ltd.....1912
69	W. D. Beath & Son, Ltd.....	Ont.	W. D. Beath & Son, Ltd.....1904
70	Biltmore Hats, Ltd.....	Dom.	Biltmore Hats, Ltd.....1917
71	Consolidated Press, Ltd.....	Dom.	Consolidated Press, Ltd.....1899
72	De Haviland Aircraft of Canada, Ltd.....	Ont.	De Haviland Aircraft of Canada, Ltd.....1928
73	Dodge Manufacturing Co., Ltd.....	Ont.	Dodge Mfg. Co. of Canada.....1886
74	Electric Elevator and Grain Co., Ltd.....	Ont.	Bole Grain Co. (an elevator).....
75	Guelph Carpet and Worsted Spinning Mills, Ltd.....	Dom.	Guelph Carpet and Worsted Spinning Mills, Ltd.....1927
76	Jones Bros. of Canada, Ltd.....	Dom.	Jones Bros. of Canada, Ltd.....1926
77	Langley Co., Ltd.....	Ont.	Langley's Ltd.....
78	Medalta Potteries, Ltd.....	Dom.	Medalta Potteries, Ltd.....1917
79	Neon Products of Western Canada, Ltd.....	Dom.	Neon Products of Western Canada, Ltd.....1918
80	Niagara Wire Weaving Co., Ltd.....	Ont.	Niagara Wire Weaving Co., Ltd.....1919
81	Prairie Cities Oil Co., Ltd.....	Sask.	Prairie City Oil Co., Ltd.....1904
82	Sarnia Distilleries, Ltd.....	Dom.	Sarnia Wine & Cognac Co., Ltd.....1928
83	Scythes & Co., Ltd.....	Dom.	Scythes & Co., Ltd.....1910
84	Service Coal Corp.....	Que.	P. E. Monegeau, Ltd.....
85	Simpson's, Ltd.....	Dom.	Simpson's, Ltd.....1925
1930			
86	Viceroy Manufacturing Co., Ltd.....	Dom.	Canadian I.T.S. Rubber Co., Ltd...1920
87	Vulcan Engineering Works, Ltd.....	B.C.	Vulcan Iron Works, Ltd.....1907
88	West Canadian Hydro Elec. Corp., Ltd.....	.....	West Canadian Hydro Elec. Corp., Ltd.....

TABLE 16
REFINANCING OF CANADIAN COMPANIES 1926-1933 (INCLUSIVE)

Case No.	Net Assets of New Company	Securities Sold to Public											
		Bonds		Preferred			Class "A"			Common			
		Total	Amount	Per Cent	Amount	Division per Share	Division per Class "A" Share	Amount	V. or N.V.		Voting		
	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
1926													
1	4,970,000	2,500,000	6										
2	8,717,285	3,000,000											
3	3,404,882	1,500,000		(V)	3,000,000	7.00							
4	1,957,731	1,500,000			1,500,000	7.00							
5	18,000,000	4,000,000											4,000,000
6	904,463	750,000			750,000	7.00							
7	7,123,084	2,000,000	6										
	45,077,425	15,250,000			6,750,000								4,000,000
1927													
8	1,116,422	518,750											
9	150,000	150,000											18,750
10	1,680,000	1,980,000											660,000
11	47,043,899	41,000,000	5½		21,000,000	6.50				1,320,000			
12	4,789,926	2,500,000											
13	2,807,699	1,500,000			1,500,000	7.00							(V) 2,500,000
14	1,803,028	2,700,000											2,700,000
15	381,119	250,000											
16	184,530	150,000											
17	23,011	20,000											
18	703,544	500,000	0½										
19	5,045,636	4,050,000											
20	1,130,000	650,000											
21	563,080	450,000											4,050,000
22	8,800,000	5,300,000	5½		(V) 3,500,000	7.00							
23	10,254,764	1,512,500											1,512,500
24	4,329,783	927,500											
25	756,396	380,000											380,000
26	381,000	125,000											
27	716,933	500,000											
	83,776,772	68,663,750			28,795,000					2,247,500			11,821,250

TABLE 16
REFINANCING OF CANADIAN COMPANIES 1926-1933 (INCLUSIVE)—Concluded

Case No.	Net Assets of New Company	Securities Sold to Public						Common Voting	
		Bonds		Preferred		Class "A"			
		Total	Amount	Per Cent	Amount	Division per Share	Division per Class "A" Share		Amount	V. or N.V.
1928	\$	\$	\$	\$	\$	\$	\$	\$	
28	24,000,000	16,000,000							
29	3,542,409	2,000,000		2,000,000		2.00	16,000,000	N.V.	
30	107,151,000	60,000,000			6.50				
31	15,723,077	7,000,000	5½	6,900,000	6.00		60,000,000	N.V.	
32	1,299,458	2,438,000							2,438,000
33	747,932	650,000		(V) 650,000	7.00				
34	1,550,000	1,275,000		1,275,000		2.50	805,000	N.V.	
35	850,000					2.25			825,000
36	260,825								
37	15,624,273	7,000,000	5½	7,000,000					
38	289,300	110,000							
39	912,833	500,000		110,000	7.00				
40	2,477,183	1,750,000		500,000	7.00				
41	3,410,586	2,250,000	6	900,000	6.50				
42	2,336,004	1,000,000	5½	2,250,000	2.00				
43	131,250	125,000		125,000	1.75				
44	1,130,272	650,000		650,000	7.00				
45	14,438,775	11,500,000	5½	4,500,000	6.00				
46	583,031	350,000		350,000	7.00				
47	980,000	938,000		938,000	2.50				
48	2,791,701	1,200,000		(V) 1,200,000	6.50				
49	677,247	600,000		600,000	7.00				
50	258,876	200,000		200,000					
51	400,000	380,000		380,000	7.00		3,500,000	N.V.	
52	2,821,848	3,500,000		(V)* 30,000	N.P.V.				
53	1,500,208	850,000		850,000	7.00				1,820,000
54	2,210,000	1,820,000							
55		1,500,000	5½						809,919
56	495,087	2,500,000	5½	1,500,000	6.00				Non-voting
57	809,919	4,000,000		1,500,000					1st 2 years
58	4,777,562	2,500,000	5½	19,000,000	6.00				4,160,000
59	21,836,747	23,100,000							

CORPORATIONS AND CONCENTRATION

60	460,435	384,000									384,000	V.		
61	1,085,761	1,000,000									1,000,000			
62	574,566	430,000									430,000	N.V.		
63	608,743	700,000									700,000			
64	2,203,876	1,500,000									1,500,000			
65	425,748	225,000									225,000			
66	1,487,500	1,020,000									1,020,000	V.		
67	2,914,261	2,250,000									1,100,000			
	245,075,374	170,164,919									49,758,000			10,052,919
1929														
68	1,546,183	975,000									750,000			225,000
69	2,567,500	2,517,500									2,517,500	V.		
70	383,991	300,000									300,000			
71	1,032,076	1,550,000									300,000	V		
72	405,307	300,000									300,000			
73	1,023,481	684,000									684,000	N.V.		126,000
74	926,680	1,237,500									1,237,500	N.V.		
75	1,817,300	1,000,000									1,000,000	N.V.		
76	782,930	350,000									350,000	N.V.		
77	1,081,459	600,000									600,000	N.V.		
78	535,481	320,000									320,000	N.V.		
79	581,304	396,000									396,000	N.V.		
80	787,334	1,227,600									702,000	N.V.		
81	1,824,620	1,250,000									1,250,000	V.		
82	825,168	679,325									679,325			
83	401,250	322,875									322,875			
84	250,000	250,000									250,000			
85	30,544,577	23,000,000									10,000,000			
											3,000,000			
	46,626,650	36,960,000									17,714,875			1,562,125
1930														
86	958,800	300,000									300,000			
87	482,931	150,000									150,000			
88	1,725,000	1,000,000									1,000,000			
	3,136,731	1,450,000									1,300,000			

*Number of shares.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 17
EARNINGS HISTORY OF BONDS SOLD TO THE PUBLIC

Case No.	Times Interest Earned							
	1926	1927	1928	1929	1930	1931	1932	1933
1		1.03	1.00	1.00	1.5	2.1	2.7	2.9
7	3.2	8.5	bonds retired, 1928 at 105					
11	Bond interest earned each year; a portion of preferred dividend also earned each year							
18	1932, bond interest in arrears waived, bonds put on an income basis.							
22	Interest earned each year; preferred dividends also earned.							
31	1934, reorganization.							
37			1.1	1.0	1.0	Not earned	Not earned	Not earned
40			Prof. Div. earned up to end of 1931	Prof. Div. earned of 1931	Prof. Div. earned	Not earned	Reorganization, Not earned	Not earned
42	Bond interest earned	rest earned	up to end of 1931					
45	Bond interest earned	rest earned	to date			Not earned	Not earned	Not earned
56								
58	Bond interest earned	rest earned	to date			Not earned	Not earned	Not earned
65	Earnings Earned to 1930	not available						
67	Earnings Earned to 1932					Receiver ship, 1931		
71				Earned	1930, reorganization: Phoenix Elevator Co.	taken over		Not earned by
74								
78				Not earned	Not earned	Not earned	Not earned	Readjustment
84	Earnings Earned to 1932	not published						
85	Bond interest earned	rest earned						
86						Not available	1.02	1.04
88						1.5	1.31	1.38

TABLE 18
EARNINGS HISTORY OF PREFERRED SHARES SOLD TO THE PUBLIC

Case No.	Earnings per share required for Preferential Dividend	Estimated Earnings per share	Actual Earnings per share							
			1926	1927	1928	1929	1930	1931	1932	1933
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
2	7.00	26.52		19.37	32.15	34.44	Def.	5.18	1.60	.48
3	7.00		18.27	18.08	15.25	15.84	8.97	5.98	3.63	7.53
4	7.00	33.33	23.09	11.35	22.37	27.52	45.30			
6	7.00				16.99	16.99	16.99	16.99	16.99	16.99
8	7.00									
9	7.00	46.66								
11	6.50	15.99			6.64	7.62	7.46	7.41	3.91	.38
13	7.00				215.96	453.91	417.65	184.25	399.29	63.14
15	7.00	26.66								
17	7.00	28.00								
20	7.00									
21	7.00				19.21	13.70	15.78	7.18	nil	nil
22	7.00				15.50	13.12	nil	nil	nil	nil
26	1.75				10.25	16.70	14.75	9.29	7.87	7.15
27	7.00	5.88								
29	6.50	15.00			17.91	21.50	nil	bankruptcy, 1931	.01	bond int. earned.
31	6.00					7.04	.02	nil	nil	nil
33	7.00	25.38			23.01	12.42	6.20	not reported.	nil	1.80
34	2.00									
38	7.00									
39	7.00									
40	6.50				16.76	15.62	21.87	15.95	13.89	32.58
41	6.50				25.64	1.42	not earned	insnce.		
42	2.00				18.16	24.59	13.48	6.58	Def.	Def.
43	1.75				7.55	4.12	2.27	nil	Def.	nil
44	7.00	34.61			16.52		10.58	1933 bankruptcy.	nil	nil

TABLE 18

EARNINGS HISTORY OF PREFERRED SHARES SOLD TO THE PUBLIC—*Concluded*

Case No.	Earnings per share required for Preferential Dividend	Estimated Earnings per share	Actual Earnings per share							
			1926	1927	1928	1929	1930	1931	1932	1933
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
45	6.00				12.93	15.64	6.75	1.22	2.83	4.00
46	7.00				25.10		bankruptcy 1931			
47	2.50				(28 & /29)	5.25	4.12	.92	nil	nil
48	6.50	21.65				35.59	32.73	19.72	nil	Def.
49	7.00				15.13	10.31	13.14	5.87	3.13	Def.
50	7.00				Earnings not reported; preferred dividends paid regularly					
51	7.00						8.31	2.47	.28	nil
54	7.00				19.58	21.14	8.53	9.52	5.25	4.17
58	6.00	/28—13.33			8.35	14.33	10.66	7.51	6.07	6.15
59	6.00	/29—20.00			.56	7.66	6.86	.24	3.15	13.95
		3.95			(9m)	(13m)			(I)	(D)
61	7.00				21.30	32.02	20.77	7.92	nil	6.72
					(9m)					
63	7.00				19.25	27.93	27.52	33.28	26.77	22.35
64	7.00				41.49	42.25	18.38	7.91	nil	6.24
67	6.50				39.74	51.20	20.34	receive	partnership, 1931	
68	3.25					7.01	Def.	Def.	Def.	3.21
70	7.00					17.36	12.20	12.14	13.39	13.78
72	7.00	26.66				23.52	2.97	.01	10.27	7.35
									(D)	
75	6.50					5.96	10.05	10.61	10.61	9.95
						(6m)				
76	6.50					39.40	17.64	nil	not reported	
77	7.00					22.43	14.47	6.81	nil	nil
79	3.00					Earnings not reported				
80	3.00					7.45	5.86	5.26	5.26	1.63
83	1.57	7.85				Earnings not reported				
85	6.50 & 6.00					10.11	11.95	5.52	5.52	nil
						(7m)			(13m)	
87	7.00	3.00				Earnings not reported			Bankruptcy.	

TABLE 19
EARNINGS HISTORY OF CLASS "A" SHARES SOLD TO THE PUBLIC

Case No.	Earnings per share required for Preferential Dividend	Estimated Earnings per share	Actual Earnings per share							
			1926	1927	1928	1929	1930	1931	1932	1933
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
10	2.50	4.54			1.63	.53	Not reported	.48	.14	
24	1.60				7.46	6.32	4.78	Def.	Def.	Def.
28	2.00				.53	.20	.18	.50	.33	.04
30	2.00	2.00				2.63	2.19	(D)	(D)	(D)
35	2.25				2.32	4.90	4.25	2.44	2.01	1.54
52	2.00	6.50			(6½ m)			nil.	nil.	nil
60	2.00	8.33				3.88	nil.	nil.	.10	
62	3.00				4.14	6.60	Def.	Def.	Def.	Def.
66	1.00				13.79	28.24	9.19	3.83	nil.	nil
69	1.60	3.68			4.48	1.70	Def.	Def.	Def.	Def.
71	No rate quoted					2.93	.63	nil	Def.	Not reported
73	2.00					4.05	4.38	(15 m)	1.13	.04
74	1.50								nil	(D)
81	1.00					6.73	Reorgan- ization, 1930, taken over	3.57	1.75	D.
						by Phoenix Elevator Co.	4.10	1.14	3.11	1.04
							(D)	(D)	(D)	(D)

TABLE 20
EARNINGS HISTORY COMMON SHARES SOLD TO THE PUBLIC

Case No.	Estimated Earnings per Share	Actual Earnings per Share								
		1926	1927	1928	1929	1930	1931	1932	1933	
5										
8				1927, merged with G. Ooderham & Worts, Ltd.	1929, taken over by Claude Neon					
10				2.50	Advertising L. Ltd.					
12				Preferred dividend not earned in any year.	1.94	2.20	1.24	1.51	1.39	2.00
14	4.68			(13 m.)	2.63	.32	not registered	1.12	(11 m.)	.78
19				2.63						
23				Earnings not reported						
25	39.47			1927, control acquired by International Paper Co.						
32	2.37			Earnings not published	2.11	2.01	1.82	1.83	1.62	1.72
36	4.00			(6 m.)				4.01	1.67	
55	3.14			.80	1.61					
57				Earnings not published	(15 m.)					
59					After 1929, operating losses			After 1930, no earnings on common shares not since 1930		
68								1.17		
73										
79	1930—.72/31—.032									
	1932—2.95/33—4.07									
80				Earnings not published				2.45	1.57	1.16
82	12.00			Earnings not published						nil

ANNEX IV.

SUPPLEMENTARY TO CHAPTER III.

THREE CASES OF CORPORATE FINANCING

(A) SIMPSON'S, LIMITED, TORONTO

In the case of Simpson's, Limited, the original operating Company, the Robert Simpson Company, Limited, and its subsidiary operating companies were left undisturbed in effect, and the entire refinancing took place through a holding company. The Robert Simpson Company was founded in 1872, but was not incorporated until 1896, when it had an issued capital of \$137,500. In 1898, three Toronto financiers (Sir Joseph Flavelle, H. H. Fudger and A. E. Ames) purchased the 1,375 issued shares of this company. By 1917, the total capitalization of the Company had grown to \$6,700,000, and consisted of 33,500 six per cent preference shares and 33,500 common shares; of these 5,000 preference and 26,033 common shares had been issued as stock dividends. In addition to this, \$2,250,833 five per cent first mortgage bonds had been issued in 1912. Since 1918 there has been no substantial change in the capital structure of the Robert Simpson Company, Limited, itself.

In March, 1925, Simpson's, Limited, was formed as a holding company and purchased from the holders of the shares 33,500 common shares of the Robert Simpson Company, Limited. The holders of these shares received \$150 per share in cash, and three shares in the new Simpson's, Limited, in return for each share of the Robert Simpson Company, Limited, which were surrendered to the holding company. The cash for this transaction was obtained by selling to the public \$5,600,000 6½ per cent collateral trust bonds of the holding company; the collateral was the common shares of the Robert Simpson Company. These bonds were sold to the underwriters, Wood, Gundy & Co., at 90. The net effect of this transaction was that the owners of the Robert Simpson Company now became the owners of Simpson's, Limited, which, in turn, owned the Robert Simpson Company, and in addition they received something over \$5,000,000 in cash.

It was stated in the bond prospectus of the 1925 Company "one of the primary purposes of this issue is to afford an opportunity for officers and department managers of the company to secure a more important share-holding interest in the business. Simpson's, Limited, will comprise among its shareholders, not only the present holders of the common shares of the Robert Simpson Company, but also a number of the chief executives and managers of that Company."

It will be noted that this transaction did not directly affect the operating company, but the sale of bonds by the holding company, the payment of interest on which depended upon the operating company's dividend policies, created a situation to which reference will be made later. In 1928, when funds were required for extension of the Toronto store premises, the necessary money was raised by the holding company, through an issue of \$4,000,000 preferred shares. In the following year an additional \$3,000,000 of such shares were sold to provide funds for new buildings in Montreal. The commissions and expenses of selling these shares totalled \$292,189, and were paid by the operating company.

ROYAL COMMISSION ON PRICE SPREADS

In June, 1929, a new Simpson's, Limited, was incorporated and the 1925 company was wound up. The capitalization of the 1929 company was as follows:

First Mortgage Bonds, Series "A" 6 per cent (1929).....	\$10,000,000 *
Series "B" 5½ per cent (1930).....	1,250,000
6½ per cent Cumulative Preference (1929).....	10,000,000 *
(1930).....	1,250,000
Common Shares no par value Class "A" 120,000 (stated value).....	4,600,000
Class "B" 120,000 (stated value).....	1,461,314 *

The securities marked with an * were given to Simpson's, Limited, 1925, and were sold by it to the underwriters for \$20,000,000 cash; the par value of the bonds and the preferred stock. The underwriters gave one share of Class "B" common as a bonus with each five shares of preferred, which accounted for 20,000 Class "B" shares. The remaining 100,000 Class "B" shares represent the consideration received by the underwriters as their commission in distributing the securities.

The following outline indicates the disposition of the monies received by Simpson's, Limited, 1925, from the underwriters and others:

RECEIPTS

(of Simpson's Limited (1925) upon winding up in 1929)

1. Cash	\$20,000,000
From sale of \$10,000,000 6 per cent 1st Mortgage Bonds \$10,000,000 6½ per cent Preferred Shares 120,000 Class B Shares to Investment Bankers.	
2. Deposit with National Trust against retirement of Simpson's Limited (1925) Collateral Trust Bonds not transferred to the new company	1,983,192
3. Sale of 30,969 Class A Shares of Simpson's (1929) to employees at \$50	1,584,450
4. Interest on funds or deposit	30,752
Total cash	<u>\$23,562,394</u>

In addition there were 120,000 shares of Class "A" stock less 30,969 as above—89,031 shares for distribution to the owners of Simpson's, Limited, 1925. These were distributed to the minority shareholders, that is, the owners of 29,677 shares of the 100,000 common shares of the 1925 company. The majority stockholders, that is, those who owned the remaining 70,323 shares, got \$150.00 cash per share and retired from the business.

DISBURSEMENTS OF THE \$23,623,394 AND 89,031 SHARES
CLASS "A" STOCK

<i>Prior Claims—</i>	
Own bonds and preference shares redeemed—	
Bonds	\$5,024,800
Premium	200,992
Preference	7,000,000
Premium	350,000
Bonds of Robert Simpson Western Limited	
Retired	80,000
Premium	2,400
Dividend on Common Shares Simpson's Limited (1925)	150,000
Incorporation and other expenses	149,089
Balance turned over to Simpson's Limited (1929)	56,663
	<u>\$13,013,944</u>

The difference between the receipts of \$23,562,394 and the disbursements of \$13,013,944, or \$10,548,450, was available for holders of 100,000 common shares of Simpson's, 1925, plus 89,031 common "A" of Simpson's, 1929.

Of the 120,000 class A shares received, as above, 30,969 shares were sold to employees at \$50 per share. Thus there was left for distribution to the common shareholders of the 1925 company, an amount of \$10,548,450 and 89,031 class A shares of the Simpson's Ltd., 1929. The majority shareholders, represented mainly by the Flavelle-Fudger-Cox interests, received the available cash, amounting to \$150 per share. The minority shareholders, owning slightly less than 30 per cent of the capital of the 1925 company, divided the remaining class A shares, receiving 3 of such shares for each share of the 1925 company held.

The investment in the operating company's common shares were taken on the books of the 1929 company at \$20,460,485.09, which value exceeded the book value of these shares before the first holding company was formed, by over \$12,000,000. The excess of operating profits over dividends between 1925 and 1929 accounted for \$3,700,000, while two appraisals of the fixed assets, less underwriting expenses, etc., accounted for the balance—\$8,400,000.

The total amount of cash, therefore, paid to the former shareholders of the operating company and to others who in the meantime had become shareholders but who retired with the majority interests in 1929, was:—

1925.....	\$ 5,025,000
1929.....	\$10,548,450

The following table shows the changes in capital structure:—

TABLE 21.—THE SIMPSON COMPANIES CAPITAL STRUCTURE

	At the 4th February, 1925		At 3rd January 1934
	Before the reorganization	After the formation of Simpson's Ltd. (1925)	
	\$	\$	\$
Bonds, Mortgages and Preference Shares of operating companies in the hands of the public.....	5,900,224	5,900,224	4,725,223
Common Stock of The Robert Simpson Company Ltd.....	3,350,000		
Bonds of Simpson's Ltd.....		5,600,000	10,283,500
Capital stock of Simpson's Ltd. Preference Shares.....			11,250,000
Common Shares.....		5,372,737	
Common Shares Class "A" and Class "B" Shares.....			5,061,314
Balance of Profit and Loss Account.....	4,805,887		
	14,056,111	16,872,961	32,045,856

The table above shows that the total capitalization increased from \$14,000,000 just before the 1925 refinancing, to over \$32,000,000 in 1934. Of course the properties also increased over this period and when the 1925 company was organized an appraisal was made which showed an increase in the fixed assets of \$6,040,000. Of this some \$2,800,000 was taken into the accounts. In 1929, by the same process, the book value of the assets was increased by approximately \$6,000,000.

It will be seen from this that the process of refinancing here was accompanied by the usual and almost inevitable process of writing-up assets in order to cover the nominal value of the securities issued. In essence this process represents one of over-capitalization or stock watering, meaning by this that amounts of securities are sold in excess of any reasonable value to be placed on the tangible assets of the company. When appraisal values exceed sound values, the only justification for increasing capitalization is greater earnings.

If the earnings of the future are sufficient to hold up the capitalization incurred, then the transaction will be regarded by the business world as one which has justified itself; if, however, the earnings of the future are insufficient to justify the capital, then the time comes when the capital structure must be revised, and the unfortunate purchasers of securities must suffer loss.

So far as the earnings situation of the Simpson Companies is concerned, it is doubtful if that situation justified such a capitalization. The following table shows the earnings situation and, encouraging as it was, it seems difficult to believe that such an optimistic capitalization was justified:

TABLE 22.—THE SIMPSON COMPANIES EARNINGS OF 1924-1933.
(In thousands of dollars)

Year	Number of Weeks	Amount of net invested capital	Earnings			
			Before Depreciation		After Depreciation, as provided by the Company	
			Amount	Per cent to net invested capital, including stock bonuses	Amount	Per cent to net invested capital
1924.....	53	\$14,056	\$2,542	18.1	\$2,020	14.4
1925.....	52	14,580	2,568	17.6	2,025	13.9
1926.....	52	15,252	3,169	20.8	2,592	17.0
1927.....	52	16,147	3,425	21.2	2,862	17.7
1928.....	52	20,906	3,622	17.3	3,048	14.6
1929.....	52	21,825	3,422	15.7	2,658	12.2
1930.....	52	24,507	3,278	13.4	2,501	10.2
1931.....	53	23,904	2,231	9.3	1,605	6.7
1932.....	48	23,467	679	2.9	115*	0.5
1933.....	52	23,325	1,827	7.8	1,223	5.2

*NOTE.—Depreciation was not provided by the Company for the year 1932. The profits shown \$114,660. are after deducting \$504,618. for depreciation, which is the amount provided during 1932 but reversed at the year's end.

This table shows clearly the way in which the percentage return on invested capital was reduced by the depression. It might be pointed out that the peak percentage return was actually in 1927, although the greatest absolute return was in 1928.

The table below gives the earnings record of Simpson's Limited:

TABLE 23.—EARNINGS OF SIMPSON'S LIMITED
(in thousands of dollars)

Year	No of Weeks	Earnings after Depreciation	Prior Charges of Subsidiary Companies and taxes	Amount Available for bond interest	Bond Interest	Balance Available for dividend	Pref. Shares
1925.....	52	2,025	840	1,185	308	877	—
1926.....	52	2,592	813	1,779	354	1,425	—
1927.....	52	2,862	883	1,979	347	1,632	—
1928.....	52	3,048	894	2,154	337	1,817	140
1929.....	52	2,658	873	1,785	484	1,301	569
1930.....	52	2,501	517	1,984	639	1,345	671
1931.....	53	1,605	323	1,282	662	620	743
1932.....	48	115	267	152 ^z	589	741 ^z	—
1933.....	52	1,223	397	826	625	201	—

^z Deficit.

This table would appear to indicate that, until 1929, the bond income was fairly secure, but that the added bonds resulting from the refinancing, were placed in a less satisfactory position. Even so, the earnings of 1930 appear to have given the bonds a reasonably secure position until the depression reduced earnings so drastically. The position of the new preferred stock was less satisfactory and even in 1929 and 1930 the earnings were equivalent to only twice the preferred dividends. A preferred stock in such a position could not at best be regarded as better than a "business man's risk" and should not have been sold indiscriminately to all classes.

Another important aspect of the recapitalization of Simpson's Limited, lies in the transactions concerning rentals which took place in 1929 and subsequent years. As long as the holding company continued to own common shares of the operating company, then the holders of the bonds and preferred stock of the operating company had a claim on its earnings, which ranked prior to that of the holders of any class of securities of the holding company. Reference has already been made to the funds raised for building extensions by the holding company and in 1929, the holding company purchased from the operating companies certain of their lands and buildings and thereafter made annual rental charges against the operating companies for the use of the properties. This meant that the holding company was assured of a revenue with which to meet its bond interest and such revenue had to be provided by the operating company in priority at least to dividends on its own preference shares. If such a purchase had been made at a reasonable price and the money paid over, little objection could be taken, but the holding company did not pay for the buildings taken over but owed thereon, as late as 1934, over \$5,500,000. Without inquiring into the propriety of the purchase price, it might be argued that if the unpaid balance should be well secured and a reasonable rate of interest paid thereon, there would be no hardship on any class of investor. In fact, however, no interest was paid so that not only were the shareholders of the operating company deprived of earnings on over \$5,000,000 of their assets, but annual payments to both the bondholders and preferred shareholders were in effect subordinated to the rental charge paid to the holding company.

To reduce the position to its simplest form, it might be fairly said that these rental arrangements were a device to advance the interests of the investor in the holding company to the detriment of the senior security holders of the operating company.

A final consideration is the cost of the various financial operations. A collateral trust bond issue of \$5,600,000 sold in 1925, brought into the company \$5,025,000, a balance of \$575,000 going to the underwriter. The commissions and expenses of the preference shares issued by the 1925 company, totalled \$292,190 and were paid by the operating company. The bonuses paid on the retirement of the securities of the 1925 company totalled \$550,992. The book value assigned to the securities of the 1929 company sold to the underwriters for \$20,000,000, amounted to \$21,461,314. The following summary therefore represents costs in connection with refinancing operations written into the new capital structure:—

\$ 575,000

292,190

550,992

1,461,314

\$2,879,496

The following inferences and conclusions may be drawn from the above facts:—

- (1) That the majority interests of the operating Simpson Company, after receiving dividends for over 20 years, some of the time at a very high rate, received more than \$15,000,000; over \$6,700,000 of which represented a profit over and above the value of their equity as shown by the books.
- (2) This was made possible by selling to the public bonds and preferred stocks, which added fixed charges in the neighbourhood of \$1,000,000 annually.
- (3) Through purchasing the fixed assets of the operating company for an open debt, upon which interest was not charged, the holding company's bondholders secured by rental charges, payment of their interest in priority to the senior shareholders of the operating company.
- (4) The majority shareholders withdrew from the business when earnings values were at their peaks; consequently the public buying these securities, bought them at these peaks.
- (5) The difficulties of such large capitalization were demonstrated in the following years, when dividends on the holding company's preference shares were not paid after February, 1932; nothing has been paid on the Class A shares since 1931 and nothing has ever been paid on the Class B shares.
- (6) The remuneration of the investment dealer floating the 1929 issue, appears seriously out of proportion. In this case, 100,000 Class B shares (120,000 issued less 20,000 given as bonus with preference shares) were netted by the underwriting company and whatever the market value may be, they represent over \$1,200,000 in the company's capital account. This return seems out of all proportion to the social significance of their action, which indeed, might be argued had little social merit whatever.

(B) BURNS & COMPANY LIMITED, CALGARY

Burns and Company Limited, was incorporated in 1928 under the laws of the Dominion of Canada, for the purpose of acquiring as a going concern the business founded by Mr. Pat. Burns in Calgary, Alta., in 1890. The latter business had a long record of successful operation, and had an unusual prestige in the Canadian West.

It was stated in the evidence given before the Commission that the reason for the organization of a new Company was that Mr. Burns wished to retire from active management, though why this could not be done without increasing the capitalization of the company, does not appear evident. In any case, protracted negotiations were carried on with the Dominion Securities Company, which had been associated with the Burns Company since 1908. As a result of the discussions, the Canadian Appraisal Company was instructed to make an appraisal of the properties of the Pat. Burns Company, on the basis of replacement value new.

One of the conditions of the agreement between Mr. Burns and the Dominion Securities Company was that certain specific assets of the old company were to be purchased by Mr. Burns at their book value; it was further agreed that this money was to be paid into the old company before the transfer to the new company occurred and that these assets were not to be included in the appraisal.

The assets taken out of the company by Mr. Burns had a book value of \$4,038,837. This left fixed assets of approximately \$5,984,856, which were appraised by the Canadian Appraisal Company at a net amount of \$10,845,000, that is \$11,075,374 less a purchase money mortgage of \$220,910. The net amount

of the write-up was approximately \$4,860,000, against which was set up a depreciation reserve of \$1,700,000; making net fixed assets of \$9,145,000, which represented a net increase of approximately 53 per cent. These new values were based on an appraisal made by this Appraisal Company, which had been instructed as to the basis of the appraisal. The facts were that unless the appraisal of the company's fixed assets at replacement value now amounted to at least \$10,500,000, there would be no deal. The following excerpt from the Committee Evidence (p. 2560) shows this clearly:—

Q. You said you told them to give it at replacement new?—A. Yes.

Mr. LASH: The agreement with Mr. Burns was that unless Canadian Appraisal Company showed an appraisal of the company's assets at replacement value new, of at least \$10,500,000, there was no deal. Their appraisal, when it came through, was \$10,800,000.

The appraisal of the assets on this basis of replacement value new, excites interest because this is a somewhat uncommon basis for the valuation of industrial property. The fact that the Dominion Securities Corporation gave instructions for the appraisal to be on this basis; that no mention of the old valuation of the fixed assets was made in their prospectus covering the offer of these securities, and that their representative who was examined before us could attest no other instance in which his concern had conducted financial operations by this method, appears to indicate that the valuation of the assets was of an arbitrary nature, devised to suit their immediate needs in effecting a satisfactory agreement with Mr. Burns. Certainly these facts weaken the statement of the representative of the Dominion Securities Corporation before the Commission that replacement value new was considered "as giving the fairest test of the value of the property."

The equity of Mr. Burns, that is the value of his holdings of common stock, was computed in the following manner:—

Replacement value new of company's fixed assets, net	\$10,845,464
Net liquid assets	4,366,339
Other investments	586,268
Assets taken by Mr. Burns at their book value	4,038,837
	<u>\$19,836,908</u>
Less: Bonds outstanding....	\$3,078,500
Preferred outstanding....	3,906,200
	<u>\$ 6,984,700</u>
Net worth of Common Stock	<u>\$12,852,208</u>

It was finally agreed that Mr. Burns should receive \$9,671,000 for this equity; this figure represented a discount of \$3,181,000, but it should be remembered the fixed assets had been written up by nearly \$5,000,000, so that he was still receiving an amount in excess of the original book value of the assets. Thus the change in the ownership of the company resulted in a reduction in the net book values of the liabilities and assets of the old company, by an amount equal to that which was withdrawn by Mr. Burns, and the increase in the total funded debt and capital investment was nearly \$400,000. The changes effected by this refinancing can be seen in the following table.

TABLE 24.—COMPARISON OF ASSETS AND CAPITAL STRUCTURES OF P. BURNS CO., LTD., BEFORE AND AFTER REFINANCING—1928.

Date	Fixed Assets	Net Liquid Assets	Reserve for Depreciation	Bonds	Preferred Stock	Common Stock	Bond Interest	Preferred Dividends	Total Bond Interest and Preferred Div'ds.
	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at December 31, 1927.	9,865,177	4,366,339	3,177,767	3,078,500	3,906,200	5,000,000	200,102	273,434	473,536
Immediately after Refinancing 1928.	10,854,464	4,393,000	1,592,000	7,000,000	6,900,000	99,987	385,000	414,000	799,000

This table shows clearly the changes which the reorganization made in the position of the Burns Company. These changes were in general unfavourable, but their specific implications will be discussed later.

The new issues of bonds and preferred stock were purchased by the Dominion Securities Corporation at a common price of 92·8, and from the resulting sum of \$12,899,000, Mr. Burns was paid, pursuant to the purchase agreement, a net amount of \$5,632,164. The outstanding securities of the old company, amounting to \$6,984,700, were redeemed. Presumably the difference between the purchase price of the securities and the selling price, which was 100 for the preferred stock and 99·50 for the bonds, represented the investment dealer's profit. This, however, does not reveal the whole story, because in addition to this commission for the sale of securities, the Dominion Securities Corporation also received all of the common stock, as consideration for its "services" in the refinancing.

Looking at the facts from a different view, the sale of these securities to the company meant a discount from par of \$1,000,000, which represented a cost to the company. Since the company had enjoyed a relatively strong position with the investing public, those securities were sold easily. Accordingly, a discount of such an amount seems to be much larger than the risks involved would dictate. Certainly, a smaller discount would have amply rewarded the investment dealer and would have improved the working capital position of the enterprise by a substantial sum.

A somewhat surprising feature of the new capital set-up was the fact that the depreciation reserve was arbitrarily set at a figure of \$1,700,000, whereas in the old company it appeared on the books at \$3,177,767, although this presumably included amounts set against certain property which was taken over by Mr. Burns at a price. In other words, the assets were first appraised at their replacement value in the inflation period of the business cycle and against this high valuation there was set up a depreciation reserve much smaller than in the original company; whereas it should have been much higher. As the asset values were written up, the depreciation should have been written up also.

We may now turn to an examination of the earnings situation and history of the company. In the prospectus issued at the time, (on which the auditor's name was not shown nor a certified statement attached), the following statement appeared regarding earnings:—

Earnings of P. Burns and Company Limited, certified by its auditors as based on the assets acquired by the new company, available for bond interest, depreciation and profit taxes, after giving effect to the present finance, were as follows:

Average annual earnings for the four years and six months ending December 31, 1927	\$ 991,588
Earnings for the year ending December 31, 1927	\$1,066,618
Interest requirements on the 5½ First Mortgage Bonds presently to be outstanding	\$ 385,000
Available for preferred dividends and depreciation after federal income taxes:	
Average annual earnings for the four years and six months ending December 31, 1927	\$ 576,043
Earnings for the year ending December 31, 1927	\$ 646,660
Total dividend requirements on present issue	\$ 414,000

It will be noted that these figures were "before depreciation"; under any conservative system of accounting, depreciation is always one of the earliest deductions from operating profits, and if these figures were corrected for a depreciation charge of, say, \$300,000, they would look altogether different. It is generally regarded that a safe bond must have a margin, after its interest is paid, of twice the interest charge; it is obvious that the Burns bonds could not meet such a test. The position of the preferred stock is even worse, for when the 1927 earnings reported in the prospectus are corrected for depreciation, the preferred dividend is hardly covered. A statement appeared, it is true, in the advertising material that it was expected certain economies would be put into effect which would materially increase the earnings. This type of statement, however, is such a matter of course that any prospectus not having it would become suspect at once.

One can hardly escape the conclusion that the Dominion Securities Company was exceedingly culpable in this flotation. Indeed, this case is a very flagrant one; so much so that it becomes nearly fraudulent.

The earnings statistics of the new company from 1928 to 1933 will prove enlightening.

TABLE 25.—EARNINGS STATISTICS OF THE P. BURNS COMPANY, 1928-1933.

	Before Depreciation bond interest, etc.	After Depreciation	After bank interest, taxes, etc.	Bond interest ²	Balance	Preferred Dividends	Balance
	\$	\$	\$	\$	\$	\$	\$
1928	1,409,612	1,135,253	971,253	375,040 +	596,253	343,295 +	252,958
1929	1,447,007	1,165,672	864,454	375,000 +	489,454	416,250 +	73,204
1930	687,531	420,000 ¹	119,000	384,360 -	265,360	312,531 -	47,171
1931	299,288	2,070	130,559	375,978 -	506,537		
1932	46,698	243,664	327,043	374,049 -	701,096		
1933	474,035	203,605	160,809	372,578 -	211,769		

¹As no depreciation was charged in this year, the net figure is an estimate arrived at by deducting the amount of depreciation charged in the previous year.

²Not given separately in the income statements and so estimated.

It can be seen from this table that on an income basis the bonds were never too secure, and that the position of the preferred stock was precarious from the beginning. Even in the year 1928—the best year—a reduction of 18 per cent of total net income would have made earnings insufficient to cover the preferred dividends. And this, it may be remembered, is with inadequate depreciation charges. With proper depreciation charges the situation would be much worse.

Possibly even investment dealers may be forgiven for not seeing the extent of the depression, but the above facts make it clear that any moderately intelligent business man could see that a very slight recession in business would put the P. Burns Co. into difficulties. A depression was not needed. This point is

of peculiar significance for a unit in the packing industry, which typically obtains its profit from a large volume of business with a relatively small mark-up. Accordingly a shrinking in the volume of business would affect this company in its most vulnerable point. Only a Mr. Micawber could regard the position of the Burns Company with equanimity, even in 1928.

With the ending of the inflation period in which the new organization took place, earnings fell far short of those which were stated to be expected. It is true, of course; that earnings of all companies, combination and single firms alike, fell during this period. The point is, however, that in connection with the capitalization of mergers and new incorporations generally in a boom period, no cognizance is taken of the depression which inevitably must follow such a period of expansion and inflation. The disregard of this economic fact is frequently made many times worse by the nature of the new capitalization. It was so in the case of Burns and Company Limited as will be seen from what follows.

The capitalization of old and new companies was as follows:—

Old Company		New Company	
x		xx	
Bonds.....	\$3,078,500	6½% 1st Mortgage	\$7,000,000
Pref. Stock.	\$3,906,200	5½% 1st Mortgage	\$6,900,000
		6% Preference	
		3 Management	
Common....	\$5,000,000	Pref. (N.P.V.)	
		99,997 Common (N.P.V.)	

x Outstanding at time of reorganization.

xx Issued capital.

Senior securities increased from \$6,984,700 to \$13,900,000. Fixed interest charges increased from \$200,103 to \$385,000 per year, or nearly double; preferred stock dividend obligations increased from \$273,434 to \$414,000. The meaning of this is simply that when the inevitable sequence of depression after boom occurs, the concern incorporated at the inflated values of the boom period has not only to face the falling demand and prices of the depression period, but it has to face them under severe handicaps. It has to face also the heavy fixed and prior charges due to the creation of large amounts of senior securities, of which rarely a dollar of the proceeds was ever invested in the company. The presence of such additional burdens has meant, in many cases, reorganization or even liquidation.

The new Burns Company encountered such difficulties that preferred dividends were discontinued after September 30, 1931; then bond interest and sinking fund payments were postponed during 1932 and 1933, and finally the financial structure had to be reorganized. At the end of 1933, the deficit was \$1,109,826.97. It is significant that the additional payments of interest and preference dividends which were made during the years 1928 to 1931 inclusive due to the higher capitalization amounted to \$1,127,000 or more than the amount of the deficit.

Why was such a high capital set-up created? There is, of course, no direct answer from the parties concerned, but the evidence indicates clearly that it was capitalized at about the highest figure for which securities could be sold. It is obvious, however, that a successful going concern in the peak of a prosperity period cannot be purchased except at a high figure. Probably the only way to raise the funds to meet the high valuation set on the concern is by selling issues to the public affected by boom psychology. In this case also the old bonds and preference stock were retired at a premium. Profits for the issuing company, in this case Dominion Securities Corporation, must also be included. These various items together required a large capitalization to swing the reorganization.

What of the final outcome? Since bond interest could not be paid in 1932 and 1933, another financial reorganization was made in 1934. The following statements indicate the results before and after:—

TABLE 26.—CONDENSED BALANCE SHEETS OF BURNS & CO., LTD., AS AT DECEMBER 31, 1933, AND JANUARY 1, 1934.

ASSETS		
	Balance Sheet as at December 31, 1933	Proposed re- vision to take effect as at January 1, 1934.
Current assets.....	\$3,103,282	\$3,103,282
Mortgages and agreements for sale receivable.....	5,169	5,169
Sinking fund cash.....	97	97
Prepaid expenses.....	138,478	138,478
Investments in subsidiary companies.....	1,748,515	983,446
Other investments.....	460,506	314,308
Fixed assets.....	11,728,588	11,728,588
	\$17,184,639	\$16,273,372
LIABILITIES		
Current liabilities.....	\$1,097,258	\$1,097,258
Mortgage and agreement for sale.....	126,459	126,459
First Mortgage bonds.....	6,757,900	6,757,900
Interest unpaid Dec. 1, 1931—Dec. 1, 1933.....	774,457	774,457
Reserve for depreciation.....	2,483,412	5,000,046
Other reserves.....	31,379	31,379
Reserve for contingencies.....	.....	536,029
Capital stock.....	7,023,600	2,724,300
Deficit.....	1,109,826	.....
	\$17,184,639	\$16,273,372

TABLE 27.—STATEMENT SHOWING DISTRIBUTION OF AMOUNTS BY WHICH CAPITAL STOCK OF BURNS & CO., LTD., IS REDUCED UNDER SCHEME FOR REORGANIZATION.

Reduction in Book Value of:		
Investments in subsidiary companies.....		\$ 765,068
Other investments.....		146,198
Elimination of deficit.....	1,109,826	
Less: Bond interest cancelled.....	774,457	335,369
Increase in reserve for depreciation.....		2,510,634
Reserve for contingencies.....		536,029
Reduction in stated value of capital stock.....		\$4,299,300

Salient features of the reorganization are as follows:—

Bondholders: Accrued interest (bond) amounting to \$774,457.30 was cancelled.

For each \$1,000 of old 5½ per cent bonds, due 1948, there was given:

(1) One \$500 first mortgage bond due 1958, bearing interest at the following rates:

1934.....	2 per cent
1935.....	3½ per cent
1936.....	5 per cent to maturity

- (2) One \$500 first mortgage income bond due 1958. Interest at the rate of 5 per cent non-cumulative, if earned, payable out of income only on April 1, in the year following that in which income was earned. Interest becomes a fixed charge on January 1, 1939.
- (3) Five shares of new Class "A" stock.

Preference Shareholders: For each old preference share was given one and one-half shares of new Class "B" common stock.

Common Shareholders: For each twenty old common shares was given one new Class "B" common stock.

As a result of this reorganization, bondholders were called on to make serious sacrifices in interest, and half of their holdings were converted into a less desirable type of bond. They were given in addition, however, five shares of Class "A" preference stock, which has a preference as to dividends to the extent of \$1, but is non-cumulative. The shares also have a preference as to assets to the extent of \$20 and carry the privilege of voting.

Preference shareholders had to accept a junior security in place of a senior position since they were given one and one-half shares of new Class "B" common for each of the old shares of 6 per cent preference. They will receive a dividend on their investment only when the company has sufficient earnings to cover not only depreciation, federal taxes, bond interest and preference dividends of one dollar but when a balance is available over all these, sufficient to warrant a payment on common stock.

Common shareholders had their stock diminished in the proportion of twenty to one. It is not known how much of the common stock was in the hands of the public. A bonus of common was given with the preference shares of the 1928 company. It appears, however, that Dominion Securities Corporation held sixty per cent, evidently as part of the consideration for reorganizing the company in 1928. When, however, the corporation got into financial difficulties, this stock was returned to the company which sold it to Mr. Burns who was assisting the company by purchasing an additional block of common stock.

In summary, it may be said that the result of the reorganization was that the bondholders lost considerable interest and had to accept less desirable securities in part, but received some compensation by becoming the holders of all the new preferred shares which had some priority as to dividends. Former preference shareholders became mere common stockholders and lost their position as prior claimants. In 1928 they paid \$100 per share for their preference stocks. Current quotations for the class "B" common they now hold are \$2 to \$3 per share. Common stockholders had their shares reduced on the basis of twenty to one. The capital valuation of common and preference stock was reduced from \$7,023,600, to \$2,724,300 or by \$4,299,300.

This squeezing out of excess capitalization represents a drastic reorganization to put the financial structure on a reasonable basis, or just about where it was before the investment dealers reorganized it. The main outcome of the refinancing of this company was that the investment dealers had securities to sell, the original owner sold out at a good price, and the public paid the bill. All in all this is one of the most doubtful cases of the recent period; it provides a sad commentary on the social and economic contribution to the development of this country, provided by certain types of promotions.

(C) CANADIAN CANNERS LIMITED

The financial story of Canadian Cannery Limited and its predecessors, which was dealt with in evidence at some length, illustrates several other features which should be commented upon.

In the main, it is a story of the acquisition of numerous plants; the transfer of assets from one corporate entity to another at enhanced values; the development of a corporate undertaking of dominant proportions with none of its capital issued for cash (although many other forms of consideration were received); and the securing of control of the company by a promotional group. Its history, involving three successive major companies, is briefly as follows:

The first company was formed in 1903 when the assets of some thirty independent canning and preserving companies were acquired. Payment was made to the former owners by issuing \$1,700,000 of preferred and common shares. The individual vendors appear to have received preferred shares up to the full value of the plants sold, as determined by them, while the common shares, totalling \$832,800, were received by them as a bonus.

A second company formed in 1910 took over the assets of the former company, paying for them by the issue of its preferred and common shares and mortgage bonds. This operation resulted in an increase in the value of the fixed assets by nearly \$1,500,000, and in the issue of a like amount of additional capital stock and bonds.

The next important change occurred in 1923 when the present Canadian Cannery Limited was formed to take over the business of the second (1910) company. Before selling, however, the latter had an appraisal and increased its nominal asset values again. The new company issued its capital stock and mortgage bonds in payment of the assets acquired, and paid not only the appraised stock value but, in addition, a bonus of 25 per cent of such value. The new capital stock and bonds thus issued exceeded by \$2,950,000 the value at which the assets had stood on the books of the predecessor company.

At the same time thirty-five independent plants were purchased, payment being made on the basis of appraised values plus bonuses; by issuing preferred stock to the vendors for that appraised value and a 25 per cent bonus in common stock. The stock issued in respect of such bonuses amounted to nearly \$500,000.

These are the main steps in the Company's history. Many other changes took place involving the acquisition, operation and disposal of various independent enterprises. In one instance, assets taken on the books at values in excess of their cost to the company, resulted in an addition to "investment and contingent reserve" of \$268,000.

Information is not available as to the excess of appraised values over original cost to the vendor companies. It is clear, however, that of the \$14,000,000 capital stock and bonds at present outstanding, at least \$6,000,000 represents intangible values, appraisal fees, increases in the value of the fixed assets, and bonuses paid over and above the appraised value of assets acquired.

The following is a summary of the more important write-ups, all representing the issue of "fully paid" shares of mortgage bonds:—

1903—Issued as bonus on formation of original company.....	\$ 832,800
1910—Valuation placed on "goodwill" on sale of assets to second company.....	429,875
1910—Purchase of various options on the controlling interest in the first company, added to value of real estate and "goodwill" account..... (plus cash \$25,000.)	1,323,700
1923—Increase in value of assets on reorganization.....	2,950,000
1923—Bonus paid over and above appraised value of assets acquired from independents (no information as to cost to vendors of such assets).....	485,816
	<u>\$6,021,991</u>

This is of necessity only a partial picture of the difference between present book values and original cost of the assets acquired. The \$14,000,000 "invested capital" represents, in addition to the above write-ups and bonuses, an unascertained amount by which prices paid to vendors exceeded the original cost of the assets acquired.

In the final analysis, however, the earning power of the assets acquired must be taken into account in judging whether the capital was issued for adequate consideration. The fact that the purchase of a plant yields a profit to the vendor is not in itself evidence that the price paid is too great. The following table shows the earnings situation of Canadian Cannery Limited from the incorporation of the present company to date, and it will be seen that in only one year did the company succeed in earning as much as 5 per cent of the net book capital.

TABLE 28.—EARNINGS OF CANADIAN CANNERS, LIMITED, 1923-1934
(THOUSANDS OF DOLLARS)

Year	Number of Months	Amount of Net Book Capital	Earnings after Bond Interest and Depreciation		Dividends Paid
		\$	\$	%	\$
1923.....	12	11,478	350	3.1	
1924.....	12	11,842	460	3.8	
1925.....	12	12,392	480	3.9	296
1926.....	12	12,830	539	4.2	365
1927.....	12	12,971	577	4.4	442
1928.....	12	13,082	603	4.6	492
1930.....	14	14,573	† 1,248	7.3	674
1931.....	12	14,449	620	4.3	779
1932.....	12	* 12,534	* 1,305	* 10.4	612
1933.....	12	11,788	304	2.6	451
1934.....	12	11,788	342	2.9	342

*Adjusted for the sum of \$1,200,000—see comment below.

†Does not include profit in sale of can plant, \$1,079,212.

Loss.

The earnings shown above for the period, average less than three per cent on the net book capital. If the capital be reduced, however, by the amount of the write-ups previously referred to, and the remaining balance be considered the real capital, the annual earnings would be equivalent to nearly six and one-half per cent; not a high rate for a successful company.

Having regard to the position in the industry occupied by this Company, the average return on capital appears far less than might reasonably be expected. In view, therefore, of the methods followed in valuing and revaluing the fixed assets, we are led to the conclusion that such an optimistic capitalization was entirely unjustified.

There is however a further and even more important aspect to the evidence on this company, concerning the part played by the management group, and its dealings with the public. As has already been pointed out, this Company at no time sold its shares to the public. In fact not one share was ever issued for a cash consideration.

The shares, however, issued as described in the foregoing, are widely held by the public and are regularly traded in on the stock exchange. The largest registered shareholder on 15th. June, 1934, was the firm of Avern Pardoe and Company, the stock-broking firm of the President of Canadian Cannery Limited. Many of these shares would, in the ordinary course, be held for clients. The control of the Company is exercised by a group of directors whose combined registered holdings aggregate less than 20 per cent of the outstanding capital.

The presence in security markets of the Company's president, with a large number of shares registered in the name of his stock-broking firm, throws a sinister light on the evidence regarding a misstatement of the Company's profits and assets in reporting to shareholders as at 29th February, 1932.

In reporting on the company's financial statements our investigators referred to unusual methods adopted in the valuation of inventories at February 29, 1932. At this date the usual basis of valuation was abandoned and stocks of merchandise were valued for balance sheet purposes at list price. The abandonment of the former basis of valuation, which incidentally was resumed in the following year, resulted in an increase in the shown value of the inventories of over \$1,200,000.

Had the inventory values not been so inflated, the company would have shown, instead of an operating profit of over \$500,000, an actual operating loss of approximately \$700,000, and a loss after all charges, except dividends in excess of \$1,250,000. In addition, dividends of \$612,053 were paid during this period. In the following year the amount of \$1,200,000 was transferred from "investment and contingent reserve" to profit and loss account. It is significant that the Company's own auditors qualified their report to the shareholders in respect of the inventory valuation and other items. The directors in their report to shareholders made an oblique reference to the possibility of inventory shrinkage and asked their approval of a transfer of \$1,200,000 from the reserve account to provide for "any non-recurring charge, such as foreign exchange, inventory revaluations and shrinkage in investments."

Having regard to all these facts, we are led to the conclusion that the profits were deliberately misstated and that the directors' report failed entirely to apprise shareholders of the true facts. The financial statement in question, to say the least, departs far from common principles of rectitude in company policy. This case appears, therefore, to combine not only the elements of unsound promotion, but is an illustration of faulty stewardship exercised by a board of directors largely influenced by promoter interests.

There is one further point in connection with the financial history of this Company to which we wish to draw attention. Included amongst the assets of Canadian Cannery Limited is an item:—

Investment for account employees' stock participation at market,
\$208,107.58.

This consists of 198 First Preference shares and 20,240 Second Preference shares of the Company's own stock, carried at approximately market value. For the purposes of this account, shares have been purchased in the open market from time to time by a subsidiary called, Walmer Securities Corporation Limited.

From this fund, First Preference shares have been sold to employees on several occasions on an extended payment plan, Canadian Cannery, Ltd., contributing part of the cost thereof. The above 198 shares represent the balance which has not been taken up by employees. The Second Preference shares have never been offered to employees.

The Company's earnings for the year ended 28th of February, 1934, included an amount of \$50,000, being the increase in market value of these securities:

In view of the foregoing, the following questions suggest themselves:—

- (1) Is it legal for this Company to carry its own shares as an asset?
- (2) Is it not misleading to the Company's shareholders to report these shares on the Balance Sheet under the caption "Investment for account Employees' Stock Participation," without any further explanation?
- (3) Is it not misleading to present and prospective investors, to include in earnings an unrealized profit on its own shares and to pay same out in dividends?
- (4) What ultimate disposition is to be made of these shares?

ANNEX V

Supplementary to Chapter V

FURTHER STATISTICS ON LABOUR AND WAGES

TABLE 29.—SIZE OF ESTABLISHMENTS, SELECTED INDUSTRIES, 1931

Industry	No. of Establishments	Gross Value of Products		Capital		Wage-Earners	
		Average per establishment	Per cent of total by establishments of \$500,000 or more	Average per establishment	Per cent of total in establishments of \$5,000,000 or more	Average per establishment	Per cent of total in establishments of 200 or more
		\$	%	\$	%		
Bread and other bakery products.....	2,912	22,000	25	19,000	29	8	14
Furniture and upholstering.....	372	73,000	(a)	99,000	(a)	23	(a)
Clothing, factory, women's.....	471	115,000	24	47,000	13	29	15
Furnishing goods, men's.....	167	126,000	29	100,000	46	43	31
Clothing factory, men's.....	180	189,000	39	120,000	35	46	37
Boots and shoes, leather.....	184	199,000	36	140,000	(a)	69	(a)
ALL MANUFACTURING.....	24,501	110,000	66	202,000	(a)	19	43
Flour and grist mills.....	372	213,000	(a)	148,000	(a)	9	(a)
Tobacco, cigars and cigarettes.....	105	723,000	96	478,000	95	70	84
Slaughtering and meat packing.....	147	800,000	(a)	425,000	(a)	50	(a)
Rubber goods, including footwear.....	48	1,098,000	95	1,405,000	96	216	89

Source: Dominion Bureau of Statistics.
(a) Not available.

TABLE 30.—AVERAGE ANNUAL WAGES, SELECTED INDUSTRIES, 1931

Industry	Wages — Earners			Average Annual Wage
	Total	Number of Females	Percentage Female to Total	
			%	\$
Bread and other bakery products.....	15,941	2,186	14	1,000
Furniture and upholstering.....	8,719	342	4	860
Clothing, factory, women's.....	13,634	10,072	74	824
Furnishing goods, men's.....	7,357	6,353	86	574
Clothing, factory, men's.....	8,340	4,212	50	853
Boots and shoes, leather.....	12,784	4,923	39	764
ALL MANUFACTURING.....	457,628	106,075	23	957
Flour and grist mills.....	3,314	121	5	967
Tobacco, cigars and cigarettes.....	7,366	4,609	64	597
Slaughtering and meat packing.....	7,288	872	12	1,052
Rubber goods, including footwear.....	10,365	3,024	39	820

Source: Dominion Bureau of Statistics.

NOTE ON THE NEEDLE TRADES.

The needle trades are characterized by instability, caused by seasonal variations in demand, intensified by the uncertainties of style changes, and further accentuated by the state of general disorganization, produced by a large number of small establishments which,—continually being started, changing hands, failing, and closing—prevent the establishment of any recognized standards of quality or price for the product, or of managerial efficiency, or of employment conditions.

Instability in this industry is indicated by the following facts from the exhibit filed by Messrs. Scott and Cassidy. From 1926 to 1933 in Ontario, while the average number of manufacturers of men's clothing listed in Fraser's Textile Directory for the period, was 70, 60 new firms entered, and 60 old firms left the industry. In Québec, an average of 143 firms was maintained by 139 additions and 156 disappearances. Only about 53 per cent of the Ontario and 56 per cent of the Québec firms listed in 1926 survived to 1933. The same situation obtained for contractors, of whom, however, only about 24 per cent lasted during the seven years.

Most modern industries use complicated and expensive machinery, require heavy capital investment, and operate in large-scale plants to turn out standardized products under a highly-skilled management. In them, concentration may give rise to problems of monopolistic or semi-monopolistic practices, but at least, except perhaps in time of severe depression, the evils of cut-throat competition seldom develop.

But, in the needle trades, hand-sewing persists and machinery, if used at all, is limited to inexpensive sewing machines. One can enter the business on a small scale with very little capital investment and no previous managerial experience. This is particularly true in those branches where the use of the "contractor" is common.

There are two types of "manufacturers": The first operates an "inside shop," viz.: he buys the raw material, fabricates it in his own factory with his own employees, and sells the product either to jobbers or direct to retailers; the second buys the material and cuts it, but has the making of the garments done by contractors at a fixed price per garment.

There are four types of contractors:

- (1) The contractor who operates on the premises of the manufacturer but engages his own employees, and "makes" the garment for the manufacturer at a contract price per garment. Sometimes the manufacturer owns the machines, sometimes, the contractor.
- (2) The independent contractor who maintains his own premises and solicits work from several manufacturers.
- (3) The controlled contract shop operating under a different name, generally in a country district, but owned by a manufacturer, who often has several such shops located at different points.
- (4) The contractor who maintains no establishment at all but distributes work to be done by employees at home. Contractors often have certain operations performed elsewhere by "sub-contractors," who may sublet the work again. There may, therefore, be several intermediaries between the actual worker and the manufacturer who sells the product to the retail trade.

In addition to the census information of the Dominion Bureau of Statistics and the study of the industry made by Professors Scott and Cassidy, filed as Exhibit 17, we had reports from our auditors on 109 needle trade firms,—30 in Toronto, 56 in Montreal, 9 in smaller Québec towns, and 14 in Winnipeg. Of these, not counting the factories of Eaton's and Simpson's, there were 3 jobbers, 50 manufacturers, and 54 contractors, 73 in men's clothing and furnishings, 31

in women's clothing, and 3 miscellaneous. Our auditors, further, made a very comprehensive inquiry into the wages in the industry. This inquiry was made by the circulation of questionnaires to 858 companies. The questionnaire contained requests for information under 23 separate headings covering form of organization, operations and products, marketing methods, sales analysis, employment, wages, and operating results. Copies of actual pay-rolls and standard pay-roll summaries for two periods, one in September, 1933, and the other in September, 1934, were requested. Satisfactory returns were obtained from 453 firms located as follows:—

TABLE 31.—NEEDLE TRADES, LOCATION OF ESTABLISHMENTS ANSWERING COMMISSION QUESTIONNAIRE

Location	Number of Factories				Total
	Group LMG	Group MBF	Group MW	Group H	
Maritime Provinces.....	1		4		5
P.Q., excluding Montreal.....	2	5	16		23
Montreal.....	145	55	20	5	225
Ont., excluding Toronto.....	9	6	15		30
Toronto.....	110	10	17	5	142
Prairie Provinces, excluding Winnipeg.....	1		2		3
Winnipeg.....	6	1	10		17
B.C.....	5		3		8
Totals.....	279	77	87	10	453

Key: LMG—Ladies' and Misses' Garments.
 MBF—Men's Fine and Boys' Clothing.
 MW—Men's Working Clothing.
 H—Ladies' Handbags.

Source: Exhibit 440.

These same designations of the different industries will be used in later tables.

Of these firms, 50 had all their manufacturing done by contractors and 70 others reported some portion of their work contracted out. A list of 371 contractors was received, of whom 263 were in Montreal; 41, elsewhere in the province of Quebec; 61, in Toronto; 3, elsewhere in Ontario; and 3 elsewhere.

Striking evidence of the inadequate employment records kept in the needle trades is found in the fact that records for all employees of hours worked, were available in only 203 of these firms in 1933 and 271 in 1934. A few additional firms kept records of the hours worked by particular groups of workers only, but in 1933, 226 of these firms had no record of hours at all.

TABLE 32.—NEEDLE TRADES, NORMAL HOURS OF LABOUR
 (Number of companies operating specified normal hours per week, by branch of industry).

Hours per week	Number of Companies				Total
	LGM	MBF	MW	H	
35 hours and under.....	2		1		3
36 to 40 hours.....	5	3	6		14
41 to 45 hours.....	143	49	32	4	228
46 to 50 hours.....	107	13	31	5	156
Over 50 hours.....	3	3	12		18
Not answered.....	19	9	5	1	34
Total.....	279	77	87	10	453

Source: Exhibit 440.

TABLE 33.—NEEDLE TRADES, AVERAGE ANNUAL WAGES, 1934

(by location, and branch of industry).

Location	Ladies and Misses' Garments			Men's Fine and Boys' Clothing			Mens' Work Clothing, etc.		
	No. of Factories	No. of Employees	Average Annual Wage	No. of Factories	No. of Employees	Average Annual Wage	No. of Factories	No. of Employees	Average Annual Wage
Maritime Provinces.....	1	12	\$ 425			\$	4	199	\$ 371
P.Q. excluding Montreal...	1	110	372	4	508	576	14	1,490	385
Montreal.....	97	4,439	672	15	1,219	776	9	979	543
Ont. excluding Toronto....	8	300	555	6	416	810	13	700	568
Toronto.....	73	1,975	707	9	618	1,068	13	332	682
Prairie Provinces, excluding Winnipeg.....	1	18	589				2	258	546
Winnipeg.....	6	193	558	1	59	703	8	442	561
B.C.....	4	80	601				2	92	710
Total or Average.....	191	7,127	668	35	2,820	808	65	4,492	603

Source: Exhibit 440.

TABLE 34.—NEEDLE TRADES, AVERAGE (MEDIAN) HOURLY EARNINGS, SEPTEMBER, 1934

(by location, branch of industry, age and sex)

A—Experienced Workers

B—Inexperienced Workers

Location	Ladies' and Misses' Garments			Men's Fine and Boys' Clothing			Men's Work Clothing, etc.		
	No. of Factories	Adult Males	Females	No. of Factories	Adult Males	Females	No. of Factories	Adult Males	Females
A		cts.	cts.		cts.	cts.		cts.	cts.
Maritime Provinces.....	1	50.5	14.3		42.6	23.3	2	32.8	17.8
P.Q., excluding Montreal.....	1	55.0	35.0	4	55.8	25.0	16	33.4	18.9
Montreal.....	95	52.5	18.4	12	54.1	32.8	9	41.6	25.9
Ont., excluding Toronto.....	9	40.7	27.1	6	73.6	25.0	13	43.4	26.0
Toronto.....	57	52.9	30.1	7			13	49.3	33.0
Prairie Provinces, excluding Winnipeg.....	1	36.0			42.8	21.8	2	49.4	30.8
Winnipeg.....	3	38.7		1			7	49.2	27.5
British Columbia.....	4	58.4					3	59.7	38.1
B									
Maritime Provinces.....	1						2		12.7
P.Q., excluding Montreal.....	1			4	17.5	12.0	16	17.2	13.8
Montreal.....	95	28.9	13.2	12	32.2	15.7	9	19.4	14.6
Ontario, excluding Toronto.....	9	18.3	17.7	6	33.4	21.3	13	18.4	18.2
Toronto.....	57	27.2	23.9	7	25.9	21.9	13	26.3	18.5
Prairie Provinces, excluding Winnipeg.....	1	31.8					2	29.5	23.7
Winnipeg.....	3	25.5		1			7	26.7	24.4
British Columbia.....	4						3	37.6	23.4

Source: Exhibit 440.

TABLE 35.—MEN'S FINE CLOTHING INDUSTRY, COMPARISON OF AVERAGE HOURLY EARNINGS, WEEKLY WAGE RATES (a), AND MINIMUM WAGE LAW VIOLATIONS, FOR SELECTED FIRMS, SPRING 1934.

	Toronto Manufacturers		Montreal Manufacturers		Victoria-ville, P.Q. mfrs.	Montreal Contractors	St. Therese, P.Q., Contractors		
	Union	Non-Union	Union		Non-Union	Non-Union in Hyde Park	Non-Union and "controlled" by Montreal mfrs.		
	Tip Top	Ontario Boys' Wear (g)	Eaton's	S. Rubin	Hyde Park	Guarantee Pants	Forman	Paquin	Cyr
Actual Average Hourly Earnings (in cents)—									
All wage-earners.....	cts. 53.7	cts. 27.2	cts. 42.5	cts. 35.8	cts. 41.7	cts. 24.6	cts. 18.4	cts. 10.6	cts. 8.8
Male wage-earners.....	65.1	27.0	57.5	42.2	51.7	22.6	16.5	(b) 7.7	(d) 6.0
All Female wage-earners.....	35.6	27.3	33.7	27.7	26.1	30.7	(b) 30.7	(d) 12.1	(d) 9.2
Experienced Female wage-earners.....	37.9	29.1	34.7	29.0	29.3	30.0	(b) 30.7	(c) 12.4	12.5
Inexperienced Female wage-earners.....	24.5	23.1	20.7	15.7	19.9	21.2	(b) 16.0	(c) 11.1	8.3
Calculated Weekly Wage Rates (a)—	\$ cts. 23.63	\$ cts. 11.96	\$ cts. 18.70	\$ cts. 15.75	\$ cts. 18.35	\$ cts. 10.82	\$ cts. 8.10	\$ cts. 4.24	\$ cts. 3.87
All wage-earners.....	28.64	11.88	25.30	18.37	22.75	9.94	7.26	(b) 15.84	(d) 2.64
Male wage-earners.....	15.66	12.01	14.73	12.14	12.19	11.48	13.51	(d) 3.08	(d) 2.64
Female wage-earners.....	% 3.4	% 32	% 7	% 10	% 18	% 44	% 38	% 80	% 70
Percentages of Female Workers classed as Inexperienced (Legal Maximum 50%).....									
Illegal Percentage of all Females paid at less than Minimum Rate.....		(f)	(e)	% 47		(c)	% 29	% 40	% 100

Source: Exhibits 227 and other auditors' reports. (a) Full time rates are calculated on the basis of a week of 44 hours. These rates have no reference to actual hours worked. or actual weekly earnings.

- (b) Not obtained.
- (c) Not available.
- (d) Boys 14-18 years only.
- (e) Employees are "bonused" to comply with law.
- (f) Previously convicted for violation.
- (g) Now claims to be a union shop.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 36—COMPARISON OF MANUFACTURING COSTS OF COMPARABLE MEN'S SUITS PRIOR TO SEPTEMBER, 1933

(Ready-made suits and two pairs of trousers)

Firm (see Key below)	I	II	III	IV	V	VI	VII
	\$	\$	\$	\$	\$	\$	\$
Labour (Direct)—							
Coat—own shop.....	1.30	1.51	1.60	2.00	1.79	2.00	2.34
Vest—own shop.....	0.23				0.33		0.48
contractor.....		0.31	0.34	0.30		0.30	
Trousers (2)—own shop.....	0.54				0.84		1.13
contractor.....		0.60	0.86	1.00		0.90	
Cutting.....	0.55	0.45	0.47	0.70	0.56	0.41	0.60
Other Labour (Direct).....					0.09		0.16
Total Direct Labour.....	2.62	2.87	3.27	4.00	3.65	3.61	4.71
Trimmings.....	2.06	1.73	2.15	2.50	2.17	1.89	2.73
Overhead (including indirect labour).....	1.12	0.46	0.50	0.50	1.50	1.86	2.23
Total Cost exclusive of Cloth.....	5.80	5.06	5.92	7.00	7.33	7.36	9.67

Key: I Rubin Bros. Ltd., Victoriaville.

II S. Rubin Ltd., Montreal.

III Hyde Park Clothes Ltd., Montreal.

IV Samuelson Ltd., Montreal.

V Tip Top Tailors Ltd., Toronto.

VI Robert Simpson Co. Ltd., Toronto.

VII T. Eaton Co. Ltd., Toronto.

Source: Exhibit 227 and other Auditors' reports.

TABLE 37.—MEN'S SUITS, DIRECT LABOUR AND MATERIAL COSTS, AND GROSS MARGINS OF PROFIT, 1933

(Eight shipments of suits, produced by four different manufacturers and sold by two Toronto department stores).

	I	II	III	IV	V	VI	VII	VIII
	\$	\$	\$	\$	\$	\$	\$	\$
1. Retail price.....	29.50	25.00	29.50	25.00	25.00	20.00	15.00	15.00
2. Cost of Material.....	11.15	11.15	10.60	8.80	8.89	7.87	6.75	6.20
3. Cost of Direct Labour.....	3.27	3.27	4.00	4.00	4.00	2.94	2.94	3.32
4. Manufacturer's Gross Margin (a)	1.83	1.83	3.40	3.20	3.21	2.04	0.56	0.48
5. Retailers' Gross Margin.....	12.19	7.69	10.35	7.97	7.97	6.31	4.07	4.24
6. Total Material and Labour (2+3).....	14.42	14.42	14.60	12.80	12.89	10.81	9.69	9.62
7. Total Manufacturers' and Retailers' Margin (4+5).....	14.02	9.42	14.75	11.17	11.18	8.35	4.63	4.72
8. Percentage Direct Labour to Sale Price (3+1).....	12%	14%	14%	16%	16%	18%	20%	22%
9. Percentage Total Material and Labour to Price (6+1).....	49%	58%	49%	51%	52%	54%	65%	64%
10. Percentage Total Margin to Price (7+1).....	41%	38%	50%	45%	45%	42%	31%	31%

(a) Including overhead.

Source: Exhibit 227, Statement Q. 12 (Freight and Sales Tax omitted.).

TABLE 38.—LEATHER BOOT AND SHOE INDUSTRY, COMPARISON OF AVERAGE HOURLY EARNINGS, WEEKLY WAGE RATES, AND MINIMUM WAGE LAW VIOLATIONS, EIGHT QUEBEC FIRMS, SPRING, 1934

Firm (See Key below)	I (b)	II	III	IV	V	VI	VII	VIII
AVERAGE ACTUAL HOURLY EARNINGS (in cents)								
Female wage-earners.....	13.2c.	13.7c.	14.4c.	15.4c.	18.2c.	19.2c.	22.9c.	25.7c.
Men wage-earners.....	10.6c.	10.9c.	15.4c.	16.4c.	(d)	16.0 (e)	(d)	(d)
Boys wage-earners.....	5.4c.	4.2c.	5.2c.					
Percentage of females paid 10c. or less per hour.....	20%	17%	2%	1%	12%	2%	0	0
Percentage of males paid 10c. or less per hour.....	64%	60%	38%	18%	31%(e)	2%(e)	(d)	(d)
CALCULATED FULL TIME WEEKLY WAGE RATES (a) (in dollars)								
Female wage-earners.....	6.34	6.58	6.91	7.39	8.74	9.21	10.99	12.34
Men wage-earners.....	5.00	5.23	7.39	7.87	(d)	7.68	(d)	(d)
Boys wage-earners.....	2.59	2.02	2.50					
ACTUAL WEEKLY EARNINGS (f), male								
Percentage paid \$4.00 or less.....	25%	58%	26%	12%	16%	8%	21%	5%
Percentage paid less than \$9.....	81%	86%	73%	75%	48%	54%	46%	24%
Illegal percentage of females classified as "Inexperienced" (legal maximum 50%).....	100%	83%	80%	55%	66%	80%		
Illegal percentage of females paid less than minimum rate (legal maximum 20%).....	83%	35%		45% (e)	38%	38%		

Source: Exhibit 226, Committee evidence p. 3578-3732.
 Key: I La Diva Shoe Co. Ltd., Richmond, P.Q.
 II Valley Shoe Co. Ltd., Valley Junction, P.Q.
 III Joseph Languay, Limitee, Beauceville, P.Q.
 IV La Regina Shoe Co. Ltd., Ste-Marie de Beauce, P.Q.
 V Grand'Mere Shoe Co. Ltd., Grand'Mere, P.Q.
 VI Dependable Slipper Mfg. Co., Montreal, P.Q.
 VII J. A. & M. Cote, Limitee, St-Hyacinthe, P.Q.
 VIII A. E. Marois, Ltd., Quebec, P.Q.

(a) Weekly wages rates calculated on a 48 hour basis, without reference to number of hours actually worked.
 (b) Not including 15 family homeworkers paid at \$1.50 per family per day.
 (c) Sample only, not complete payroll.
 (d) Not available.
 (e) Time workers only.
 (f) Including overtime in some cases up to 55 hours per week or more.
 (g) In computing this figure the auditors classified employees as experienced or inexperienced according to their length of service in months. The company however, classifies them according to the number of hours actually worked. On this basis, the company does not have an illegal percentage paid less than the minimum wage.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 39—FURNITURE INDUSTRY, AVERAGE ACTUAL WEEKLY EARNINGS, MEN
(No. factories paying specified average amounts and No. and per cent distribution of their adult male wage-earners, 1933).

Amount	No. of factories	Men	
		No.	Per cent
\$3.01-\$5.00.....	1	17	1.2%
\$5.01-\$7.00.....	2	111	8.1
\$7.01-\$9.00.....	7	343	25.1
\$9.01-\$11.00.....	8	412	30.1
\$11.01-\$13.00.....	4	258	18.8
\$13.01-\$15.00.....	4	228	16.7
Total.....	26	1,309	100.0%

Source: Exhibit 404.

TABLE 40—FURNITURE INDUSTRY, AVERAGE HOURLY WAGE RATES, MEN
(No. of factories paying specified average rates and No. and per cent distribution of their adult male wage-earners, 1933).

Amount	No. of factories	Men	
		No.	Per cent
15.1c.-20c.....	3	108	7.9%
20.1c.-25c.....	9	498	36.4
25.1c.-30c.....	9	466	34.0
30.1c.-35c.....	3	178	13.0
35.1c.-40c.....			
40.1c.-45c.....	2	119	8.7
Total.....	26	1,309	100.0%

Source: Exhibit 404.
The figures represent averages over 6 months period.

TABLE 41—BAKING INDUSTRY, SELECTED COMPANIES, AVERAGE WEEKLY WAGES, JUNE, 1933, BY OCCUPATIONS.

	All Em- ployees	Foremen	Mixers	Bench- workers	Oven- tenders	Wrappers	Packers	Delivery	Shippers	Inspectors	Labourers	Other	Decreases in Wages as Compared with 1930	%
<i>Montreal—</i>														
Company B.....	\$ 20.32	40.35	25.00	17.81	20.69	16.25	20.15	19.23	14.35	37.23	19.08	\$ —	20	
Company B.....	20.53	56.25	20.71	14.54	19.92	11.66	22.97	21.45	21.00	40.01	16.58	10.00 to	21	
Company C.....	—	42.00	28.00	18.00	24.00	—	18.00	18.00 to	—	35.00	15.00 to	35.00	—	
Company A.....	19.91	36.00	24.00	20.00	17.00	15.50	20.00	20.90	21.00	30.00	25.00	17.00	14	
Company H.....	16.70	30.00	—	15.00	17.00	11.00	10.00	—	—	20.00	20.00	12.00	28	
Company K.....	22.50	35.50	23.33	19.44	19.44	22.97	20.42	—	25.00	—	—	19.59	1	
<i>Toronto</i>														
Company A.....	22.41	43.50	27.00	21.00	24.00	17.00	—	22.50	—	30.00	21.10	21.50	19	
Company A.....	21.74	33.00	26.50	20.00	22.00	16.00	18.00	21.31	23.20	29.00	18.00	21.00	19	
Company B.....	20.77	38.15	23.43	17.64	21.00	13.06	21.77	20.51	21.86	34.68	21.25	13.00	22	
Company C.....	24.26	45.46	24.60	19.62	21.27	17.41	20.81	24.93	19.05	35.80	24.12	19.09	11	
Company K.....	19.75	52.50	27.33	19.20	19.65	12.37	—	—	20.13	—	18.84	—	24	
<i>Hamilton—</i>														
Company A.....	20.16	33.00	18.70	18.70	17.00	14.30	14.85	20.80	22.00	25.35	14.85	20.35	24	
Company B.....	24.68	40.00	30.50	21.50	—	15.00	24.25	24.50	—	37.50	21.50	—	13	
<i>Ottawa—</i>														
Company A.....	20.28	25.00	21.75	18.20	17.75	15.00	12.65	20.35	19.00	28.15	20.00	18.00	25	
Company C.....	22.00	46.50	24.50	19.50	21.50	14.50	18.00	22.00	24.00	32.00	20.00	—	9	
<i>Windsor—</i>														
Company A.....	22.13	50.00	24.00	24.00	25.00	14.00	19.00	22.73	24.00	28.00	20.00	17.90	10	
Company A.....	—	55.00	18.00 to	12.00 to	28.00 to	27.00 to	19.00 to	22.00	21.00	32.00	—	17.00 to	—	
Company F.....	—	—	42.00	25.00	28.00	25.00	27.00	—	—	—	—	66.00	—	
Company Z.....	20.27	43.00	30.00	20.50	22.50	—	—	20.00	11.00	—	—	12.00	15	
<i>Vancouver—</i>														
Company G.....	23.41	40.70	29.60	26.15	23.75	16.60	22.15	22.10	27.20	31.00	21.55	26.15	19	
Company F.....	21.90	38.75	28.80	26.00	27.50	12.00	15.00	19.75	24.00	30.50	21.00	—	18	

SOURCE: Exhibit 333. Table 3: companies employed 5,913 workers, about 40 per cent of the total in the industry.

TABLE 42.—FLOUR MILLING INDUSTRY, ACTUAL EARNINGS IN A TYPICAL MILL FOR A TWO-WEEK PERIOD, 1934

	Number of employees	Maximum	Minimum	Average
		\$	\$	\$
Elevator—				
Unloading.....	25	37.80	30.60	32.50
Unloading—extras.....	6	32.25	5.33	19.44
Loading.....	6	6.08	2.55	5.06
Elevator.....	8	92.81	44.63	63.96
Wheat cleaning.....	10	63.90	32.38	44.90
Milling—				
Bolters.....	5	87.68	54.96	67.20
Grinders.....	4	70.30	66.03	67.93
Roll tenders.....	3	44.40	27.05	38.52
Purifiers.....	2	70.30	58.80	64.55
Bleachers.....	2	46.50	45.00	45.75
Oilers.....	1	57.50		57.50
Sweepers.....	8	48.33	32.00	36.81
Packers.....	24	63.54	30.40	45.27
Blending—extras, etc.....	6	61.20	30.39	42.31
Power and light.....	6	69.85	55.68	67.70
Heat.....	3	68.00	55.60	63.60
Millwrights.....	6	97.50	45.00	66.46
Machinists.....	4	78.00	43.88	57.53
Yardmen.....	3	45.50	34.10	38.40
Watchmen.....	3	57.20	53.83	55.42
Miscellaneous.....	9	62.80	40.00	52.06
Warehousemen, etc.....	49	65.03	30.55	41.35
Warehouse (utility).....	15	20.18	2.75	9.83

Source: Exhibit 386.

TABLE 43.—FLOUR MILLING INDUSTRY, GOING RATES OF WAGES, AUGUST, 1934

	Maximum	Minimum
	\$	\$
Mill—		
Millers.....	416.66	224.25
2nd Millers.....	175.00	.50
Grinders.....	.65	.30
Bolters.....	.55	.38½
Purifiers.....	.47½	.30
Smutters.....	.42½	.33½
Oilers.....	.40	.25
Sweepers.....	.35	.25
Flour Packers—Foreman.....	.64	.40
Flour Packers.....	.45	.25
Feed Packers.....	.64	.30
Labourers.....	.40	.22½
Watchmen.....	.40	.23½
Elevator—		
Foreman.....	175.00	.40
Weighmen.....	.67½	.25
Unloaders.....	.47½	.30
Others.....	.67½	.27½
Power—		
Engineer.....	204.00	.50
Firemen.....	.60	.32½
Electricians.....	262.45	.45½
Electrician' helpers.....	.55	.25
Warehouse—		
Foreman.....	175.00	.38½
Help.....	.50	.27½
Checkers.....	.45	.32½
Millwright & helpers—	180.00	.27½
Tinsmiths.....	.70	.45
Steamfitters.....	.65	.44½
Carters.....	.37½	.32½
Truck Drivers.....	.43½	.35
Truck Drivers' helpers.....	.38½	.30
Storekeepers.....	100.00	95.00
Miscellaneous.....	.37½	.25

All rates shown in dollars are per month; the others are hourly rates.

Source: Exhibit 386.

TABLE 44.—SLAUGHTERING AND MEAT PACKING INDUSTRY, NO. OF WAGE-EARNERS AND AVERAGE ANNUAL WAGES, 1933

(by size of plant)

Number of wage-earners employed	No. of Establishments	No. of wage-earners		Percentage of females to total wage-earners	Average annual wage
		Male	Female		
				%	\$
Under 5.....	56	107	10	8.6	727
6 to 10.....	22	158	17	9.7	862
11 to 25.....	21	341	20	7.1	972
26 to 50.....	6	212	4	1.9	1,053
51 to 100.....	11	779	45	5.5	1,083
101 to 200.....	10	1,225	104	7.8	909
201 and over.....	9	3,619	625	14.7	910
Total.....	135	6,441	831	11.4	933

SOURCE: Dominion Bureau of Statistics.

TABLE 45.—SLAUGHTERING AND MEAT PACKING INDUSTRY, SELECTED PLANTS, WEEKLY EARNINGS, 1934

(Percentage of employees receiving specified amounts per week)

	Canada Packers Limited			Gainers Limited	F. Hunnissett Jr.	Swift Canadian Company Limited		Wilsil Limited	Burns & Co. Ltd.
	Toronto	Hull	Peterborough	Edmonton	Toronto	Toronto	Edmonton*	Montreal	Calgary
Total number of employees.....	1,191	125	132	161	38	546	319	370	273
Percentage of total at—	%	%	%	%	%	%	%	%	%
\$ 7.50 to \$10.00 per week.....	.16	26.40	9.10	4.35				10.54	.37
\$10.01 to \$12.50 ".....	.54	12.80	9.09	6.84	3.94	1.00	2.99	7.30	9.52
\$12.51 to \$15.00 ".....	21.89	4.80	19.70	18.63	3.95	2.47	26.80	22.97	30.40
\$15.01 to \$17.50 ".....	11.71	13.60	12.49	22.06	18.41	13.10	24.47	19.06	10.62
\$17.51 to \$20.00 ".....	19.35	21.60	24.62	10.25	18.42	21.69	19.43	17.97	16.12
\$20.01 to \$22.50 ".....	17.97	6.40	12.51	14.60	13.17	22.53	12.69	8.78	15.03
\$22.51 to \$25.00 ".....	14.94	4.80	3.40	6.52	23.70	15.02	7.05	10.68	3.30
\$25.01 to \$27.50 ".....	4.58	4.00	3.03	5.59	2.63	9.44	1.25	1.22	2.93
\$27.51 to \$30.00 ".....	3.23	4.00	3.03	3.10	5.26	4.12	.94	.94	2.56
\$30.01 to \$32.50 ".....	1.40	.80	1.52	3.10	10.52	4.31	1.41	.27	4.03
\$32.51 to \$35.00 ".....	1.30	.80	1.51	.62		2.84	2.97	.27	1.83
\$35.01 to \$37.50 ".....	1.30			3.10		.64			1.83
\$37.51 to \$40.00 ".....	.79			1.24		.83			.73
\$40.01 to \$42.50 ".....	.38					.28			.73
\$42.51 to \$45.00 ".....	.38					.27			
\$45.01 to \$47.50 ".....						.28			
\$47.51 to \$50.00 ".....						.27			
\$50.01 and over.....	.08					.91			
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Period covered—Week ended (1934)	Mar. 22	Mar. 21	Mar. 29	1 Month Mar. 31	Mar. 22	Mar. 24	Mar. 30	Mar. 24	Mar. 24
Average wage.....	\$20.13	\$15.89	\$17.29	\$19.01	\$21.35	\$22.52	\$18.05	\$16.54	\$18.64

* The wage spread at this branch does not take into consideration bonuses of \$21,239 paid during week ended March 30, 1934, in addition to the regular payroll of \$5,372.67.
SOURCE: Committee Evidence, pages 2237-2432.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 45A—SLAUGHTERING AND MEAT PACKING INDUSTRY, SELECTED PLANTS, WEEKLY EARNINGS, 1934

(Percentage of workers receiving specified amounts per week)

	\$7.50 to \$20.00	\$20.01 to \$30.00	\$30.01 and over
	%	%	%
Canada Packers Limited—			
Toronto.....	53.65	40.72	5.63
Hull.....	79.20	19.20	1.60
Peterborough.....	75.00	21.97	3.03
Swift Canadian Co. Ltd.—			
Toronto.....	38.26	51.11	10.63
Edmonton.....	73.69	21.93	4.38
Burns & Company Ltd.—			
Calgary.....	67.03	23.82	9.15
Wilsil Limited—			
Montreal.....	77.84	21.62	0.54
Gainers Limited—			
Edmonton.....	62.13	29.71	8.06
F. Hunnisett Jr.—			
Toronto.....	44.72	44.76	10.52

Source: Committee Evidence, pages 2237-2432.

TABLE 46—FRUIT AND VEGETABLE PREPARATION INDUSTRY, NUMBER OF EMPLOYEES, 1933

(by months)

Month	Male	Female	Total
January.....	1,416	1,220	2,636
February.....	1,346	1,141	2,487
March.....	1,412	1,207	2,619
April.....	1,405	1,119	2,524
May.....	1,609	1,480	3,089
June.....	1,993	2,060	4,053
July.....	3,221	3,580	6,801
August.....	3,541	5,957	9,498
September.....	5,518	8,734	14,252
October.....	4,193	6,018	10,211
November.....	2,818	3,918	6,736
December.....	1,789	1,669	3,458
Monthly Average.....	2,548	3,185	5,733

Source: Dominion Bureau of Statistics.

TABLE 47—FRUIT AND VEGETABLE PREPARATION INDUSTRY, SELECTED PLANTS, AVERAGE HOURLY EARNINGS, SEPTEMBER, 1929-1933

	1929	1930	1931	1932	1933	Decrease 1930-1933
	Cents	Cents	Cents	Cents	Cents	%
<i>Canning Factories</i>						
Canadian Cannors Ltd.—All employees—						
Kingsmill, Ont.		26.84	26.00	20.26	21.24	20.9
Picton, Ont.	24.95	25.43	24.14	21.10	20.36	19.9
St. Catharines, Ont.	28.18	27.46	22.97	22.26	21.39	22.2
St. Isidore, Que.	23.87	23.30	23.10	19.84	16.88	27.6
Grimsby, Ont.	27.50	25.35	23.17	20.75	21.31	16.1
Culverhouse Canning Co.—All employees		25.30	24.70	24.20	21.40	15.4
J. A. Daboll & Son—All employees		22.60	22.30	23.80	21.80	3.5
E. D. Smith & Sons Ltd.—All employees		21.90	19.90	19.10	15.70	28.3
Culverhouse Canning Co.—Males		31.80	29.40	29.00	24.50	23.0
J. A. Daboll & Son—Males		29.10	25.60	27.20	23.60	18.9
E. D. Smith & Sons Ltd.—Males		28.40	25.30	20.80	17.50	38.4
Culverhouse Canning Co.—Females		20.30	20.40	20.60	18.50	8.9
J. A. Dabell—Females		20.40	19.90	20.00	20.00	2.0
E. D. Smith & Sons, Ltd.—Females		17.30	17.00	17.30	14.20	17.9
<i>Jam Factories</i>						
Canadian Cannors Ltd.—Males	39.23	40.38	34.88	34.75	32.09	20.6
Associated Quality Cannors Ltd.—Males	38.03	39.00	36.77	36.97	37.13	4.8
Canadian Cannors Ltd.—Females	23.78	22.12	21.40	21.30	18.99	14.2
Associated Quality Cannors Ltd.—Females	23.29	23.59	23.32	23.28	23.27	1.0

Source: Exhibit 382.

TABLE 48—TOBACCO MANUFACTURING INDUSTRY, NUMBER OF WAGE-EARNERS AND AVERAGE ANNUAL WAGES, 1933

(by size of plant)

Number of Wage-earners employed	Number establishments	Number of Wage-earners		Per cent of females to total wage-earners	Average annual wage
		Male	Female		
Under 5	86	119	45	27.4	\$ 466
6 to 10	8	32	29	47.5	386
11 to 25	14	110	123	52.8	581
26 to 100	7	114	139	54.9	391
101 to 200	4	193	344	64.1	514
201 and over	8	1,652	3,478	67.8	571
Total or Average	127	2,220	4,158	65.2	555

Source: Dominion Bureau of Statistics.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 49.—TOBACCO INDUSTRY, SELECTED ESTABLISHMENTS, ACTUAL WEEKLY EARNINGS, OCTOBER, 1933
(Number of Employees Receiving Specified Weekly Earnings, by Sex)

	Firm I		Firm II		Firm III		Firm IV		Firm V		Firm VI		Firm VII		Firm VIII		Firm IX	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Less than \$5.00	13	31	1	14	8	65	13	1	13	1	1	1	1	1	1	1	1	2
\$ 5.01 to 6.00	23	6	2	74	7	38	7	7	7	7	7	7	7	7	7	7	7	5
7.01 to 8.00	17	2	104	41	16	19	1	34	1	1	1	1	1	1	1	1	1	17
8.01 to 9.00	5	5	16	92	6	19	5	16	1	1	1	1	1	1	1	1	1	1
9.01 to 10.00	8	5	5	185	14	20	4	20	4	4	4	4	4	4	4	4	4	13
10.01 to 11.00	10	17	12	203	19	27	10	23	3	3	3	3	3	3	3	3	3	24
11.01 to 12.00	16	409	2	171	22	8	15	15	2	2	2	2	2	2	2	2	2	35
12.01 to 13.00	9	24	3	139	1	3	1	1	3	3	3	3	3	3	3	3	3	10
13.01 to 14.00	14	31	1	61	17	17	13	17	1	1	1	1	1	1	1	1	1	38
14.01 to 15.00	13	1	1	22	3	1	14	22	1	1	1	1	1	1	1	1	1	50
15.01 to 16.00	48	1	31	24	28	1	31	24	1	1	1	1	1	1	1	1	1	49
16.01 to 17.00	49	5	34	32	14	1	34	32	14	1	1	1	1	1	1	1	1	30
17.01 to 18.00	92	1	58	19	28	1	58	19	28	1	1	1	1	1	1	1	1	13
18.01 to 19.00	36	2	2	10	4	4	2	4	4	4	4	4	4	4	4	4	4	6
19.01 to 20.00	32	1	30	6	6	6	30	6	6	6	6	6	6	6	6	6	6	19
20.01 to 21.00	9	4	4	15	5	5	15	5	5	5	5	5	5	5	5	5	5	8
21.01 to 22.00	14	1	1	7	1	1	7	1	1	1	1	1	1	1	1	1	1	9
22.01 to 23.00	1	1	1	13	3	3	13	3	3	3	3	3	3	3	3	3	3	10
23.01 to 24.00	9	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	30
24.01 to 25.00	11	2	2	12	1	1	12	1	1	1	1	1	1	1	1	1	1	49
25.01 to 30.00	8	2	2	55	4	4	55	4	4	4	4	4	4	4	4	4	4	30
30.01 to 35.00	4	3	3	11	3	3	11	3	3	3	3	3	3	3	3	3	3	19
35.01 to 40.00	1	1	1	3	2	2	3	2	2	2	2	2	2	2	2	2	2	8
40.01 to 45.00				3	2	2	3	2	2	2	2	2	2	2	2	2	2	5
45.01 to 50.00				2			2											5
50.01 and over																		2
Total employees	533	822	34	70	12	12	491	1,124	291	226	154	239	92	235	86	219	160	332
Average Wage	\$12.80	\$11.34			\$15.08	\$12.22			\$10.64	\$12.47	\$12.47	\$12.41	\$12.41	\$16.03	\$16.03	\$16.03	\$12.89	
Percentage decrease in average wage since 1929	8%	4%			27%	20%			24%	27%	27%	17%	17%	24%	24%	24%	12%	
Percentage of female employees to total	61%	67%			60%	70%			44%	61%	61%	76%	76%	72%	72%	72%	67%	

(e) For September, 1933
 I—W. C. MacDonald, Inc., Montreal, Que.
 II—The B. Heude Co., Ltd., Quebec, Que.
 III—National Tobacco Co., Ltd., Montreal.
 IV—Imperial Tobacco Co. of Canada, Ltd., Granby, Que.
 V—Imperial Tobacco Co. of Canada, Ltd., Montreal, Que.
 VI—The Tackett Tobacco Co., Ltd., Montreal, Que.
 VII—The Tackett Tobacco Co., Ltd., Hamilton, Ont.
 VIII—Andrew Wilson & Co. and Punch Cigar Co., Ltd., Toronto, Ont.
 IX—General Cigar Co., Ltd.

TABLE 49a—TOBACCO INDUSTRY, SELECTED ESTABLISHMENTS, ACTUAL WEEKLY EARNINGS, OCTOBER 1933
(Percentage of Employees Receiving Specified Amounts Per Week, by Sex)

Amount per week	Firm 1(a)		Firm II		Firm IV		Firm V		Firm VI		Firm VII		Firm VIII		Firm IX		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
\$10.00 or less.....	12.8	31.6	2.9	7.3	53.1	52.7	24.1	92.9	19.5	52.7	2.2	44.2	11.6	8.7	24.4	28.9	
\$10.01-\$15.00.....	18.7	68.	20.6	22.2	37.9	22.6	43.6	5.8	43.5	22.6	11.9	50.2	20.9	38.4	35.6	54.2	
\$15.01-\$20.00.....	57.8	.3	35.3	43.4	3.5	1.3	20.7	1.3	19.5	22.6	53.3	5.6	25.6	51.1	21.2	15.4	
\$20.01-\$25.00.....	8.3	.1	23.5	12	4	2.1	7.9	.....	12.3	23.9	23.9	.....	22.1	1.8	10.1	1.2
\$25.01-\$30.00.....	1.5	.....	5.9	11.2	.....	.....	1.3	.....	2.6	7.6	.....	.....	12.8	4.4	4.4	.....
\$30.01 or over.....	.9	.....	11.8	3.9	.....	.....	2.4	.....	2.6	1.1	.....	.....	7.0	.....	.....	.....
Total.....	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.	100.

(a) For key to firms see Table 21.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 50.—AGRICULTURAL IMPLEMENTS INDUSTRY,
AVERAGE ANNUAL EARNINGS

1929-1933

(Large and small companies, by class of worker)

Year	Factory Workers	Factory Administration	Clerical	Selling	Executive	Average all Employees
	\$	\$	\$	\$	\$	\$
Four Large Companies—						
1929.....	1,219	2,432	1,559	1,640	7,394	1,377
1930.....	1,122	2,321	1,538	1,815	7,311	1,426
1931.....	946	2,218	1,737	1,908	6,772	1,451
1932.....	856	2,219	1,471	1,739	6,551	1,352
1933.....	837	2,238	1,261	1,543	6,512	1,187
Percentage decrease since 1929.....	31.3	8.0	19.2	5.9	11.3	13.8
*Ten Small Companies—						
1929.....	1,032	2,332	1,480	1,439	4,597	1,224
1930.....	941	1,797	1,438	1,429	4,015	1,173
1931.....	833	1,756	1,244	1,394	3,605	1,077
1932.....	682	1,435	1,249	1,514	3,200	983
1933.....	709	1,172	1,140	1,277	2,885	944
Percentage decrease since 1929.....	31.3	12.0	23.0	11.3	37.2	22.9

* Nine Companies only in 1929.
SOURCE—Exhibit 403.

TABLE 51.—AGRICULTURAL IMPLEMENTS INDUSTRY, HIGH, LOW AND AVERAGE
HOURLY EARNINGS FOR EIGHT ESTABLISHMENTS, HAVING FIFTY OR
MORE EMPLOYEES, FEBRUARY 1934

	High	Low*	Average
	\$	\$	\$
Massey-Harris Co., Ltd.—			
Toronto.....	1.04	0.24	0.49
Brantford.....	0.80	0.22	0.43
Verity Works, Brantford.....	0.80	0.20	0.42
Cockshutt Plow Co., Ltd.—			
Brantford.....	0.62	0.21	0.40
Frost & Wood Co., Ltd.—			
Smith's Falls.....	0.82	0.20	0.40
International Harvester Co. of Canada, Ltd.—			
Hamilton.....	1.40	0.25	0.52
Chatham.....	0.82	0.24	0.44
George White & Sons Co. Ltd.—			
London.....	1.00	0.20	0.46
The John Goodison Thresher Co., Ltd.—			
Sarnia.....	0.75	0.27	0.48
The Waterloo Manufacturing Co., Ltd.—			
Waterloo.....	0.60	0.15	0.35
J. Fleury's Sons, Ltd.—			
Aurora, Ontario.....			0.30

* In some cases the low hourly rates shown in this table apply to boys and apprentices.
SOURCE: Exhibit 403.

TABLE 52.—RUBBER INDUSTRY, SELECTED COMPANIES, WAGES, 1933

	Tires			Footwear		
	Lowest	Highest	Average	Lowest	Highest	Average
	\$	\$	\$	\$	\$	\$
Men:						
Hourly Rates (a)	.47	.60		.32	.43	
Full time weekly earnings (b)	20.68	26.40		14.08	18.92	
Actual weekly earnings	17.79	21.50	20.10	11.57	20.71	15.60
Actual annual earnings	925.00	1,130.00	1,046.00	602.00	1,077.00	811.00
Women:						
Hourly Rates (a)	.29	.36		.24	.34	
Full time weekly earnings (b)	12.76	15.84		10.56	14.96	
Actual weekly earnings	10.50	12.57	11.70	8.34	14.11	9.70
Actual annual earnings	546.00	661.00	610.00	378.00	734.00	514.00

(a) Five factories only. All other figures are for seven factories.

(b) Calculated on the basis of a 44 hour week. This is less than the currently accepted "normal" week for men but seems to be a generally prevailing standard for women. It is considerably more than the industry is now operating on the average, and, if achieved again, is unlikely to be much exceeded.

Source: Exhibits 193 and 199.

TABLE 53.—TEXTILE INDUSTRIES—PERCENTAGE DISTRIBUTION OF EMPLOYMENT BY PROVINCES, FEBRUARY, 1934.

Group	Ontario	Quebec	Other Provinces	Canada
	Per cent	Per cent	Per cent	Per cent
A. Primary cotton	22.2	70.8	7.0	100.0
B. Woollens	79.4	18.3	2.3	100.0
C. Silk, natural	19.3	80.7		100.0
D. Hosiery	50.7	45.0	4.3	100.0
E. Silk, artificial	36.7	63.3		100.0
F. Knit goods	68.9	22.8	8.3	100.0
G. Carpets and rugs	100.0			100.0
H. Thread and cordage	53.5	37.7	8.8	100.0
I. Bags, waste, batting and wadding, tents, awnings, etc.	50.9	27.8	21.3	100.0
J. Specialty fabrics	55.8	44.2		100.0

(1) All the textile industry tables are taken or derived from Exhibit 360, f.f.; except as otherwise indicated.

TABLE 54.—TEXTILE INDUSTRIES—AVERAGE HOURLY WAGES, BY SEX AND AGE, FEBRUARY, 1934

Group		All Em- ployees	Adult Males 21 years and over	Youths and boys under 21 years	Adult Females over 18 years	Girls under 18 years
		Cents	Cents	Cents	Cents	Cents
A	Primary cotton	26.64	31.01	18.24	22.75	17.23
B	Woollens	29.37	34.96	19.08	24.74	18.37
C	Silk, natural	24.45	29.37	16.61	21.36	15.52
D	Hosiery	29.95	40.56	21.11	25.09	17.52
E	Silk, artificial	33.32	38.99	23.31	25.04	20.17
F	Knit goods	29.02	36.62	18.79	25.72	18.28
G	Carpets and rugs	36.28	42.62	20.86	28.60	19.03
H	Thread and cordage	34.01	39.08	27.27	27.46	21.95
I	Bags, waste, batting and waddings, tents, awnings, etc.	34.89	39.55	20.42	28.19	19.72
J	Specialty fabrics	30.60	33.86	20.79	23.92	18.78

ROYAL COMMISSION ON PRICE SPREADS

TABLE 54A—PROPORTION OF MALE EMPLOYEES TO TOTAL FACTORY EMPLOYEES, FEBRUARY, 1934

Group	—	Ontario	Quebec	Other Provinces	Canada
		Per cent	Per cent	Per cent	Per cent
A	Primary cotton.....	63.8	67.1	63.7	66.0
B	Woollens.....	57.5	49.0	64.4	57.2
C	Silk, natural.....	39.6	58.3	.....	54.7
D	Hosiery.....	39.3	45.3	45.2	42.2
E	Silk, artificial.....	63.2	73.2	.....	69.6
F	Knit goods.....	37.3	48.2	28.8	39.4
G	Carpets and rugs.....	65.5	.....	.....	65.5
H	Thread and cordage.....	70.8	33.3	92.8	58.6
I	Bags, waste, batting and wadding, tents, awnings, etc.	71.5	57.1	46.7	61.2
J	Specialty fabrics.....	76.1	74.7	.....	75.5

TABLE 55—TEXTILE INDUSTRIES—AVERAGE HOURLY WAGES OF ALL EMPLOYEES BY PROVINCES, FEBRUARY, 1934

Group	—	Canada	Ontario	Quebec	Other Provinces
		Cents	Cents	Cents	Cents
A	Primary cotton.....	26.64	29.02	25.49	30.64
B	Woollens.....	29.37	30.51	24.72	30.07
C	Silk, natural.....	24.45	28.61	23.46	.....
D	Hosiery.....	29.95	32.16	27.95	24.82
E	Silk, artificial.....	33.32	37.63	30.81	.....
F	Knit goods.....	29.02	31.03	23.95	26.98
G	Carpets and rugs.....	36.28	36.28	.....	.....
H	Thread and cordage.....	34.01	35.23	32.79	31.77
I	Bags, waste, batting and wadding, tents, awnings, etc.	34.89	32.91	33.11	44.32
J	Specialty fabrics.....	30.60	36.09	23.65	.....

TABLE 56—TEXTILE INDUSTRIES—AVERAGE HOURLY WAGES BY SIZES OF CITIES AND TOWNS, FEBRUARY, 1934

Size of cities and towns	Ontario	Quebec
	Cents	Cents
Less than 5,000 population.....	29.36	23.00
5,000 to 15,000 population.....	27.96	26.06
15,000 to 50,000 population.....	30.76	25.84
50,000 to 250,000 population.....	33.59	29.40
Over 250,000 population.....	33.74	26.40

TABLE 57.—PRIMARY COTTON—SEX AND AGE DISTRIBUTION OF WAGE-EARNERS, 1934

Province	Adult males 21 years and over. Percentage	Youths and boys under 21 years. Percentage	Adult females 18 years and over. Percentage	Girls under 18 years. Percentage
Ontario.....	56.3	7.5	34.0	2.2
Quebec.....	54.2	12.9	29.9	3.0
Maritimes.....	60.0	3.7	32.6	3.7
All provinces.....	55.0	11.0	31.1	2.9

TABLE 58.—CHANGES IN THE COTTON YARN AND CLOTH INDUSTRY SINCE 1930

Year	Wage-earners		Percentage of females to total	Index of wage-earners	Index of volume of production	Average wage	Average salary
	Male	Female					
1930.....	9,479	7,013	42.5	100.0	100.0	721	2,191
1931.....	9,013	6,275	41.0	92.7	98.2	732	2,279
1932.....	8,646	5,916	40.6	88.3	94.1	724	2,146
1933.....	9,578	5,951	38.3	94.1	117.8	685	1,957

Source—Dominion Bureau of Statistics.

TABLE 59.—COMPARISON OF CHANGES IN THE PRINCIPAL STATISTICS OF THE COTTON INDUSTRY AND ALL MANUFACTURING INDUSTRIES—PERCENTAGE DECREASES, 1930-32

	Cotton yarn and cloth industry	All manufacturing industries
Value of production.....	- 20.8	- 38.0
Physical volume of production.....	- 5.9	- 26.5
Cost of materials.....	- 31.5	- 42.7
Number of employees.....	- 11.2	- 23.1
Salaries and wages.....	- 10.1	- 31.3
Average wage.....	- 5.0	- 14.8
Average salary.....	- 10.7	- 12.6

Source—Dominion Bureau of Statistics.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 60.—PRIMARY COTTON

AVERAGE HOURLY RATES OF PAY

Province	Average all factory employees excluding superintendents	Adult males 21 years and over	Youths and boys under 21 years	Adult females 18 years and over	Girls under 18 years
1934	cents	cents	cents	cents	cents
Ontario.....	29.02	32.72	22.26	25.00	19.65
Quebec.....	25.49	30.04	17.40	21.66	16.20
Maritimes.....	30.64	34.72	21.65	25.28	20.91
Average.....	26.64	31.01	18.24	22.75	17.23
1933					
Ontario.....	30.85	35.63	21.98	25.29	20.08
Quebec.....	28.14	33.90	18.95	22.61	17.46
Maritimes.....	34.98	39.76	23.48	27.63	23.49
Average.....	29.21	34.73	19.44	23.63	18.19

AVERAGE HOURLY RATES OF PAY EXPRESSED AS A PERCENTAGE OF THE WHOLE INDUSTRY

1934					
Ontario.....	108.9	105.5	122.0	109.9	114.0
Quebec.....	95.7	96.9	95.4	95.2	94.0
Maritimes.....	115.0	112.0	118.7	111.1	121.4
1933					
Ontario.....	105.6	102.6	113.0	107.0	110.4
Quebec.....	96.3	97.6	97.5	95.7	96.0
Maritimes.....	119.7	114.5	120.8	116.9	129.1

AVERAGE EMPLOYEE—HOURS PER WEEK ALL MILLS

1934.....	53	50	48	47
1933.....	41	33	33	34

TABLE 61.—PRIMARY COTTON—AVERAGE RATES OF PAY ACCORDING TO SIZE OF MILL

Group	Number of Mills	Employment Ratio	Average Hourly Rates of pay	
			1934	1933
From 25 to 100 workers.....	3	1.6	24.62	26.62
From 100 to 200 workers.....	2	1.7	29.93	31.57
From 200 to 300 workers.....	6	8.3	28.45	32.55
From 300 to 500 workers.....	7	19.3	27.44	30.78
Over 500.....	11	69.1	26.16	28.55
Totals for group.....	29	100.0	26.64	29.21

TABLE 62.—PRIMARY COTTON—AVERAGE HOURLY RATES IN SELECTED OCCUPATIONS, FEBRUARY, 1934

Occupation and Province	Adult males 21 years and over	Youths and boys under 21 years	Adult females 18 years and over	Girls under 18 years
Spinners (Frame)—				
Ontario.....	26.55	22.56	24.73	18.28
Quebec.....	22.42	16.51	21.55	16.14
Maritimes.....	24.43	18.66	23.84	21.44
Spoolers—				
Ontario.....	22.34	23.14	24.01	20.00
Quebec.....	20.83	18.83	21.16	18.13
Maritimes.....	26.14	21.81	23.75	21.98
Weavers—				
Ontario.....	28.44	18.81	27.36	21.69
Quebec.....	28.07	21.85	25.82	17.87
Maritimes.....	29.89		33.30	
Loom Fixers—				
Ontario.....	44.38	27.00		
Quebec.....	41.36	21.81		
Maritimes.....	47.05			
Finishers—				
Ontario.....	28.01	20.84	25.41	
Quebec.....	28.84	18.44	17.45	13.00
Maritimes.....	25.81		20.43	
Pressers—				
Ontario.....	25.83			
Quebec.....			22.68	18.35
Maritimes.....	96.00	18.00		
Foremen and Foreladies—				
Ontario.....	61.26	43.97	41.43	
Quebec.....	58.66		30.86	
Maritimes.....	68.08			

TABLE 63.—WOOLLEN TEXTILES—SEX AND AGE DISTRIBUTION OF WAGE-EARNERS, 1934

	Adults males 21 years and over	Youths and boys under 21 years	Adult Females 13 years and over	Girls under 18 years	Total
Woollen Textiles other than carpets and rugs—					
Ontario.....	52.2	5.3	38.6	3.9	100.0
Quebec.....	46.5	10.0	39.0	4.5	100.0
New Brunswick, 1 mill.....	43.9	1.2	48.8	1.1	100.0
Nova Scotia, 1 mill.....	54.3		45.0	.7	100.0
Manitoba, 1 mill.....	82.7	17.3			100.0
British Columbia, 1 mill.....	53.3		46.7		100.0
All Provinces.....	51.1	6.1	38.8	4.0	100.0
Carpets and rugs, Ontario.....	59.08	6.46	33.41	1.05	100.00

TABLE 64.—CHANGES IN THE WOOLLEN TEXTILE INDUSTRIES, AS COMPARED WITH MANUFACTURING IN GENERAL, 1929 TO 1932

	Woollen Cloth	Woollen Yarns	Carpets, Mats and Rugs	Woollen Goods, N.e.s.	All Manufacturing Industries
	per cent	per cent	per cent	per cent	per cent
Value of production.....	-19.2	-34.6	-61.2	-46.4	-47.2
Physical volume of production.....	+18.4	-10.0	-43.9	-30.5	-33.4
Cost of materials.....	-31.6	-39.1	-69.7	-31.9	-53.0
Number of employees.....	+20.4	-3.8	-26.8	-21.5	-28.7
Salaries and wages.....	+6.2	-5.5	-41.4	-25.6	-37.8
Average wage.....	-13.2	-4.3	-24.9	-10.1	-18.5
Average salary.....	-11.6	-17.8	-15.3	-2.8	-11.4

SOURCE: Dominion Bureau of Statistics.

TABLE 65.—CHANGES IN THE WOOLLEN TEXTILE INDUSTRIES, 1929 TO 1933

WOOLLEN CLOTH

Year	Wage-earners		Per cent of females to total	Index of wage-earners	Index of volume of production	Average wage	Average salary
	Male	Female					
	No.	No.	%	%	%	\$	\$
1929.....	2,132	1,705	44.6	100.0	100.0	838	2,295
1930.....	2,008	1,552	43.6	92.3	82.4	753	2,300
1931.....	2,305	1,842	44.4	108.1	102.1	800	2,007
1932.....	2,595	1,982	41.1	119.3	118.4	727	2,028
1933.....	2,876	2,219	43.6	132.8	137.3	703	1,992

WOOLLEN YARN

1929.....	741	1,017	57.8	100.0	100.0	644	2,225
1930.....	677	832	55.1	85.8	73.2	623	2,085
1931.....	630	827	56.8	82.9	76.9	647	1,935
1932.....	783	866	52.5	93.8	90.0	616	1,829
1933.....	1,069	1,143	51.7	125.8	113.1	638	1,542

CARPETS, MATS AND RUGS

1929.....	696	383	35.5	100.0	100.0	929	2,156
1930.....	601	367	37.9	89.7	89.5	879	2,188
1931.....	567	355	38.5	85.4	85.2	829	2,156
1932.....	513	258	33.5	71.5	56.1	698	1,827
1933.....	490	287	28.7	72.0	64.7	661	1,672

WOOLLEN GOODS, N.E.S.

1929.....	794	243	23.4	100.0	100.0	868	2,672
1930.....	746	253	25.3	96.3	96.4	817	2,391
1931.....	641	217	25.3	82.7	78.2	783	2,520
1932.....	605	186	23.5	76.3	69.5	780	2,596
1933.....	664	205	23.6	83.8	84.2	813	2,419

SOURCE: Dominion Bureau of Statistics.

TABLE 66.—WOOLLEN TEXTILES—AVERAGE NUMBER OF HOURS WORKED PER WEEK PER EMPLOYEE

Test period	All Employees	Adult Males, 21 years and over	Youths and boys under 21 years	Adult Females 18 years and over	Girls under 18 years
Woollen textiles other than carpets—					
February, 1933.....	45	48½	44	41½	40½
February, 1934.....	51	53½	52	48	49

TABLE 67.—WOOLLEN TEXTILES, AVERAGE HOURLY RATES OF FACTORY WORKERS (Excluding Superintendents) February 1934

Woollen textiles other than carpets and rugs	All employees	Adult males 21 years and over	Youths and boys under 21 years	Adult females 18 years and over	Girls under 18 years
	cents	cents	cents	cents	cents
Ontario.....	30.51	35.78	20.38	25.94	19.11
Quebec.....	24.72	31.37	16.17	20.07	15.76
New Brunswick.....	26.83	32.76	18.90	21.31	16.21
Nova Scotia.....	21.22	23.32	.....	18.83	11.73
Manitoba.....	36.63	40.65	17.50	.....	.....
British Columbia.....	35.62	40.07	30.54	.....	.....
All Provinces.....	29.37	34.96	19.08	24.74	18.37
Carpets and Rugs, Ontario.....	36.28	42.62	20.86	28.60	19.03

TABLE 68.—WOOLLEN TEXTILES—AVERAGE RATES OF PAY ACCORDING TO SIZE OF MILL

	Number of Mills	Employment ratio	Average Rates of 1934	Hourly Pay 1933
	Per cent	Per cent	cents	cents
<i>Woollen Textiles other than Carpets and Rugs—</i>				
Less than 25 workers.....	6	1.9	24.10	28.52
From 25 to 100 workers.....	13	11.7	25.26	25.10
From 100 to 200 workers.....	11	20.2	28.67	20.37
From 200 to 300 workers.....	6	23.1	28.12	30.29
From 300 to 500 workers.....	7	35.7	31.98	32.25
From 500 workers.....	1	7.4	30.50	29.78
All mills.....	44	100.0	29.37	30.30
<i>Carpets and Rugs—</i>				
Less than 25 workers.....	1	1.8	19.23	19.97
From 25 to 100 workers.....	1	8.7	27.35	27.20
From 100 to 200 workers.....	2	43.5	34.80	37.14
From 200 to 300 workers.....	1	46.0	40.07	45.45
	5	100.0	36.28	39.21

TABLE 69.—WOOLLEN TEXTILES—AVERAGE HOURLY RATES IN SELECTED OCCUPATIONS, FEBRUARY 1934

Occupation and Province	Adult Males; 21 years and over	Youths and Boys under 21 years	Adult Females 18 years and over	Girls under 18 years
	cents	cents	cents	cents
<i>Woollen goods other than carpets and rugs—</i>				
<i>Carders—</i>				
Ontario.....	30.21	22.94	24.62	18.80
Quebec.....	25.66	18.82	20.52	15.11
New Brunswick.....	28.64	18.89		
Nova Scotia.....	21.83			
Manitoba.....	65.34			
British Columbia.....	45.94			
<i>Spinners (Male)—</i>				
Ontario.....	36.11	21.94	24.90	15.67
Quebec.....	28.18	14.82	19.76	11.00
New Brunswick.....	29.40			
Nova Scotia.....	24.13			
Manitoba.....	34.09			
British Columbia.....	41.11			
<i>Weavers—</i>				
Ontario.....	33.55	22.25	29.72	23.15
Quebec.....	27.52	20.69	22.19	16.88
New Brunswick.....	26.90		25.04	
Nova Scotia.....	20.80		20.12	
Manitoba.....	39.77			
British Columbia.....			32.03	
<i>Loom Fixers—</i>				
Ontario.....	45.15			
Quebec.....	48.37			
New Brunswick.....	31.47			
Nova Scotia.....	23.75			
Manitoba.....				
British Columbia.....	57.78			
<i>Dye House Employees—</i>				
Ontario.....	32.59	19.01		
Quebec.....	32.83	23.03		
New Brunswick.....	27.12			
Nova Scotia.....	19.46			
Manitoba.....	73.86			
British Columbia.....	29.17			
<i>Finishers—</i>				
Ontario.....	33.94	19.36	23.55	16.91
Quebec.....	27.34	13.08	18.07	
New Brunswick.....	21.58		17.15	
Nova Scotia.....	35.00			
Manitoba.....	28.41			
British Columbia.....				
<i>Foremen and Foreladies—</i>				
Ontario.....	58.71	17.56	39.10	
Quebec.....	64.14		36.36	
New Brunswick.....	55.64			
Nova Scotia.....	37.90			
Manitoba.....				
British Columbia.....				
<i>Carpets and Rugs—</i>				
Spoolers.....	17.60	15.96	27.46	20.00
Weavers.....	46.51	18.93	31.78	16.52
Loom fixers.....	66.17			
Dye House Employees.....	35.04	23.50		
Finishers.....	34.85	21.56	24.58	16.81
Foremen and Foreladies.....	73.22		22.70	
Inspectors.....	61.77	21.05	30.84	

TABLE 70.—WOOLLEN TEXTILES SELECTED FIRMS, DISTRIBUTION OF WAGE EARNERS BY WEEKLY WAGE RATES

Weekly Wage	Male	Female	Saguenay Spinners Limited		St. George Woollen Mills		Northern Textiles	
			Male	Female	Male	Female	Male	Female
\$4 and less.....	1				5			
From \$ 4.01-\$ 5.....	2		2	7	4			
From \$ 5.01-\$ 6.....		1		*1	8	3		
From \$ 6.01-\$ 7.....	4	*8	*5	2	8	8		1
From \$ 7.01-\$ 8.....	*3		1	4	5	*9		1
From \$ 8.01-\$ 9.....	1	1	2	1	9	2	1	
From \$ 9.01-\$10.....	3				*10	3		2
From \$10.01-\$11.....	1				18	2	2	*7
From \$11.01-\$12.....	2				2	1		
From \$12.01-\$15.....			1		8	1	*4	
From \$15.01-\$20.....			2		3	2	1	
From \$20.01-\$30.....	1				4			
Total.....	18	10	13	15	84	31	8	11

*Median.

TABLE 71.—SILK INDUSTRY—SEX AND AGE DISTRIBUTION OF WAGE-EARNERS, 1934.

	Adult Males 21 years and over	Youth and boys under 21 years	Adult Females 18 years and over	Girls under 18 years	Total
	Per cent	Per cent	Per cent	Per cent	
Silk, natural—					
Ontario.....	33.7	5.9	55.9	4.5	100.0
Quebec.....	49.1	9.2	38.6	3.1	100.0
All mills.....	46.1	8.6	42.0	3.3	100.0
Silk artificial—					
Ontario.....	59.7	3.5	28.3	8.5	100.0
Quebec.....	63.3	9.9	23.9	2.9	100.0
All mills.....	62.0	7.6	25.5	4.9	100.0

TABLE 72.—CHANGES IN THE SILK INDUSTRY AS COMPARED WITH ALL MANUFACTURING INDUSTRIES, 1929-32.

	Silk Industry	All Manufacturing Industries
	Per cent	Per cent
Value of production.....	+37.2	-47.2
Physical volume of production.....	+91.4	-33.4
Cost of materials.....	+29.0	-53.0
Number of employees.....	+60.9	-28.7
Salaries and wages.....	+50.5	-37.8
Average wage.....	- 8.4	-18.5
Average salary.....	- 2.4	-11.4

Source—Dominion Bureau of Statistics.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 73—CHANGES IN THE SILK INDUSTRY SINCE 1929.

Year	Wage-Earners		Percentage of Females to total	Index of Wage-earners	Index of Volume of Production	Average Wage	Average Salary
	Male	Female					
	No.	No.					
1929.....	1,653	2,362	58.8	100.0	100.0	787	1,870
1930.....	2,391	2,566	51.8	123.4	119.6	790	1,842
1931.....	3,032	2,628	46.4	141.0	149.8	803	1,979
1932.....	3,581	2,837	44.2	159.9	191.4	721	1,825
1933.....	4,026	3,095	43.5	177.4	222.5	678	1,925

Source—Dominion Bureau of Statistics.

TABLE 74—SILK INDUSTRY—AVERAGE HOURLY RATES OF FACTORY WORKERS (EXCLUDING SUPERINTENDENTS), FEBRUARY, 1934

	All employees	Adult Males 21 years and over	Youths and boys under 21 years	Adults Females 18 years and over	Girls under 18 years
	Cents	Cents	Cents	Cents	Cents
Silk, natural—					
Ontario.....	23.61	34.95	22.36	26.25	18.81
Quebec.....	23.46	28.46	15.73	19.67	14.33
All mills.....	24.45	29.37	16.61	21.36	15.52
Silk, artificial—					
Ontario.....	37.63	46.10	32.20	25.25	21.56
Quebec.....	30.81	35.10	21.47	24.90	17.83
All mills.....	33.32	38.99	23.31	25.04	20.17

TABLE 75—SILK INDUSTRY—AVERAGE RATES OF PAY ACCORDING TO SIZE OF MILL

	Mills	Employment Ratio	Average rates of 1934	Hourly pay 1933
	No.	Per cent	Cents	Cents
Silk, natural—				
From 25-100 workers.....	7	7.9	25.33	26.85
" 100-200 ".....	4	17.3	19.98	20.25
" 200-300 ".....	4	23.9	26.07	25.87
" 300-500 ".....	1	12.6	30.35	31.55
500 workers and over.....	2	33.3	23.36	23.57
All mills.....	18	100.0	24.45	24.55
Silk, artificial—				
500 workers and over.....	2	100.0	33.32	33.43

TABLE 76—SILK INDUSTRY—AVERAGE HOURLY RATES OF PAY IN SELECTED OCCUPATIONS, FEBRUARY 1934

Occupation and Province	Adult Males 21 years and over	Youths and boys under 21 years	Adult Females 18 years and over	Girls under 18 years
	Cents	Cents	Cents	Cents
<i>Silk, Natural</i>				
Spinners (Frame)—				
Ontario.....	30.70	27.70	24.74	18.96
Quebec.....	17.75	7.96	18.98	8.50
Twisters—				
Ontario.....	43.57	20.23	25.01	25.23
Quebec.....	24.18	18.10	21.42	.....
Warpers, Creelers—				
Ontario.....	41.30	27.35	35.28	15.79
Quebec.....	26.06	15.18	21.75	15.05
Wet Winders and Quillers—				
Ontario.....	24.29	21.97	23.62	18.64
Quebec.....	14.87	12.93	15.34	14.79
Weavers—				
Ontario.....	30.13	15.16	29.09	15.85
Quebec.....	22.71	18.00	21.52	16.18
Loom Fixers—				
Ontario.....	47.59	25.00	.....	.....
Quebec.....	46.00	30.00	.....	.....
Knitters—				
Ontario.....	.....	.....	.....	.....
Quebec.....	44.78	20.98	24.33	.....
Dye-House Employees—				
Ontario.....	37.33	.....	.....	.....
Quebec.....	25.12	18.74	15.61	11.98
Foremen and Foreladies—				
Ontario.....	54.43	.....	.....	.....
Quebec.....	80.53	20.45	29.75	.....

TABLE 77—SILK INDUSTRY—AVERAGE HOURLY RATES OF PAY IN SELECTED OCCUPATIONS, FEBRUARY, 1934.

Occupation and Province	Adult Males 21 years and over	Youths and boys under 21 years	Adult Females 18 years and over	Girls under 18 years
	Cents	Cents	Cents	Cents
<i>Silk, Artificial</i>				
Spinners (Frame)—				
Ontario.....	45.17	41.56	25.67	.....
Quebec.....	26.91	22.64	.....	.....
Twisters—				
Ontario.....	.....	.....	.....	.....
Quebec.....	26.41	21.86	20.89	21.48
Warpers, Creelers—				
Ontario.....	34.13	21.00	30.52	.....
Quebec.....	.....	.....	.....	.....
Wet Winders and Quillers—				
Ontario.....	28.66	23.36	23.09	21.22
Quebec.....	.....	.....	.....	.....
Weavers—				
Ontario.....	32.35	22.88	32.04	20.08
Quebec.....	.....	.....	.....	.....
Loom Fixers—				
Ontario.....	51.93	.....	.....	.....
Quebec.....	.....	.....	.....	.....
Knitters—				
Ontario.....	31.96	21.26	20.58	20.19
Quebec.....	.....	.....	.....	.....
Dye-House Employees—				
Ontario.....	27.35	24.30	20.10	20.00
Quebec.....	.....	.....	.....	.....
Foremen and Foreladies—				
Ontario.....	58.35	.....	30.05	.....
Quebec.....	76.36	.....	57.69	.....

ROYAL COMMISSION ON PRICE SPREADS

TABLE 78.—SILK INDUSTRY

SUMMARY OF AVERAGE HOURLY WAGES PAID

	17th February, 1934		Two weeks ending 16th February, 1933	
	No. of employees	Hourly earnings cents	No. of employees	Hourly earnings cents
All wage earners.....	199	10·4	161	10·3
Male wage earners.....	110	10·4	97	10·0
Female wage earners.....	89	10·4	64	10·7
Experienced female workers.....	22	12·6	.....	.....
Inexperienced female workers.....	67	9·8	64	10·7

SUMMARY OF WEEKLY RATES OF PAY OF MALE AND FEMALE FACTORY EMPLOYEES IN THE TWO WEEKS ENDING 17TH FEBRUARY, 1934

Weekly Rate, based on normal week of 55 hours	Number of Employees		
	Male	Female	Total
From —			
\$2.00 to \$2.99.....	7	2	9
\$3.00 to \$3.99.....	26	4	30
\$4.00 to \$4.99.....	32	22	54
\$5.00 to \$5.99.....	2	.....	2
\$6.00 to \$6.99.....	3	27	30
\$7.00 to \$7.99.....	4	2	6
\$8.00 to \$8.99.....	4	6	10
\$9.00 to \$9.99.....	3	.....	3
\$11.00 to \$11.99.....	2	.....	2
\$12.00 to \$14.99.....	2	.....	2
\$15.00 to \$20.00.....	1	.....	1
\$25.00 to \$30.00.....	5	.....	5
Total—Time workers.....	91	63	154
Piece-workers.....	34	26	60
Total.....	125	89	214

NOTE.—This table includes all factory employees, of which 199 are paid at hourly or piecework rates.

TABLE 79.—ASSOCIATED TEXTILES OF CANADA, LTD.—SUMMARY OF WEEKLY RATES OF PAY OF FACTORY EMPLOYEES

(based on 55 hour week)

	Two weeks ending	
	25th February, 1934	12th February, 1933
Female Workers—		
Number paid at rate of less than \$6.00.....	2	2
Number paid \$6.00-\$6.99.....	50	36
“ 7.00- 7.99.....	78	88
“ 8.00- 8.99.....	27	17
“ 9.00 and over.....	108	98
- Total.....	265	241
Number paid less than applicable minimum wage.....	101	94
Male Workers—		
Number paid at rate of less than \$6.00.....	14	44
Number paid \$6.00-\$6.99.....	47	27
“ 7.00- 7.99.....	29	22
“ 8.00- 8.99.....	25	38
“ 9.00 and over.....	369	305
Total.....	484	436
Average weekly wage rate—		
All employees.....	\$12.26	\$11.66
Male employees.....	13.43	12.83
Female employees.....	9.73	9.24

TABLE 80.—HOSIERY AND KNIT GOODS INDUSTRY—SEX AND AGE DISTRIBUTION OF WAGE-EARNERS, FEBRUARY, 1934

	Adult Males 21 years and over	Youths and Boys under 21 years	Adult Females 18 years and over	Girls under 18 years	Employ- ment ratio to Total of the group
	%	%	%	%	%
Hosiery—					
Ontario.....	33.1	6.2	55.6	5.1	50.7
Quebec.....	37.2	8.1	51.5	3.2	45.0
Nova Scotia.....	38.1	7.1	54.8		4.3
All Provinces.....	35.2	7.0	53.7	4.1	100.0
Knit Goods—					
Ontario.....	33.8	3.5	59.6	3.1	68.9
Quebec.....	41.1	7.1	49.3	2.5	22.8
New Brunswick.....	29.8		70.2		2.0
Nova Scotia.....	32.6	2.2	63.0	2.2	4.1
Manitoba.....	27.2	5.4	64.7	2.7	0.7
Alberta.....	13.2	4.3	81.0	1.5	0.3
British Columbia.....	20.9	8.6	57.0	13.5	1.2
All Provinces.....	35.1	4.3	57.7	2.9	100.0

ROYAL COMMISSION ON PRICE SPREADS

TABLE 81.—HOSIERY AND KNIT GOODS INDUSTRY

Year	Wage-earners		Percentage of females to total	Index of wage-earners	Index of volume of production	Average wage	Average salary
	Male	Female					
	No.	No.	%	%	%	\$	\$
1929.....	5,740	12,084	67.8	100.0	100.0	743	2,147
1930.....	5,483	11,429	67.6	94.9	90.3	719	2,047
1931.....	5,230	11,136	68.0	91.8	94.0	690	1,999
1932.....	5,343	10,887	67.1	91.1	92.6	660	1,937
1933.....	5,096	10,632	67.6	88.2	96.5	642	1,759

Source—Dominion Bureau of Statistics.

TABLE 82.—CHANGES IN THE HOSIERY AND KNIT GOODS INDUSTRY AS COMPARED WITH ALL MANUFACTURING INDUSTRIES, 1929-32

	Hosiery and Knit Goods Industry	All Manufacturing Industries
	Per cent	Per cent
Value of production.....	- 27.3	- 47.2
Physical volume of production.....	- 7.4	- 33.4
Cost of materials.....	- 36.4	- 53.0
Number of employees.....	- 7.3	- 28.7
Salaries and wages.....	- 15.1	- 37.8
Average wage.....	- 11.2	- 18.5
Average salary.....	- 9.8	- 11.4

Source—Dominion Bureau of Statistics.

TABLE 83.—HOSIERY AND KNIT GOODS INDUSTRY—AVERAGE HOURLY WAGES OF ALL FACTORY WORKERS (EXCLUDING SUPERINTENDENTS) FEBRUARY, 1934

	All employees	Adult males 21 years and over	Youths and boys under 21 years	Adult females 18 years and over	Girls under 18 years
	Cents	Cents	Cents	Cents	Cents
Hosiery—					
Ontario.....	32.16	44.32	24.64	27.09	17.60
Quebec.....	27.95	37.43	18.81	23.18	17.37
Nova Scotia.....	24.82	34.11	12.36	19.99	.....
All provinces.....	29.95	40.56	21.11	25.09	17.52
Knit Goods—					
Ontario.....	31.03	39.64	21.73	27.31	19.01
Quebec.....	23.95	29.46	14.62	21.11	15.48
New Brunswick.....	21.86	29.15	.....	18.81	.....
Nova Scotia.....	26.73	35.23	18.82	23.00	15.15
Manitoba.....	29.58	41.33	25.26	25.61	15.58
Alberta.....	26.27	38.23	31.99	24.21	13.19
British Columbia.....	30.44	43.75	11.37	30.80	20.50
All Provinces.....	29.02	36.62	18.79	25.72	18.28

TABLE 84.—HOURS WORKED PER WEEK

All Employees	Adult males 21 years and over	Youths and boys under 21 years	Adult females 21 years and over	Girls under 18 years
Hosiery—				
February 1933-41.....	44	44	39	43
" 1934-47.....	51	48	44	46
Knit Goods—				
February 1933-38.....	43	39	35	36
" 1934-45.....	48	46	43	42

TABLE 85.—HOSIERY AND KNIT GOODS INDUSTRY
AVERAGE RATES OF PAY ACCORDING TO SIZE OF MILL

	Mills	Employ- ment ratio	Average hourly rates of pay	
			Feb. 1934	Feb. 1933
	No.	Per cent	cents	cents
Hosiery				
Less than 25 workers.....	4	.8	31.53	30.08
25 to 100 ".....	9	11.5	25.04	24.65
100 to 200 ".....	8	20.8	31.53	30.94
200 to 300 ".....	8	35.3	31.27	31.10
300 to 500 ".....	2	13.2	29.74	32.25
Over 500 ".....	1	18.4	28.74	30.05
All mills.....	32	100.0	29.95	30.23
Knit Goods:				
Less than 25 workers.....	24	5.6	27.40	27.46
25 to 100 ".....	26	11.0	27.66	28.47
100 to 200 ".....	10	13.6	28.53	30.16
200 to 300 ".....	8	18.5	26.38	27.21
300 to 500 ".....	5	18.5	29.76	30.41
Over 500 ".....	5	32.8	31.04	31.95
All mills.....	78	100.0	29.02	29.95

TABLE 86.—HOSIERY AND KNIT GOODS INDUSTRY—AVERAGE HOURLY RATES IN SELECTED OCCUPATIONS, FEB. 1934.

Occupation and Province	Adult males 21 years and over	Youths and boys under 21	Adult females 18 years and over	Girls under 18 years
	cents	cents	cents	cents
<i>Hosiery</i>				
Spinners (Frame)				
Ontario.....	25.96	13.13	17.64	14.37
Quebec.....	16.99	15.11	19.81	12.02
Nova Scotia.....			17.34	
Spoolers				
Ontario.....	25.27	17.95	23.35	13.45
Quebec.....	27.90	10.94	22.88	14.55
Nova Scotia.....			15.44	
Knitters				
Ontario.....	45.28	25.74	26.17	17.35
Quebec.....	38.49	18.77	23.76	16.77
Nova Scotia.....	32.03	12.70	28.09	
Dye-House Employees				
Ontario.....	40.47	20.92	30.85	16.37
Quebec.....	27.57	19.78	17.13	13.14
Nova Scotia.....	42.72			
Finishers				
Ontario.....	22.22	30.36	27.10	16.43
Quebec.....	21.91		20.41	15.20
Nova Scotia.....			24.68	
Boarders				
Ontario.....	36.46	37.78	27.58	20.82
Quebec.....	32.80	23.81	20.79	12.87
Nova Scotia.....	22.23			
Sewers and Seamers				
Ontario.....		22.00	29.08	24.36
Quebec.....	11.34	12.99	23.66	19.20
Nova Scotia.....			24.22	
Foreman and Foreladies				
Ontario.....	71.45		37.98	
Quebec.....	68.86		30.46	14.77
Nova Scotia.....	108.33		50.99	
<i>Knit Goods</i>				
Spinners (Male)				
Ontario.....	34.46	21.47		
Quebec.....	25.40	17.62	20.00	
New Brunswick.....	21.80			
Nova Scotia.....	35.99			
Machine Fixers (other than loom)				
Ontario.....	52.91	23.25		
Quebec.....	36.80	17.00		
New Brunswick.....	57.98			
Nova Scotia.....	38.99			
British Columbia.....	54.87			
Knitters				
Ontario.....	38.56	23.65	27.41	18.54
Quebec.....	29.19	16.49	21.20	15.80
New Brunswick.....	25.16		16.84	
Nova Scotia.....	30.44	14.03	26.31	14.00
Manitoba.....	32.71	25.26	25.60	15.20
Alberta.....	34.49	31.99	32.01	
British Columbia.....	42.57	14.01		21.02
Folders				
Ontario.....	27.81	21.32	24.99	18.69
Quebec.....	16.40		21.87	12.75
New Brunswick.....			19.42	
Nova Scotia.....	40.10	22.57	22.10	16.89
Manitoba.....			29.28	
Finishers				
Ontario.....	32.71	23.98	25.97	18.44
Quebec.....	23.14	12.24	19.81	14.32
Nova Scotia.....			16.05	
Manitoba.....			23.60	
Alberta.....			21.64	
British Columbia.....			30.07	
Boarders				
Ontario.....	35.94	21.35	28.55	22.27
Quebec.....	28.00		19.92	14.26
New Brunswick.....	34.28			
Alberta.....			28.11	

TABLE 86.—HOSIERY AND KNIT GOODS INDUSTRY—AVERAGE HOURLY RATES IN SELECTED OCCUPATIONS, FEB. 1934.—*Concluded.*

Occupation and Province	Adult males 21 years and over	Youths and boys under 21	Adult females 18 years and over	Girls under 18 years
<i>Knit Goods—Con.</i>	cents	cents	cents	cents
Sewers and Seamers				
Ontario.....	34.75		27.64	19.69
Quebec.....	31.00	13.74	20.41	14.50
New Brunswick.....			18.60	
Nova Scotia.....			22.84	14.73
Manitoba.....			24.49	
Alberta.....			22.02	13.19
British Columbia.....			30.65	21.02
Foreman and Foreladies				
Ontario.....	65.89	14.05	38.74	27.67
Quebec.....	50.19		32.91	
New Brunswick.....	58.54		20.95	
Nova Scotia.....	55.92		50.82	
Manitoba.....	68.84		35.51	
Alberta.....			41.67	
British Columbia.....	75.27		36.55	

TABLE 84—HOSIERY AND KNIT GOODS INDUSTRY—FREQUENCY DISTRIBUTION OF WAGES PAID BY FIRMS PAYING LESS THAN THE AVERAGE FOR THE PROVINCE, 1934

	KNIT GOODS MANUFACTURERS										HOSIERY MANUFACTURERS							
	Canadian Knitting, Joliette, Que.		McMurphy & Co., Huttonville, Ont.		Jos. Reumont, Glens Williams, Ont.		Dominion Glove Co., Beebe, Que.		Rouville Knitting Co., Marieville, Que.		Goodwear Hosiery Mills, St. Anne de la Perade, Que.		Nicolet Knitting Co., Nicolet, Que.		J. G. Field & Son, Tavistock, Ont.		Canadian Silk Products, Ltd., Sherbrooke, Que.	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
\$ 1.01 to \$ 2.00	1																	
2.01 to 3.00									1									
3.01 to 4.00									1									
4.01 to 5.00									1									
5.01 to 6.00	1								1									
6.01 to 7.00									1									
7.01 to 8.00	1								1									
8.01 to 9.00									1									
9.01 to 10.00									1									
10.01 to 11.00									1									
11.01 to 12.00									1									
12.01 to 13.00									1									
13.01 to 14.00									1									
14.01 to 15.00									1									
15.01 to 16.00									1									
16.01 to 17.00									1									
17.01 to 18.00									1									
18.01 to 19.00									1									
19.01 to 20.00									1									
20.01 to 30.00									1									
Over \$30.00									1									
	7	12	11	12	12	29	4	21	9	20	12	25	16	26	8	49	191	243
Normal working hours per week, all employees	55		55		55	50	50	55	55	55	49½	55	55	55	55	52		
Average rate per hour, all employees	11.90		19.25		20.14	18.34	18.34	18.34	18.80	18.80	12.45	18.45	18.45	18.45	23.56	25.20		
Average rate per hour for the Province	23.95		31.03		31.03	23.95	23.95	23.95	23.95	23.95	27.95	27.95	27.95	27.95	32.16	27.95		
Average Weekly earnings	\$6.55		\$10.60		\$11.08	\$9.17	\$9.17	\$10.34	\$10.34	\$10.34	\$6.16	\$9.04	\$9.04	\$9.04	\$12.96	\$13.15		

Source—Auditor's reports.

TABLE 88.—AVERAGE HOURLY RATES OF ALL FACTORY WORKERS (EXCLUDING SUPERINTENDENTS, FEBRUARY, 1934

	All employees	Adult males 21 years and over	Youths and boys under 21 years	Adult females 18 years and over	Girls under 18 years
	cents	cents	cents	cents	cents
Thread and cordage—					
Ontario.....	35.23	37.21	28.78	26.07	23.19
Quebec.....	32.79	42.32	28.77	28.20	15.28
Nova Scotia.....	31.77	32.20	20.00	31.47	
All provinces.....	34.01	39.08	27.27	27.46	21.95
Bags, waste, batting and wadding, tents, awnings, etc.—					
Ontario.....	32.81	35.93	21.19	26.92	22.63
Quebec.....	33.11	40.68	19.17	24.76	14.00
Manitoba.....	41.81	53.89		33.11	
Alberta.....	50.65	60.51		36.02	
British Columbia.....	40.51	54.88		31.50	
All provinces.....	34.89	39.55	20.42	28.19	19.72
Specialty fabrics—					
Ontario.....	36.09	39.39	23.36	29.09	22.78
Quebec.....	23.65	26.49	18.61	17.63	14.96
All provinces.....	30.60	33.86	20.79	23.92	18.78

TABLE 89.—AVERAGE RATES OF PAY ACCORDING TO SIZE OF MILL

	Mills	Employment ratio	Average hourly rates of pay	
			Feb., 1934	Feb., 1933
	No.	Per cent		
Thread and cordage—				
Less than 25 workers.....				
25 to 100 workers.....	4	24.2	34.17	36.69
100 to 200 ".....				
200 to 300 ".....	2	45.9	35.04	34.11
300 to 500 ".....	1	29.9	32.31	32.03
Over 500 workers.....				
Totals.....	7	100.0	34.01	34.13
Bags, waste, batting and wadding, tents, awnings, etc.—				
Less than 25 workers.....	12	37.13	31.83	33.06
25 to 100 workers.....	12	72.87	36.03	35.80
Totals.....	24	100.00	34.89	35.16
Specialty fabrics—				
Less than 25 workers.....	1	0.7	32.89	37.96
25 to 100 workers.....	3	27.6	27.25	28.33
100 to 200 ".....	2	41.9	27.02	27.15
200 to 300 ".....	1	29.8	38.68	37.02
Totals.....	7	100.0	30.60	30.73

TABLE 90.—SEX AND AGE DISTRIBUTION OF WAGE-EARNERS, FEBRUARY, 1934

	Adult males 21 years and over	Youths and boys under 21 years	Adult females 18 years and over	Girls under 18 years	Employ- ment ratio to total group
	per cent	per cent	per cent	per cent	per cent
Thread and cordage—					
Ontario.....	68.2	2.6	28.3	0.9	53.5
Quebec.....	32.8	0.5	66.5	0.2	37.7
Nova Scotia.....	89.0	3.8	7.2		8.8
All provinces.....	56.7	1.9	40.8	0.6	100.0
Bags, waste, batting and wadding, tents, awnings, etc.—					
Ontario.....	68.7	2.8	27.8	0.7	50.9
Quebec.....	54.0	3.1	42.2	0.7	27.8
Manitoba.....	41.9		58.1		17.0
Alberta.....	59.7		40.3		0.8
British Columbia.....	38.5		61.5		3.5
All provinces.....	58.9	2.3	38.2	0.6	100.0
Specialty fabrics—					
Ontario.....	71.5	4.6	22.4	1.5	55.8
Quebec.....	67.8	6.9	23.4	1.9	44.2
All provinces.....	69.8	5.7	22.8	1.7	100.0

THE STATUS OF THE WAGE-EARNER IN RETAIL TRADE

There was an average of 166,001 full time male employees in retail stores in Canada during the year 1930 and 72,682 females, according to the Census of Merchandising. Part-time employees averaged 23,526 for males and 13,250 for females throughout the year. In spite of this large number of hired employees, there were also 125,169 proprietors or firm members actively engaged in retailing in the same year.

The average number of full-time employees working in independent (including voluntary chains), chain and department stores is shown in Table 91. Of the 166,001 full-time male employees, almost 119,000, or more than 70 per cent, were employed in independent stores. Slightly less than 50 per cent of the female employees, however, were engaged in the same type of store. In other words, more than half of the female workers are employed in either chain or department stores (including mail order houses). Chain stores employed, on the average, 29,075 full-time male employees and 12,418 females, whilst the department stores (including mail order houses) had 17,964 males and 24,199 females.

TABLE 91.—RETAIL MERCHANDISE TRADE—AVERAGE NUMBER OF FULL-TIME EMPLOYEES, BY GEOGRAPHIC DIVISIONS AND BY TYPE OF STORE, 1930

Geographic Division	Independents, exclusive of Department Stores			Chain Stores, exclusive of Department Store Chains			Department Stores					
	Number of stores	Male	Female	Total	Number of stores	Male	Female	Total	Number of stores	Male	Female	Total
CANADA	116,379	118,963	36,065	155,027	8,476	29,075	12,418	41,493	148	17,964	24,199	42,163
Maritime Provinces	11,331	8,393	3,565	11,958	398	1,941	740	2,084	20	926	1,239	2,165
Quebec	32,570	34,673	9,326	43,999	1,698	7,210	3,383	10,593	18	3,202	5,106	8,308
Ontario	39,715	44,589	14,538	59,127	3,369	12,251	5,824	18,075	61	7,287	9,695	16,982
Prairie Provinces	23,928	20,942	5,604	26,546	2,340	5,654	1,556	7,210	24	4,640	5,584	10,224
British Columbia	8,786	10,327	3,025	13,352	990	2,439	913	3,352	25	1,909	2,575	4,484

Including Yukon and Northwest Territories.
Source: Dominion Bureau of Statistics.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 92—RETAIL MERCHANDISE TRADE—NUMBER OF FULL-TIME EMPLOYEES BY SIZE OF BUSINESS
CANADA, 1930

(All kinds of business combined)

	Number of stores	Net Sales (1) (1930) \$	Full-time employees		Average Number of employees per store	Per cent of total employees	Per cent of total stores	Per cent of total sales
			Male	Female				
CANADA, TOTAL.....	123,839	2,681,204,000	161,975	71,083	1.88	100.00	100.00	100.00
Less than \$5,000.....	47,532	95,355,000	5,739	2,416	.17	3.52	38.38	3.56
\$5,000-\$9,999.....	22,548	159,481,000	10,694	4,112	.66	6.35	18.21	5.95
\$10,000-\$19,999.....	23,438	328,605,000	22,565	7,119	1.27	12.74	18.93	12.26
\$20,000-\$29,999.....	11,583	278,575,000	18,405	5,076	2.03	10.08	19.35	10.39
\$30,000-\$49,999.....	9,431	356,729,000	22,690	6,623	3.11	12.58	7.62	13.30
\$50,000-\$99,999.....	5,979	407,305,000	24,864	8,254	5.54	14.21	4.83	15.19
\$100,000-\$199,999.....	2,145	288,712,000	16,555	6,696	10.84	9.08	1.73	10.77
\$200,000-\$299,999.....	545	130,651,000	6,973	2,955	18.22	4.26	.44	4.87
\$300,000-\$499,999.....	388	144,308,000	7,439	2,857	26.54	4.42	.31	5.38
\$500,000-\$999,999.....	164	109,514,000	5,614	2,055	46.76	3.29	.13	4.08
\$1,000,000 or over.....	86	382,018,000	20,378	22,920	503.47	18.58	.07	14.25

(1) In some instances only the net sales for a group of stores were reported instead of the volume of business for each unit. The figures for such establishments have not been included in this table.

Source: Dominion Bureau of Statistics.

As more than half of the retail stores in Canada had sales of less than \$10,000 per annum, it would be expected that the greater part of the employees would be found in the larger stores. The relative proportions of full-time employees by size of business are shown in Table 92. As some chain store companies were unable to furnish details for each of their units, the number of employees shown in this table is slightly less than the total number. There was an average of slightly less than two employees per store, but more than 75 per cent of the stores employed less than the average number. It is not until a store is doing more than \$10,000 per annum that the services of a full-time employee are required in addition to those provided by the owner himself, and not until sales exceed \$20,000 are two full-time employees required. The consequence is that less than 10 per cent of the retail workers are employed by stores with annual sales of less than \$10,000, approximately 50 per cent are employed by stores with annual sales from \$10,000 to \$100,000 and, roughly, 40 per cent by stores with sales of more than \$100,000, although the latter formed less than 3 per cent of the total number of establishments. There were 86 stores with sales of \$1,000,000 or more in 1930 and these employed 18.58 per cent of the total number of workers, an average of more than 500 workers per store.

TABLE 93.—RETAIL TRADE—AVERAGE ANNUAL EARNINGS AND AVERAGE WEEKS EMPLOYMENT OF WAGE-EARNERS FOR THE CENSUS YEAR 1931

	MALES		FEMALES	
	Earnings	Weeks employed	Earnings	Weeks employed
	\$		\$	
Retail trade.....	1,043	45.82	605	46.19
Selected trades—				
Clothing and furnishings, men's.....	1,091	44.80	621	45.31
Clothing (including millinery), women's.....	1,110	45.99	627	44.21
Drugs and toilet preparations.....	976	46.78	592	47.65
Furniture and house furnishings.....	1,312	45.95	737	48.08
General and departmental.....	1,222	47.22	659	46.06
Groceries, meats, poultry and fish.....	781	45.19	514	47.20

SOURCE: Dominion Bureau of Statistics.

As wage figures for the Census of Merchandising relate to both male and female employees, a clearer picture of average earnings in retail trade can be secured from the Census of Occupations, where separate data are available for male and female wage-earners. The term "wage-earner," as used in the Census, means any person who works for salary or wages, whether an executive, manager or clerk. The Census of Occupations figures for retail trade relate, therefore, to all classes of employees engaged in this industry. In Table 93 are shown the average annual earnings and weeks of employment for all male and female employees reported as engaged in retail trade in Canada during the twelve months preceding June 1st, 1931. This table also gives the same details for certain leading retail trades. From this table, it will be seen that the average annual earnings for all classes of male employees were \$1,043 and for female employees \$605. Male wage-earners averaged 45.82 weeks of employment in the year, while the average for females was 46.19 weeks.

Of the kinds of business shown, furniture and house furnishings were highest in average earnings, with \$1,312 for males and \$737 for females. Groceries and meats were lowest, with \$781 for males and \$514 for females.

Average weekly earnings from the Census of Occupations are shown in Table 94. Weekly earnings are the average for the period of employment and

thus must be considered in the light of extent of unemployment which has to be borne. For Canada as a whole, the average weekly earnings for all classes of male wage-earners in retail trade was \$22.75 and for females \$13.09. As the Census of Occupations has a separate classification for managers and floor-walkers (practically all of whom are engaged in retail trade), a set of averages has been computed for employees in retail trade other than managers and floor-walkers. The average on this basis is \$20.38 for males and \$12.96 for females. Unfortunately, it was possible to make this calculation only for retail trade as a whole—therefore the average weekly earnings for selected kinds of business relate to all classes. Again, it will be found that the average earnings are lowest for groceries and meats in the case of both male and female employees, with drugs and toilet preparations slightly higher.

Manitoba has the highest average earnings for males in retail trade and Prince Edward Island the lowest. For females, Alberta has the highest average earnings. Figures were available for Montreal and Toronto and averages for these cities have been included in Table 94. In general, it may be said that average weekly earnings are lowest in the Maritime Provinces and Quebec and highest in Ontario and the Western Provinces.

TABLE 94. RETAIL TRADE—AVERAGE WEEKLY EARNINGS OF WAGE-EARNERS, BY SEX, FOR THE CENSUS YEAR 1931.

District	Retail Trade (all trades)	Retail Trade (excluding Managers and Walkers)	Selected Trades (all occupations)					General and Departmental	Groceries, Meat, Poultry and Fish
			Clothing and Furnishings, Men's	Clothing (including millinery) Women's	Drugs and Toilet Preparations	Furniture and House Furnishings			
<i>Males—</i>									
Canada.....	\$ 22.75	\$ 20.38	\$ 24.37	\$ 24.13	\$ 20.86	\$ 25.20	\$ 25.89	\$ 17.23	
Prince Edward Island.....	17.68	15.96	18.49	—	18.66	21.34	17.68	12.67	
Nova Scotia.....	19.21	17.38	19.49	22.05	19.04	21.49	18.63	15.31	
New Brunswick.....	21.11	18.70	21.74	21.36	19.99	23.63	23.14	15.89	
Quebec.....	20.53	18.62	23.75	22.19	18.72	24.30	22.26	15.74	
Ontario.....	23.95	21.46	25.30	26.37	22.36	26.49	28.48	18.62	
Manitoba.....	25.31	21.82	23.27	26.52	18.43	24.50	29.44	17.12	
Saskatchewan.....	23.34	20.38	24.17	34.08	20.86	25.25	22.09	18.02	
Alberta.....	24.64	21.99	26.01	24.48	24.64	25.32	25.29	18.76	
British Columbia.....	22.96	19.97	24.32	21.71	20.69	24.00	25.05	18.77	
Montreal.....	20.94	20.27	23.61	22.35	18.42	24.73	24.56	16.05	
Toronto.....	26.42	23.31	27.77	28.05	23.72	27.56	31.03	20.36	
<i>Females—</i>									
Canada.....	13.09	12.96	13.71	14.19	12.42	14.68	13.14	10.88	
Prince Edward Island.....	9.56	9.54	8.99	13.38	11.43	11.54	9.14	9.05	
Nova Scotia.....	10.22	10.06	10.36	11.25	11.51	12.00	9.41	8.87	
New Brunswick.....	11.33	11.28	11.20	11.20	9.71	12.53	11.65	9.55	
Quebec.....	11.76	11.61	12.04	13.17	11.22	13.66	11.18	10.07	
Ontario.....	13.85	13.71	14.91	14.70	13.69	15.63	14.13	11.48	
Manitoba.....	13.76	13.04	13.30	14.40	12.62	14.90	13.73	10.64	
Saskatchewan.....	13.74	13.58	15.59	15.03	12.19	13.33	13.47	12.01	
Alberta.....	14.01	13.90	16.01	15.65	13.66	14.28	13.56	11.81	
British Columbia.....	13.75	13.64	15.31	16.16	13.33	15.95	13.42	12.21	
Montreal.....	12.81	12.65	12.84	13.94	12.26	15.31	12.05	11.19	
Toronto.....	15.55	15.39	17.32	15.52	15.94	17.15	15.43	14.23	

SOURCE: Dominion Bureau of Statistics.

It must be borne in mind that not only do the average earnings figures relate to all classes of employees (with the one exception noted above), but that they cover the year ending June 1st, 1931. Since that time wage rates have, undoubtedly, declined, although not in any uniform manner. It is, therefore, impossible to say what would be the average weekly earnings in retail trade during 1933 or 1934. Female employees, in a number of provinces, come under the jurisdiction of Minimum Wage Boards, and the minimum wages for such employees are, therefore, administratively set. Table 95 has been constructed from figures contained in the annual reports of the Ontario Minimum Wage Board and shows the distribution of female employees according to weekly earnings for those firms furnishing such information. The proportion of female

employees in retail trade in Ontario covered by such reports is probably about one-third. In 1930, slightly more than 35 per cent of the employees reported were earning less than \$13 per week; by 1933 the proportion was in excess of 61 per cent. Less than half of the female employees reported in 1930 had earnings of less than \$14 per week, whereas in 1933 more than 75 per cent were in this class. On the other hand, the proportion earning less than \$11 per week had only increased from 11.55 per cent in 1930 to 16.46 per cent in 1933, showing that the wage reductions were more severe for the higher paid employees.

TABLE 95.—RETAIL STORES—FREQUENCY DISTRIBUTION OF FEMALE EMPLOYEES, BY RATES OF WAGES, ONTARIO, 1930 AND 1933

Weekly Rate of Wages	1930		1933	
	Per cent of total	Cumulative Percentages	Per cent of total	Cumulative Percentages
	100.00		100.00	
Under \$7.00.....	.03	.03	.18	.18
\$ 7.00-\$ 7.99.....	.28	.31	.74	.92
\$ 8.00-\$ 8.99.....	1.63	1.94	1.65	2.57
\$ 9.00-\$ 9.99.....	3.04	4.98	4.97	7.54
\$10.00-\$10.99.....	6.57	11.55	8.92	16.46
\$11.00-\$11.99.....	5.90	17.45	10.39	26.85
\$12.00-\$12.99.....	17.88	35.33	34.54	61.39
\$13.00-\$13.99.....	10.37	45.70	13.87	75.26
\$14.00-\$14.99.....	9.57	55.27	6.78	82.04
\$15.00-\$15.99.....	11.66	66.93	5.66	87.70
\$16.00-\$17.99.....	12.74	79.67	6.41	94.11
\$18.00-\$19.99.....	8.68	88.35	3.03	97.20
\$20.00-\$21.99.....	4.76	93.11	1.10	98.30
\$22.00 and over.....	6.89		1.70	
Total number of employees.....	11,199		10,792	

SOURCE: Reports of the Ontario Minimum Wage Board.

TABLE 96.—MERCANTILE TRADES—RELATIVE PROPORTIONS OF FEMALE EMPLOYEES RECEIVING MINIMUM WAGE, LESS THAN MINIMUM AND MORE THAN MINIMUM IN ONTARIO AND BRITISH COLUMBIA, ACCORDING TO THE REPORTS OF THE MINIMUM WAGE BOARDS, 1933

Province	Per cent Receiving less than Minimum Wage for Experienced Work	Per cent Receiving Minimum Wage for Experienced Work (approximate)	Per cent Receiving more than Minimum Wage for Experienced Work
Ontario (Cities 30,000 and over, including Toronto).....	10.64	42.57	46.79
British Columbia.....	27.00	40.81	32.19

NOTE.—A much higher proportion of female employees in retail trade is covered by the reports for British Columbia than by those for Ontario. This factor may influence the relative distribution.

DEPARTMENT STORES AND MAIL ORDER HOUSES

The department stores and mail order houses are among the largest employers of labour in the retail field. Slightly more than 10 per cent of the full-time male employees and almost one-third of the female employees covered by the Census of Merchandising were reported by department stores or mail order houses. These establishments provide opportunities for both experienced

and inexperienced workers and for youths as well as mature persons. While no figures are available on labour turnover in retail trade, it is reasonable to assume that the rate is fairly high, particularly in the case of young female employees.

While the shopping public comes into contact chiefly with the sales clerks, the complex organization of the modern department store necessitates the employment of many persons in non-selling activities. In the larger stores there are generally as many non-selling female employees as sales clerks and from two to three times as many non-selling male employees as sales clerks.

Toronto.—The distribution of store employees in the two Toronto department stores is given in Tables 97 (1) and 98. The figures relate to April, 1933, in the case of the T. Eaton Company, Limited, and January, 1934, for the Robert Simpson Company, Limited. Table 97 shows that none of the sales clerks in the T. Eaton Company were receiving less than \$10 per week, but

TABLE 97.—THE T. EATON COMPANY LIMITED, TORONTO STORE

FREQUENCY DISTRIBUTION OF STORE EMPLOYEES (FULL-TIME) ACCORDING TO WEEKLY RATES OF WAGES*
APRIL 1933

(Excluding management, restaurant and mail order employees)

Weekly Rate of Wages	Female Employees		Male Employees	
	Sales Clerks	Total Store Employees	Sales Clerks	Total Store Employees
	Per cent	Per cent	Per cent	Per cent
Under \$10.00.....		1.7		2.4
\$10.00—\$12.49.....	1.7	4.4	1.9	5.4
\$12.50—\$12.99.....	67.0	50.0	3.0	5.8
13.00—15.99.....	15.6	27.3	22.3	12.3
16.00—18.99.....	11.8	10.3	16.6	18.2
19.00—21.99.....	1.4	2.3	29.7	30.3
22.00—25.99.....	1.5	2.4	17.1	13.7
26.00—30.99.....	.4	1.1	5.3	7.4
31.00—40.99.....	.6	.5	3.8	4.0
41.00—50.00.....			.3	.5
Total.....	100.0	100.0	100.0	100.0
Total number of employees.....	1,200	2,989	637	2,949

*Excluding Commissions.

(1) Unless otherwise stated, the tables in this memorandum have been based on the reports of the auditors to the Commission.

TABLE 98.—THE ROBERT SIMPSON COMPANY LIMITED, TORONTO STORE
 FREQUENCY DISTRIBUTION OF STORE EMPLOYEES (FULL TIME) ACCORDING TO WEEKLY RATES IN WAGES
 JANUARY 1934

(Excluding management, restaurant and mail order employees)

Weekly Rate of Wages	Female Employees		Male Employees	
	Sales Clerks	Total Store Employees	Sales Clerks	Total Store Employees
	Per cent	Per cent	Per cent	Per cent
Under \$10.00.....	.5	3.8	1.5	4.8
\$10.00—\$12.49.....	1.1	3.3	6.4	5.3
\$12.50.....	51.1	50.0	1.8	1.3
13.00—15.49.....	29.7	27.0	10.6	8.3
15.50—18.49.....	11.2	9.7	19.0	23.0
18.50—21.49.....	2.2	2.1	20.6	27.8
21.50—25.49.....	1.9	1.9	12.9	9.9
25.50—30.49.....	1.1	1.2	17.2	10.3
30.50—35.49.....	.7	.5	4.6	3.3
35.50—40.49.....	.3	.3	3.5	3.1
40.50—45.49.....	.2	.1	1.2	1.1
45.50—50.49.....			.5	.6
50.50—60.49.....		.1	.2	.6
60.50—75.00.....				.5
Over \$75.00.....				.1
Total.....	100.0	100.0	100.0	100.0
Total number of employees.....	886	1,569	605	1,405

that 1.7 per cent of all female store employees and 2.4 per cent of all male employees received less than \$10 per week. In the case of the Robert Simpson Company, 3.8 per cent of the females and 4.8 per cent of the males received less than \$10 per week. As the minimum wage for female employees in Toronto department stores is \$12.50 per week, the bulk of the female employees is grouped around this figure. Sixty-seven per cent of the Eaton female sales clerks and 51 per cent of the Simpson female sales clerks received the minimum wage. If commissions were included the proportions might be closer. For all female store employees, the proportions are, roughly, the same, although the slight differences in the class intervals prevent a direct comparison. Cumulating the percentages, we find that 56.1 per cent of Eaton female store employees and 57.1 per cent of Simpson female store employees received less than \$13 per week. Again, 83.4 per cent of Eaton female store employees received less than \$16 per week, while 84.1 per cent of Simpson female store employees received less than \$15.50 per week.

In the case of male sales clerks, we find that in Eaton's 27.2 per cent received less than \$16 per week and in Simpson's 20.3 per cent received less than \$15.50 per week. These figures indicate a much higher average wage for male than female employees. More than half of the male store employees in both Eaton's and Simpson's received more than \$19 per week.

Montreal.—Wage rates in department stores in Montreal were considerably lower than in Toronto. Information for four companies is given in Tables 99 and 100. The proportion of female clerks receiving less than \$10 per week ranges from 54.0 per cent for Dupuis Frères to 4.9 per cent for the T. Eaton Company. The percentages of all female store employees receiving less than \$13 per week (including those receiving less than \$10) were 90.7 per cent for Dupuis Frères, 69.4 per cent for Eaton's, 59.6 per cent for Simpson's and 56.3 per cent for Ogilvy's.

TABLE 99.—DEPARTMENT STORES—MONTREAL

Frequency Distribution of Female Store Employees (Full-time) According to Weekly Rates of Wages

Weekly Rate of Wages	T. Eaton Co. Ltd., Oct. 1933		R. Simpson Co. Ltd., Jan. 1934		Dupuis Frères Ltée, Jan. 1934		Jas. A. Ogilvy, Ltd., Jan. 1934	
	Sales Clerks	Total Store Em- ployees	Sales Clerks	Total Store Em- ployees	Sales Clerks	Total Store Em- ployees	Sales Clerks	Total Store Em- ployees
	%	%	%	%	%	%	%	%
Under \$10.00.....	4.9	18.0	14.0	23.5	54.0	56.6	16.4	27.0
\$10.00—\$12.99.....	69.5	51.4	41.3	36.1	38.5	34.1	32.8	29.3
\$13.00—\$14.99.....	15.7	16.3	19.4	17.0	2.8	3.6	19.8	14.8
\$15.00—\$17.99.....	4.9	7.0	14.0	12.2	3.8	4.2	16.4	17.1
\$18.00—\$20.99*	1.8	2.7	4.7	4.2	.9	1.2	12.9	9.5
\$21.00—\$29.99*	2.6	4.0	5.8	5.4	.....	.3	1.7	1.8
\$30.00—\$34.99*	.4	.4	.4	1.4	.....	.....	.....	.5
\$35.00—\$39.99*	.2	.2	.4	.2	.....	.....	.....	.....
\$40.00 and over*	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total number of employees	534	1,102	278	425	213	331	116	222

*The following classes were used for the T. Eaton Co. Ltd.:

\$18.00—\$19.99

\$20.00—\$30.49

\$30.50—\$35.49

\$35.50—\$40.99

\$41.00 and over.

TABLE 100.—DEPARTMENT STORES—MONTREAL

Frequency Distribution of Male Store Employees (Full-time) According to Weekly Rates of Wages

Weekly Rate of Wages	T. Eaton Co. Ltd., Oct. 1933		R. Simpson Co. Ltd., Jan. 1934		Dupuis Frères Ltée, Jan. 1934		Jas. A. Ogilvy, Ltd., Jan. 1934	
	Sales Clerks	Total Store Em- ployees	Sales Clerks	Total Store Em- ployees	Sales Clerks	Total Store Em- ployees	Sales Clerks	Total Store Em- ployees
	%	%	%	%	%	%	%	%
Under \$10.00.....	.8	7.7	4.3	14.4	7.3	12.2	6.8	4.2
\$10.00—\$12.99.....	11.1	12.6	11.7	8.6	9.1	12.1	13.6	15.9
\$13.00—\$14.99.....	11.0	13.4	2.2	4.1	12.7	10.0	6.7	9.8
\$15.00—\$17.99.....	29.0	27.8	29.0	16.7	20.0	18.0	20.3	22.6
\$18.00—\$20.99*	24.0	18.3	19.4	28.5	30.0	28.5	20.3	17.7
\$21.00—\$29.99*	20.9	17.6	17.2	16.3	15.5	14.2	27.2	23.8
\$30.00—\$34.99*	2.8	1.5	4.3	3.6	3.6	2.5	3.4	3.0
\$35.00—\$39.99*	.4	.9	9.7	6.3	.9	2.1	1.7	3.0
\$40.00 and over*	.....	.2	2.2	1.5	.9	.4	.....	.....
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total number of employees	254	914	93	221	110	239	59	164

*The following classes were used for the T. Eaton Co. Ltd.:

\$18.00—\$19.99

\$20.00—\$30.49

\$30.50—\$35.49

\$35.50—\$40.99

\$41.00 and over.

In the case of male store employees, we find from Table 100 that the percentages receiving less than \$10 per week ranged from 14.4 per cent for Simpson's to 4.2 per cent for Ogilvy's. The percentages of total male store employees receiving less than \$15 per week were 34.3 per cent in Dupuis Frères, 33.7 per cent in Eaton's, 29.9 per cent in Ogilvy's and 27.1 per cent in Simpson's. The proportions receiving \$18 or more a week were 38.5 per cent for Eaton's, 47.5 per cent for Ogilvy's, 47.7 per cent for Dupuis Frères and 56.2 per cent for Simpson's.

Winnipeg.—In Winnipeg, as in Toronto, no female sales clerks in Eaton's were receiving less than \$10 per week. Table 101 shows that 2.8 per cent of all female store employees in Eaton's and 7.2 per cent in Hudson's Bay Company received less than \$10 per week. The percentages of all female store employees receiving less than \$13 per week (including those receiving less than \$10) were 42.0 per cent in Eaton's and 49.7 per cent for Hudson's Bay Company.

Four per cent of all male store employees in the Hudson's Bay Company received less than \$10 per week, but only 0.2 per cent of Eaton employees were in this class. In Eaton's, 56.6 per cent of all male employees received \$22 or more per week, and 41.4 per cent of the employees in Hudson's Bay (if the unclassified workers are included in this group).

TABLE 101.—DEPARTMENT STORES—WINNIPEG

Frequency Distribution of Store Employees (Full-time) According to Weekly Rates of Wages

Weekly Rate of Wages	Female Employees				Male Employees			
	T. Eaton Co. Ltd., April 1933		Hudson's Bay Co., March 1933		T. Eaton Co. Ltd., April 1933		Hudson's Bay Co., March 1933	
	Sales Clerks	Total Store Employees	Sales Clerks	Total Store Employees	Sales Clerks	Total Store Employees	Sales Clerks	Total Store Employees
	%	%	%	%	%	%	%	%
Under \$10.00		2.8	5.6	7.2	2	9	4.0	
\$10.00—\$12.99	37.1	39.2	44.2	42.5	7	3.0	3.7	8.4
\$13.00—\$15.99	48.5	44.2	36.2	31.7	4.6	5.5	9.4	11.2
\$16.00—\$18.99	9.7	8.6	8.8	12.6	13.0	9.6	17.8	15.7
\$19.00—\$21.99	1.4	1.7	4.0	3.4	14.4	25.1	11.2	19.3
\$22.00—\$25.99	1.8	1.7		1.2	34.8	30.7	41.1	22.1
\$26.00—\$30.99	1.1	1.1		.4	20.8	12.9		7.4
\$31.00—\$35.99	.2	.2		.4	7.0	7.8		4.5
\$36.00—\$40.99		.3			2.5	2.5		2.2
Over \$41.00	.2	.2			2.2	2.6		1.0
Unclassified			1.2	.6			15.9	4.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total number of employees	555	1,616	251	501	284	1,307	107	403

Comparison by Cities.—A comparison of the distribution of store employees in certain cities is possible from Table 102, in which the figures for individual stores are combined for Montreal, Toronto and Winnipeg. In the 1929-30 period, 23.8 per cent of female store employees in Montreal received less than \$10 per week, compared with 5.4 per cent in Toronto and 3.5 per cent in Winnipeg. By 1933-34, the proportion in Montreal had risen to 26.1, and in Winnipeg to 3.9 per cent, but in Toronto it had dropped to 2.4 per cent. In the earlier period, practically half of the female employees in Montreal stores received less than \$13 per week, compared with 18.6 per cent in Toronto and 30.0 per cent in Winnipeg.

The cumulative figure for those receiving less than \$15 per week in 1929-30 was 64.0 per cent for Montreal stores and practically the same for Winnipeg, 66.0 per cent, while in Toronto it was only 51.4 per cent.

In the same wage group, less than \$15, the percentages for the three cities are much closer in 1933-34, being 85.1 per cent for Montreal, 83.6 per cent for Toronto and 85.2 per cent for Winnipeg.

Male employees receiving less than \$10 per week in 1929-30 constituted 7.4 per cent of male store employees in Montreal, 3.2 per cent in Toronto, and 0.2 per cent in Winnipeg. By 1933-34, the proportions were 9.5 per cent for Montreal, 1.1 per cent for Winnipeg and the same proportion as before in Toronto. Those receiving less than \$18 per week formed 30.2 per cent of the total in Montreal in 1929-30, but only 23.8 per cent in Toronto and 20.3 per cent in Winnipeg. By 1933-34, more than half the male employees in Montreal—namely, 57.1 per cent—were receiving less than \$18 per week and 43.6 per cent in Toronto were also drawing less than \$18. In Winnipeg, however, the percentage increased only from 20.3 to 23.3 per cent.

TABLE 102.—DEPARTMENT STORES—CUMULATIVE PERCENTAGE DISTRIBUTION OF STORE EMPLOYEES ACCORDING TO WEEKLY RATES OF WAGES, BY CITIES, 1929-30 AND 1933-34

(Exclusive of management, restaurant and mail order employees)

FEMALE EMPLOYEES

	Montreal		Toronto		Winnipeg	
	1929-30	1933-34	1929-30	1933-34	1929-30	1933-34
Percentage of total store employees at—						
Less than \$10 per week.....	23.8	26.1	5.4	2.4	3.5	3.9
“ “ 13 “ “.....	50.3	70.9	18.6	56.4	30.0	43.9
“ “ 15 “ “.....	64.0	85.1	51.4	83.6	66.0	85.2
“ “ 18 “ “.....	86.1	92.9	76.6	93.7	85.8	94.8
“ “ 21 “ “.....	87.6	95.7	86.9	95.9	92.6	96.9
“ “ 30 “ “.....	97.5	99.3	97.4	99.3	98.1	99.4
“ “ 35 “ “.....	98.9	99.8	98.9	99.8	99.0	99.5
“ “ 40 “ “.....	99.7	100.0	99.5	99.9	99.4	99.8
\$40 and over.....	0.3	.....	0.5	0.1	0.6*	0.2*

MALE EMPLOYEES

Percentage of total store employees at—						
Less than \$10 per week.....	7.4	9.5	3.2	3.2	0.2	1.1
“ “ 13 “ “.....	15.5	21.4	9.0	12.9	6.3	5.4
“ “ 15 “ “.....	18.7	32.8	14.5	23.9	11.8	12.2
“ “ 18 “ “.....	30.2	57.1	23.8	43.6	20.3	23.3
“ “ 21 “ “.....	47.2	78.8	37.3	73.1	27.0	47.0
“ “ 30 “ “.....	86.2	95.6	82.3	93.9	75.0	87.3
“ “ 35 “ “.....	93.5	97.6	91.1	97.0	84.0	94.3
“ “ 40 “ “.....	97.8	99.6	94.7	98.7	90.7	96.8
\$40 and over.....	2.2	0.4	5.3	1.3	9.3*	3.2*

NOTE:—As the class intervals for all stores were not the same, the above distributions represent approximations in certain instances. Figures for the following companies are combined in this table:

Montreal..... T. Eaton Co., Ltd. R. Simpson Co., Ltd. Dupuis Frères, Ltée.
 Toronto..... T. Eaton Co., Ltd. R. Simpson Co., Ltd.
 Winnipeg.... T. Eaton Co., Ltd. Hudson's Bay Company.

*Includes some unclassified employees.

Reduction in Earnings.—During the period of the depression, employees in department stores, in common with workers generally, suffered reductions in earnings. The extent of the reduction in average rates of wages for sales clerks

is suggested by the figures given in Table 103. It should be borne in mind that reductions in wage rates do not necessarily show the extent of the decline in actual earnings, as other factors—such as short time, enforced holidays, reductions in commissions and other factors—enter into the determination of the actual amounts which may be contained in a pay envelope.

It may be interesting to compare the average weekly earnings for 1929-30 given in Table 104, with those obtained from the census results, which were given in Table 94.

TABLE 103—COMPARISON OF AVERAGE WEEKLY EARNINGS REPORTED FOR CENSUS OF OCCUPATIONS AND AVERAGE WEEKLY WAGES OF EMPLOYEES IN DEPARTMENT STORES.

	Winnipeg	Toronto	Montreal
	\$	\$	\$
<i>Females:</i>			
Census figures—			
Retail Trade (ex-managers).....	13.64*	15.39	12.65
General and departmental.....	13.73*	15.43	12.05
Auditors' figures—			
<i>Sales Clerks:</i>			
T. Eaton Company Limited.....	16.60	17.76	15.77
R. Simpson Company Limited.....	.....	17.49	17.67
Dupuis Frères L'tée.....	.....	.....	10.18
Hudson's Bay Company.....	14.97	.....	.....
<i>Males:</i>			
Census figures—			
Retail Trade (ex-managers).....	21.82*	23.31	19.27
General and departmental (inc. managers).....	29.44*	31.03	24.56
Auditors' figures—			
<i>Sales Clerks:</i>			
T. Eaton Company Limited.....	26.94	26.63	24.68
R. Simpson Company Limited.....	.....	29.02	27.40
Dupuis Frères L'tée.....	.....	.....	18.65
Hudson's Bay Company.....	27.09	.....	.....

* Census figures for Manitoba.

TABLE 104—DEPARTMENT STORES—AVERAGE WEEKLY EARNINGS OF SALES CLERKS, IN CERTAIN STORES, 1929-30 AND 1933-34

Company	Winnipeg			Toronto			Montreal		
	1929-30	1933-34	Decrease	1929-30	1933-34	Decrease	1929-30	1933-34	Decrease
	\$	\$	Per cent	\$	\$	Per cent	\$	\$	Per cent
<i>Female:—</i>									
T. Eaton Co., Ltd.....	16.60	14.37	13.43	*17.76	*15.66	11.82	15.77	12.90	18.20
R. Simpson Co., Ltd.....	.....	.....	.....	17.49	14.26	18.47	17.67	13.25	25.01
Dupuis Frères, Ltée.....	.....	.....	.....	.....	.....	.....	10.18	10.09	.88
Hudson's Bay Co.....	14.97	13.18	11.86	.....	.....	.....	.....	.....	.....
<i>Male:—</i>									
T. Eaton Co., Ltd.....	26.94	24.04	10.76	*28.63	*22.20	16.64	24.68	19.06	22.77
R. Simpson Co., Ltd.....	.....	.....	.....	29.02	21.43	26.15	27.40	20.89	23.76
Dupuis Frères, Ltée.....	.....	.....	.....	.....	.....	.....	18.65	18.17	2.57
Hudson's Bay Co.....	27.09	21.14	21.96	.....	.....	.....	.....	.....	.....

*Including commissions.

NOTE.—As different bases of wage payments are used by different companies, and as the wage data do not all relate to similar periods, no comparisons are suggested.

The above comparison shows that, with the exception of Dupuis Frères L'tée, the average wage of female sales clerks was higher than the average for all female employees in this trade. It should be pointed out that the Census figures relate to all wage-earners, whether on a part-time or full-time basis or irrespective of occupations, and the comparison, therefore, cannot be pressed very far. With the same exception as before, the average of male sales clerks in department stores is higher than the average for male employees in retail

trade, but the reservations just mentioned apply here as well. The averages, however, are lower than the Census figures for general and department stores, but the latter include earnings of managers and executives as well as those of clerks.

The reductions in average weekly earnings range from less than 1 per cent in the case of female sales clerks in Dupuis Frères to 25.01 per cent for Simpson's in Montreal. In the case of male sales clerks, the reductions range from 2.57 per cent for Dupuis Frères to 26.15 per cent for Simpson's in Toronto.

Mail Order Employees.—Tables 105, 106 and 107 present figures for merchandise employees in certain mail order departments in a similar manner to that already followed for store employees. It is necessary to point out that, as the Robert Simpson Company pursued a policy of spreading work and thus reducing earnings by having employees work short time, the scale of weekly wage rates is not an accurate picture of actual earnings. The apparent increase in weekly earnings, as shown in Table 107, for the Robert Simpson Company, Limited, is misleading unless account is taken of the reduction in the period of employment in 1933 compared with 1929.

TABLE 105.—MAIL ORDER DEPARTMENTS—FREQUENCY DISTRIBUTION OF MERCHANDISE EMPLOYEES IN THE T. EATON COMPANY LIMITED, ACCORDING TO RATES OF WAGES, 1933

Weekly rate of wages	Winnipeg, April, 1933	Toronto, April, 1933	Moncton, October, 1933	Winnipeg, April, 1933	Toronto, April, 1933	Moncton, October, 1933
	per cent	per cent	per cent	per cent	per cent	per cent
Under \$10.00		1.2	33.3		0.8	6.9
\$10.00-\$12.99	49.3	53.9	50.5	1.8	15.6	18.1
\$13.00-\$15.99	45.2	32.9	13.5	6.9	14.9	21.6
\$16.00-\$18.99	4.2	9.0	0.9	7.8	17.9	13.8
\$19.00-\$21.99	1.3	0.6	0.9	9.2	24.6	13.8
\$22.00-\$25.99		1.8	0.9	38.3	16.4	9.5
\$26.00-\$30.99		0.6		19.8	8.2	10.3
\$31.00-\$35.99				7.4	0.8	4.3
\$36.00-\$40.99				2.8	0.8	1.7
\$41.00 and over				6.0		
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total number of employees	239	167	111	217	134	116

TABLE 106.—MAIL ORDER DEPARTMENTS—FREQUENCY DISTRIBUTION OF MERCHANDISE MAIL ORDER EMPLOYEES IN THE ROBERT SIMPSON COMPANY LTD., TORONTO, AND DUPUIS FRÈRES L'ÉC, MONTREAL, ACCORDING TO WEEKLY RATES OF WAGES, 1934.

Weekly Rate of Wages	R. Simpson Co. Ltd. January, 1934		Weekly Rate of Wages	Dupuis Frères Ltée January, 1934	
	Female	Male		Female	Male
	Per cent	Per cent		Per cent	Per cent
Under \$10.00		1.0	Under \$10.00	64.7	42.7
\$10.00-\$12.50	32.0	9.5	\$10.00-\$12.99	21.6	24.1
\$13.00-\$15.00	43.0	7.6	\$13.00-\$14.99	3.4	
\$15.50-\$18.00	16.0	8.6	\$15.00-\$17.99	10.3	12.9
\$18.50-\$21.00	3.7	7.6	\$18.00-\$20.99		11.1
\$21.50-\$25.00	3.3	31.4	\$21.00-\$24.99		1.8
\$25.50-\$30.00	1.2	11.4	\$25.00-\$29.99		1.8
\$30.50-\$35.00	.4	8.6	\$30.00-\$34.99		5.6
\$35.50-\$40.00	.4	7.6	\$35.00-\$39.99		
\$40.00 and over		6.7	\$40.00 and over		
Total	100.0	100.0	Total	100.0	100.0
Total number of employees	244	105	Total number of employees	116	293

TABLE 107.—MAIL ORDER DEPARTMENTS—AVERAGE WEEKLY EARNINGS OF MERCHANDISE EMPLOYEES IN CERTAIN MAIL ORDER HOUSES, 1929-30 AND 1933-34

	Winnipeg			Toronto			Montreal		
	1929-30	1933-34	Per cent Decrease or Increase	1929-30	1933-34	Per cent Decrease or Increase	1929-30	1933-34	Per cent Decrease or Increase
<i>Female—</i>	\$	\$		\$	\$		\$	\$	
T. Eaton Co., Ltd.	14.94	13.24	-11.38	16.28	13.36	-17.94			
R. Simpson Co., Ltd.				14.66	14.92	+1.77			
Dupuis Frères Ltée.							8.71	9.19	+5.51
Hudson's Bay Co.									
<i>Male—</i>									
T. Eaton Co. Ltd.	27.74	25.72	-7.28	23.95	19.02	-20.58			
R. Simpson Co., Ltd.				24.53	24.62	-0.37			
Dupuis Frères Ltée.							15.66	12.38	-20.95
Hudson's Bay Co.									

NOTE.—As different bases of wage payments are used by different companies, and as the wage data do not all relate to similar periods, no comparisons are suggested.

Part-time Employees.—The department stores employ considerable numbers of part-time employees, some of whom work regular hours each day or week, while others are used at rush periods or for sales. There seems, however, to have been little tendency for the proportion of such employees to increase during the depression and, in fact, in a number of stores the relative number was less in recent years than before the depression.

CHAIN STORES

(1) FOOD CHAINS

The food chains are the most important group in the chain store field and employ the largest proportion of workers. According to the results of the Census of Merchandising, there were 6,842 full-time male employees and 2,653 full-time females employed in food chains in Canada in 1930. There were also 2,299 part-time male workers and 714 females. It will thus be seen that the food chains employ a far higher proportion of part-time male than female workers.

The determination of relative wage levels in chain stores offers far greater difficulties than is the case with department stores. The department store combines a great many kinds of business in its departments, each of which is given considerable freedom to determine its merchandising policy. The chain store, typically, represents one kind of business carried on under centralized management in a great many different establishments. The chain store is thus quite different from the department store and has only a superficial resemblance to the independent store.

The typical independent store is owned by an individual proprietor who engages actively in the business, provides the managerial services and undertakes the financial risks involved. While at first sight there might appear to be a resemblance between the independent proprietor and the manager of a chain store unit, a closer inspection reveals that there are wide differences. The independent proprietor secures the capital to operate his business and carries the risks involved. The chain store company performs these functions for its units. The independent proprietor secures the business property for his store

and arranges the terms of lease or ownership. The chain store company makes these arrangements for its units. The independent proprietor selects the stock for his store and arranges for the supply of goods from wholesaler or manufacturer. The chain store company provides these services for its units. The independent proprietor determines the prices for his goods and the manner in which they are to be sold. In large measure, the chain store company makes these decisions for its units.

What, then, it may be asked, are the functions of a manager of a chain store unit? While there are differences between chain store companies, in general it may be said that the typical chain store manager bears a closer relationship to a chief clerk in a large independent store than he does to an independent proprietor. At the same time, a most serious feature in his position, and one which makes him more than a chief clerk, is that he is held responsible for the operations of his unit, although having no power to determine the merchandising policies. His responsibilities for store inventories and operating ratios are much greater than those of a clerk working under an independent proprietor. If he were relieved of these responsibilities to some extent (as is already the practice in some chains), his duties would be more in keeping with the authority given him.

Wage Rates—Ontario

The average weekly earnings of full-time employees in the food chains investigated by the Commission are shown in Tables 108 and 109. In the Ontario divisions, the average weekly earnings of all male employees (including managers)

TABLE 108.—FOOD CHAINS—SUMMARY OF AVERAGE WEEKLY WAGES AND COMMISSIONS PAID FULL-TIME MALE STORE EMPLOYEES IN THE ONTARIO DIVISIONS, OF CERTAIN COMPANIES, 1934

Company	All Occupations		Managers		Asst. Managers		Clerks		Delivery Boys	
	Number	Average Wage \$	Number	Average Wage \$	Number	Average Wage \$	Number	Average Wage \$	Number	Average Wage \$
Great Atlantic & Pacific Tea Co. Ltd. (week ended April 14).....	805	19.01							115	6.39
Excluding managers.....	494	11.72								
Grocery.....	163	33.07					232	12.26		
Meat.....	149	27.81					147	15.03		
Carrolls Ltd. (week ended April 28).....	25	15.16								
Excluding managers.....	13	9.31								
Grocery.....	12	21.50					7*	12.14		
Meat.....							6*	6.00		
Dominion Stores Ltd. (week ended March 17).....	788	16.67							217	6.01
Excluding managers.....	442	9.53								
Grocery.....	280	25.60					194	10.69		
Meat.....	66	26.21					61	13.69		
Loblaws Groceries (week ended March 26).....	329	23.99								
Excluding Managers.....	62	16.48								
Grocery.....	111	35.14								
Meat.....	18	25.66					73	20.57		
Fruit.....	18	16.50					34	16.06		
Packroom clerks.....							13	12.65		
Cellarmen and receivers.....									39	17.38
Utility men.....									10	15.70
Meat.....									13	14.38
Stop & Shop Ltd. (week ended February 24).....	259	15.84							61	6.50
Excluding managers.....	168	9.78								
Grocery.....	47	25.90					59	8.59		
Meat.....	44	28.23					48	15.41		
T. Eaton Groceries—12 representative stores only (week ended October 17).....	52	20.12								
Excluding managers.....	31	14.38								
Grocery.....	21	28.62					31	14.38		

* 7 men and 6 boys.

TABLE 109.—FOOD CHAINS SUMMARY OF AVERAGE WEEKLY WAGES AND COMMISSIONS PAID FULL-TIME FEMALE STORE EMPLOYEES IN THE ONTARIO DIVISIONS OF CERTAIN COMPANIES, 1934

Company	All Occupations		Clerks	
	Total Number	Average Wage	Number	Average Wage
		\$		\$
Great Atlantic & Pacific Tea Co., Ltd. (week ended April 14, 1934).....	15	12.57	15	12.57
Carrolls Limited (week ended April 28, 1934).....	203	11.79	101	10.64
Excluding Managers.....	101	10.64		
Managers.....			102	12.93
Dominion Stores Ltd. (week ended March 17, 1934)...	110	10.55	110	10.55
Loblaw Groceries Ltd. (week ended March 26, 1934)...	246	15.38		
Head checkers.....			111	17.11
Second checkers.....			39	14.82
Biscuit sales girls.....			96	13.61
Stop and Shop Limited (week ended Feb. 24, 1934)...	8	12.50	8	12.50
T. Eaton Groceries—12 stores only (week ended October 17, 1934).....	20	11.92	20	11.92

range from \$23.99 in the Loblaw Groceries to \$15.16 in Carroll's Limited. Unfortunately, only in the case of Loblaw's Groceries is information available regarding the wage policies of these companies since 1931. However, if we refer to Table 94 again, we find that for the census year the average earnings of all male employees in grocery and meat stores were \$18.62 for Ontario as a whole and \$20.36 for the City of Toronto. As noted before, it is not possible to determine how far average earnings have fallen since the census year, nor, as was just mentioned, are the wage scales of the chain store companies available for the census year.

If there have been no marked changes in the rate of wages paid by these chain companies since 1930-31, then the average wage paid by Carroll's Limited, Dominion Stores, Limited, and Stop and Shop, Limited, to all male employees (including managers) was lower than the Census average for the same kind of business. If there have been reductions in wage rates exceeding 10 per cent in this period, these companies were paying somewhat above the average wage if managers' earnings are included.

The average earnings of male employees (excluding managers) are shown in Table 108 to range from \$9.31 for Carroll's Limited, to \$16.48 in Loblaw's Groceries. If there were the same proportion of managers and floor walkers in the grocery and meat field in Ontario as in all retail trade, we could reduce the average earnings from the census results by \$2.49, which would give \$18.62-\$2.49, or \$16.13 as the average earnings of male employees (excluding managers) in Ontario in 1930-31. While the actual average may have been a dollar or so higher or lower than this figure, it seems safe to assume that the three chain store companies which had the lowest average for all employees were probably paying wages below the average to their male employees, exclusive of managers. There is a possibility that the lower average might be due to a greater proportion of inexperienced or youthful workers than are found in all stores.

The average weekly earnings of female employees are shown in Table 109. With the exception of Loblaw's Groceries and Carroll's Limited, the chain stores investigated do not have a very large proportion of female employees. It will be noted that the average earnings of female clerks exceed the average for male grocery clerks in the following companies: A. & P., Dominion Stores, Limited, Stop & Shop, Limited. In the first two cases, the difference is very slight. The average earnings of all female employees (full-time and part-time) according to Table 94 were \$11.48 for grocery and meat stores in Ontario. It would appear, therefore, that the chain stores are paying about the going wage to female employees in this kind of business.

The proportions of low paid employees are shown in Table 110. In the Ontario divisions, 16.5 per cent of all male employees (including managers) in A. & P., 28.0 per cent in Carroll's Limited, 38.3 per cent in Dominion Stores, and 41.7 per cent in Stop & Shop, received less than \$10 per week. For grocery clerks alone, A. & P. had 6.0 per cent, Dominion Stores 48.5 per cent, Carroll's Limited 53.9 per cent, and Stop & Shop 69.5 per cent. While A. & P. had a slightly larger percentage of its female clerks receiving under \$10, the other companies had far smaller proportions.

TABLE 110.—FOOD CHAINS—PROPORTIONS OF EMPLOYEES RECEIVING LESS THAN \$10.00 PER WEEK, 1934

Company	Male			Female	
	Per cent of Total Male Employees (including managers)	Per cent of Grocery Clerks	Per cent of Meat Clerks	Per cent of Total Female Employees (including managers)	Per cent of Grocery Clerks
<i>Ontario Divisions—</i>					
Dominion Stores Ltd. (week ended March 17, 1934)	38.3	48.5		15.5	15.5
Great Atlantic & Pacific Tea Co., Ltd. (week ended April 13, 1934)	16.5	6.0	4.8	6.7	6.7
Stop & Shop Limited (week ended February 24, 1934)	41.7	69.5	14.6		
Carrolls Limited (week ended April 28, 1934)	28.0	53.9		13.8	26.7
<i>Quebec Divisions—</i>					
Dominion Stores Ltd. (week ended March 17, 1934)	47.0	49.7*		60.0	60.0
Great Atlantic & Pacific Tea Co. Ltd. (week ended April 28, 1934)	45.6	59.1		33.3	33.3
Stop & Shop Limited (week ended February 24, 1934)	50.4	64.4	20.0	25.0	25.0
Steinbergs Service Stores Ltd. (week ended April 28, 1934)	11.8	14.3		9.5	12.5

*Includes meat clerks.

Quebec Divisions

In Quebec the average weekly earnings of all male employees (including managers) as shown in Table 111 ranged from \$16.32 for Steinberg's Service Stores, Limited, to \$10.70 for Thrift Stores. This shows a distinctly lower scale for Quebec than for Ontario. The census average in Table 94 for grocery and meat stores was \$15.74 for Quebec Province and \$16.05 for Montreal City. In view of the fact that only one chain was paying an average greater than the census figure, there are good grounds for surmising that the other chain companies were paying wages below the average for all stores. The average earnings for male employees, other than managers, were \$7.60 for A. & P., \$7.65 for Dominion Stores, \$7.73 for Thrift Stores, \$8.54 for Stop & Shop, and \$14.55 for Steinberg Service Stores.

The average earnings of female employees are shown in Table 112. In four of the five companies the average is between \$9 and \$9.60. These compare with an average of \$10.07 for Quebec Province and \$11.19 for Montreal, as given in the census returns for 1930-31.

The percentages of employees receiving less than \$10 per week are shown in Table 110. There we find that for male employees the proportions are definitely higher in Quebec than in Ontario for the three companies operating in both provinces. For clerks alone there is not a great deal of difference for

Dominion Stores and Stop & Shop, but a much higher proportion for A. & P. in Quebec. The increased proportion of female employees receiving less than \$10 is clearly shown in Quebec compared with Ontario.

TABLE 111.—FOOD CHAINS—SUMMARY OF AVERAGE WEEKLY WAGES AND COMMISSIONS PAID FULL-TIME MALE STORE EMPLOYEES IN THE QUEBEC DIVISIONS OF CERTAIN COMPANIES, 1934

Company	All occupations		Managers		Clerks		Delivery Boys	
	Number	Average wage	Number	Average wage	Number	Average wage	Number	Average wage
Great Atlantic & Pacific Tea Co., Ltd. (week ended April 28, 1934)	559	13.51					154	3.61
Excluding Managers	394	7.60						
Grocery			115	27.94	171	9.26		
Meat			50	26.87	69	12.38		
Dominion Stores (week ended March 17, 1934)	870	13.46					255	3.99
Excluding Managers	579	7.65						
Grocery			291	25.01	324	10.53		
Meat								
Steinberg Service Stores, Ltd. (week ended April 28, 1934)	76	16.32						
Excluding Managers	66	14.55						
Grocery			10	28.00	56	14.35		
Messengers							1	8.00
Chauffeurs							9	16.55
Stop & Shop Ltd. (week ended February 24, 1934)	371	14.46					109	4.18
Excluding Managers	268	8.54						
Grocery			62	31.10	104	9.81		
Meat			41	27.96	55	14.80		
Thrifty Stores, Ltd. (week ended March 28, 1934)	447	10.70					141	4.30
Excluding Managers	343	7.73						
Grocery			104	20.50	202	10.12		

TABLE 112.—FOOD CHAINS—SUMMARY OF AVERAGE WEEKLY WAGES AND COMMISSIONS PAID FULL-TIME FEMALE STORE EMPLOYEES IN THE QUEBEC DIVISIONS OF CERTAIN COMPANIES, 1934 QUEBEC

Company	All Occupations		Clerks		Cashiers	
	Number	Average Wage	Number	Average Wage	Number	Average Wage
Great Atlantic and Pacific Tea Co. Ltd. (week ended April 28, 1934)	6	9.33	6	9.33		
Dominion Stores Limited (week ended March 17, 1934)	70	9.01	70	9.01		
Steinberg Service Ltd. (week ended April 28, 1934)	21	12.90	8	11.12	12	12.66
Excluding managers	20	12.04				
Managers			1	30.00		
Stop and Shop Ltd. (week ended Feb. 24, 1934)	16	9.59	16	9.59		
Thrifty Stores Ltd. (week ended March 28, 1934)	47	9.40			47	9.40

Part-time Employees

Food chains employ a larger proportion of part-time employees than do other stores in the same field. The following table shows the proportion of part-time to full-time employees.

TABLE 113—FOOD CHAINS—PROPORTION OF PART-TIME TO FULL-TIME EMPLOYEES

Company	Ontario Divisions			Quebec Divisions		
	Male		Female	Male		Female
	Per cent of total full-time employees (including managers)	Per cent of full-time Clerks	Per cent of full-time Clerks	Per cent of total full-time employees (including managers)	Per cent of full-time Clerks	Per cent of full-time Clerks
Great Atlantic & Pacific Tea Co., Ltd..	58.2	91.8	100.0	26.7	35.8	50.0
Dominion Stores Ltd.....	40.8	49.8	125.5	27.0	32.1	50.0
Stop & Shop Ltd.....	68.9	73.0x		28.9	31.4x	
Thrifty Stores Ltd.....				20.1	34.2	0.0

xIncludes female clerks.

It will be seen that the proportion of part-time employees is much higher in Ontario divisions than in Quebec.

Comparison With Independents

In the foregoing discussion, an effort has been made to point out the difficulties in the way of comparing wage rates in independent stores with those in chains. The tentative conclusion was reached that, depending on the extent to which food chains have reduced their wage rates in the past three years, the average earnings in food chains, including managers' salaries were somewhat higher or (if no reductions have been made) somewhat below the average earnings paid by all stores in the same field. From this it was deduced that the average earnings of male employees, other than managers, in food chains were below the average earnings for such employees in all stores. These conclusions apply both to Ontario and Quebec divisions of the companies which have been investigated, although, of course, certain companies have wage scales well above the average.

The following table shows the average weekly earnings of full-time male employees in the Ontario divisions of five food chains (except Eaton's Groceries) and in 252 independent grocery and combination stores (chosen at random) which furnished wage reports to the Commission. As each of the independent stores had sales of \$30,000 or more in 1930, the figures for these stores must be viewed not as representative of all independent stores in the province (because most of them have sales of less than \$30,000 per annum), but of stores which compare in size with the units of chain store companies. It should further be pointed out that the figures for the independent stores were secured from answers to a questionnaire; those for chains by audit.

TABLE 114.—COMPARISON OF AVERAGE WEEKLY EARNINGS OF MALE EMPLOYEES IN FIVE FOOD CHAINS (ONTARIO DIVISIONS) AND IN 252 INDEPENDENT GROCERY AND COMBINATION STORES IN ONTARIO, 1934

Occupation	Chain Stores (1)		Independents (2)	
	No. of employees	Average weekly wage	No. of employees	Average weekly wage
		\$		\$
Managers.....	906	27.96		
Assistant managers.....	120	18.44		
Butchers.....			97	23.37
Clerks.....	816	12.69	322	17.82
Drivers.....			108	15.94
Delivery boys (men and boys).....	393	6.20	162	11.20
Total.....	2,235	18.04	689	16.75

(1) Evidence, page 2252.

(2) Evidence, page 1806.

The occupations listed above indicate the difficulty of comparing average wages in chain and independent stores. No managers or assistant managers are shown for independent stores, while, on the other hand, no employees are listed as butchers or drivers in chain stores. The average weekly earnings of all male employees shown are \$18.04 in chain store and \$16.75 in independent stores, although the latter do not include any managerial earnings. If we return to Table 17 we find that only two of the five chain stores whose figures are included in the above table have averages equal to the average for all companies. We also find that the averages for the three remaining companies are lower than the average for independent stores. The average for Dominion Stores of \$16.67 is only slightly lower than that of \$16.75 for the independents, but Carrolls Limited, with \$15.16, and Stop & Shop, Limited, with \$15.84, are definitely lower.

When average earnings in chain and independent stores are compared for the same occupation, it is found that the average is higher in independent than in chain stores. It is possible, however, that occupations called by the same name are not in fact entirely comparable between the two types of stores. For example, the position of experienced clerks in independent stores may not be analogous to that of clerks in chain stores. Senior clerks in large independent stores perform many of the duties of assistant managers, but because the proprietor assumes the managerial functions, the position is not classed as such. In chain stores the positions of manager and assistant manager are held by hired employees. Whether chain or independent stores pay higher wages for similar duties thus depends on the comparability of occupations given the same names in both types of stores. This problem cannot be settled from the information available.

The average earnings of full-time female clerks in the five food chains were \$13.21, and in the independent stores \$11.82, according to the summary prepared by the auditors and the report on wages in independent stores. By referring to Table 109, we find that three of the five chains paid a higher average wage to female clerks than did the independent stores. As the difference in two of the three companies was not very great, we may presume that both chain and independent stores tend to pay the wages set by the Minimum Wage Board.

Variety stores, like department stores, employ more female than male employees, but the proportion of female employees is far higher in the case of variety stores. Variety stores also employ a great many part-time female

employees. In fact, the variety stores employ, on the average, almost as many part-time females as full-time, a proportion which is not approached in any other major line of trade. The proportion of part-time employees may have been increased for some companies during the depression. The following figures are prepared from the auditors' reports on the four variety chains investigated.

TABLE 115.—VARIETY CHAINS—PROPORTION OF PART-TIME FEMALE EMPLOYEES TO FULL-TIME FEMALE EMPLOYEES, 1934. (Excluding lunch counter employees.)

Company	Per cent part-time of total full-time employees	Per cent part-time of full-time clerks
F. W. Woolworth Co. Ltd. (Apr. 14).....	57.3	68.2
S. S. Kresge Ltd., (April 14).....	101.7	112.4
Metropolitan Stores Ltd., (April 21).....	315.5	315.5
United 5c. to \$1.00 Stores of Canada Ltd., (May 5).....	44.2	44.2

It will be seen that the United 5c. to \$1 has less than half as many part-time as full-time female employees, Woolworth's have more than half as many, Kresge's have slightly more part-time, and Metropolitan Stores have more than three times as many part-time as full-time employees. To some extent this practice of employing part-time workers is dictated by fluctuations in the amount of business handled at different periods of the day or week in variety stores. As long as the employment of part-time workers does not tend to break down the wage standards of full-time employees, the practice has considerable economic justification. There is a danger, however, that the extension of part-time employment may have the effect of forcing down the scale of wages for all employees. It would appear, therefore, that labour conditions in variety chains should be the subject of careful attention on the part of minimum wage boards.

The average earnings of full-time employees in variety chains are shown in the following table:

TABLE 116.—VARIETY CHAINS—SUMMARY OF AVERAGE WEEKLY WAGES AND COMMISSIONS PAID FULL-TIME STORE EMPLOYEES, 1934.

(Excluding Lunch Counter Employees.)

Company	Male				Total Female	
	Total, including Managers		Excluding Managers		Number	Average
	Number	Average	Number	Average		
F. W. Woolworth Co., Ltd. (week ended April 14).....	455	\$ 30.11	319	16.11	1,634	11.42
Metropolitan Stores Ltd. (week ended April 21).....	154	26.41	64	14.46	297	11.43
S. S. Kresge Co. Ltd. (week ended May 12).....	129	33.27	85	19.90	519	11.15
United 5 cent to \$1.00 Stores of Canada Ltd. (week ended May 5).....	28	18.56	15	7.34	120	6.78

These figures, of course, relate to units in all parts of Canada for three of the four companies, but the United 5c. to \$1 Stores operates only in Quebec and Ontario. The average earnings of male wage-earners in all lines of retail trade were \$22.75, according to the results of the Census of Merchandising. It

will be seen from the above table that three of the four chains paid more than the average to all male employees, including managers. The fourth chain was paying less than the average for Quebec Province, but no account is taken of possible reductions since 1931. If managers are excluded the average for other male employees is below the census figure of \$20.38 for male employees, other than managers and floor-walkers. Again, however, no account is taken of the decline in earnings in recent years. With the exception of the United 5c. to \$1 Stores, the average earnings are higher than those for male employees in the majority of the food chains investigated.

In three of the four variety chains the average earnings of full-time female employees are between \$11 and \$11.50 per week. This compares with an average for Canada of \$12.96 for female employees, according to the census results for all lines of trade (no account being taken of decline in earnings since the census year). The average of \$6.78 for United 5c. to \$1 is well below the general average of that for grocery and meat trades in Quebec. The average earnings for both male (other than managers) and female employees in variety chains are lower than the averages shown for the department stores investigated. Department stores, however, doubtless require a much greater selling ability on the part of their sales clerks.

A distribution of full-time female employees according to weekly earnings is made in Table 117. From this it will be seen that in three of the four chains the proportion receiving less than \$10 per week is between 22 and 25 per cent. In the United 5c. to \$1 Stores, practically 90 per cent of the employees were in this class. In the other three chains from 65 to 73 per cent of the employees receive between \$10 and \$15 per week, largely depending on the minimum wage schedules.

TABLE 117—VARIETY CHAINS—FREQUENCY DISTRIBUTION OF ALL FULL-TIME FEMALE EMPLOYEES

(excluding lunch counter employees)

	S. S. Kresge Co. Ltd. (week ended May 12, 1934)	Metropolitan Stores Ltd. (week ended Apr. 21, 1934)	United 5c. to \$1.00 Stores of Can. Ltd. (week ended May 5, 1934)	F. W. Woolworth Co. Ltd. (week ended Apr. 14, 1934)
Total number.....	519	297	120	1,634
	%	%	%	%
Under \$5.00.....			10.8	
\$ 5.00—\$ 9.99.....	22.0	23.9	80.0	24.1
\$10.00—\$14.99*.....	72.6	69.7	9.2	64.9
\$15.00—\$19.99.....	5.4	5.4		9.6
\$20.00—\$24.99.....		0.7		1.1
\$25.00—\$29.99.....		0.3		0.3

* In case of S. S. Kresge Ltd. sales clerks, this class is \$10—\$15.

A more detailed distribution of female employees is given in Table 118. For the Woolworth Company it was possible to make a breakdown by economic divisions. The policy of the management of variety chains with respect to female workers appears to have been one of securing labour at the lowest rate possible. Where minimum wage laws are in effect, the minimum requirements are met, but where no restrictions exist, the wages are the lowest which competent workers will accept. These observations are borne out by a comparison of wages paid by Woolworth's in each province with the average earnings of

females in the grocery and meat trades as reported for the Census of Occupations. The grocery and meat trades were selected from the Census of Occupations as the earnings were the lowest shown in Table 4.

TABLE 118—COMPARISON OF AVERAGE WEEKLY EARNINGS OF FEMALE EMPLOYEES AS REPORTED FOR CENSUS OF OCCUPATIONS AND IN F. W. WOOLWORTH CO. LTD.

	Census of occupations — Grocery and meat	Woolworth sales clerks (regular)
	\$	\$
Prince Edward Island.....	9.05	7.33
Nova Scotia.....	8.87	8.33
New Brunswick.....	9.55	8.17
Quebec.....	10.07	8.81
Ontario.....	11.48	11.58
Manitoba.....	10.64	11.09
Saskatchewan.....	12.01	13.46
Alberta.....	11.81	12.18
British Columbia.....	12.21	12.86

Although the census figures relate to the year 1930-31 and those for Woolworth's to 1934, it is significant that from Ontario westwards the average wage paid by Woolworth's is *higher* than the census figures. On the other hand, from Quebec eastward the average for Woolworth is *lower*. When it is recalled that the census figures embrace all female workers, whether located in urban or rural areas, the divergence between those provinces in which minimum wage laws are enforced and those in which they are not becomes even more significant.

TABLE 119A—VARIETY CHAINS—FREQUENCY DISTRIBUTION OF FULL-TIME FEMALE CLERKS, 1934

	S. S. Kresge Co. Ltd. (week ended May 12, 1934)	Metropolitan Stores Ltd. (week ended April 21, 1934)	United 5c to \$1.00 Stores of Can. Ltd. (week ended May 5, 1934)
Total number.....	469	297	120
	%	%	%
Under \$6.00.....			26.7
\$6.00—\$7.99.....	2.8	5.7	53.3
\$8.00—\$9.99.....	21.5	18.2	10.8
\$10.00—\$12.99.....	68.4	53.9	7.5
\$13.00—\$14.99*.....	7.3	15.8	1.7
\$15.00—\$16.99.....		2.4	
\$17.00—\$19.00.....		3.0	
\$20.00.....		.7	
\$25.00.....		.3	

*In the case of Kresge's Ltd., this class is \$13.00-\$15.00.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 119B—F. W. WOOLWORTH CO. LTD.

(week ended April 14, 1934)

	Total	Division				
		Maritimes	Quebec	Ontario	Prairies	British Columbia
Total number.....	1,373	145	305	634	102	97
	%	%	%	%	%	%
Under \$6.00.....	.8		3.6			
\$6.00-\$7.99.....	7.3	33.1	17.1			
\$8.00-\$9.99.....	19.7	54.5	50.8	5.1	2.6	
\$10.00-\$12.00.....	41.2	12.4	25.9	62.9	36.0	2.1
\$12.50-\$13.99.....	27.2		2.6	26.5	55.2	93.8
\$14.00-\$17.00.....	3.6			5.5	5.2	4.1
\$18.90.....	.1				.5	
\$20.70.....	.1				.5	

Hours of Labour

Employees in variety chains commonly work about 50 hours a week, although the auditors' reports show that some employees are employed for periods considerably above this figure. In view of the sustained profits secured by the largest of these chains, the continuance of long hours for its employees can scarcely be defended.

Drug Chains

Drug store chains do not employ as high a proportion of the workers in the drug field as do chain stores in the food and variety fields. Of the 5,916 full-time male and 1,409 female employees recorded by the Census of Merchandising in drug stores there were 1,145 males and 255 females reported by chain companies. Part-time employees in all stores numbered 895 males and 181 females, of which 22 and 30, respectively, were reported by chain stores.

Only two drug chains were investigated for the Commission. The average weekly earnings of full-time employees in these companies are shown in the tables which follow:

TABLE 120—DRUG CHAINS—AVERAGE WEEKLY WAGES OF FULL-TIME STORE EMPLOYEES, 1934

Occupation	Male Employees				Female Employees			
	Louis K. Liggett Co. Ltd. (week ended April 14)		G. Tamblyn Ltd. (week ended April 14)		Louis K. Liggett Co. Ltd. (week ended April 14)		G. Tamblyn Ltd. (week ended April 14)	
	Number	Average	Number	Average	Number	Average	Number	Average
		\$		\$		\$		\$
Managers.....	43	38.82	59	41.65				
Assistant managers.....	40	21.75	62	31.16				
Clerks.....	23	15.00	61	18.55	30	15.10	1	18.00
Soda fountain managers....	21	20.33	1	35.00	4	14.63		
Soda fountain clerks.....	29	11.35	4	11.25	56	12.40		
Porters.....	9	12.94	2	18.60				
Messengers.....	37	6.46	110	6.58				
Total, all store employees.	202	19.78	299	21.28	90	13.40	1	18.00
Total, excluding managers.	98	10.51	177	10.95	86	13.34	1	18.00

The average weekly earnings of male employees in the drugs and toilet preparations trade, according to the Census of Occupations, were \$20.86 for Canada and \$22.36 for the province of Ontario during the census year. It will be seen from the above table that the two companies investigated were paying in 1934 about the average wage which prevailed during the census year. The average wage for male employees, other than managers, was \$10.51 for Liggett's and \$10.95 for Tamblyn's. These averages, however, are heavily weighted by delivery boys' earnings. The average wage for clerks, other than fountain, is relatively high for Tamblyn's but considerably lower for Liggett's.

The Tamblyn Company employs practically no females in its stores so that no comment need be made. The average earnings of all female employees in Liggett's were \$13.40, while the Census of Occupations' figures for drugs and toilet preparations trades were \$12.42 for Canada and \$13.59 for Ontario in the census year. The Liggett Company was, therefore, probably paying somewhat above the average for all stores.

Comparison With Independents

The Commission secured wage data for certain drug stores in Ontario. As the classification of occupations is not the same in independent and chain stores, a complete comparison can not be made of wage rates in the two types of stores. Male drug clerks in independent stores average \$20.50 per week, compared with \$15 in Liggett's and \$18.55 in Tamblyn's. Independent stores, however, make considerable use of drug apprentices, who received, on the average, only \$10.33 per week. This class of employee was not reported in chain stores. The average for male fountain clerks was somewhat higher in independent stores, but fountain managers who receive higher salaries in chain stores were not reported in independent stores. Druggists in independent stores received lower wages than drug store managers, but higher wages than assistant managers, although the difference is very slight in the case of Tamblyn's. The wages of female employees tended to be somewhat higher in chains than independent drug stores.

Hours of Labour

As drug stores are generally open for several hours in the evening the hours of labour of employees are generally quite long even though the workers are employed on shifts. The auditors reported that most male employees in drug chains worked 60 hours per week and the information for independent stores shows similar periods of employment are demanded from employees in such establishments. It is perhaps almost unnecessary to repeat that hours of labour in excess of 48 per week are too long and that considerable improvement is needed in the drug store field in regard to this feature.

ROYAL COMMISSION ON PRICE SPREADS

TABLE 121.—DIFFERENCE IN EMPLOYMENT CONDITIONS CANADA AND ITS PROVINCES

	Hourly rate for 1934 of Common labour in factories (a)		Average weekly earnings, 1931 (b)						Average hours per week in factories (a)	
			All manufacturing, male		Machinists, male		Sewers and sewing machinists, female			
	Amount	Per cent of average	Amount	Per cent of average	Amount	Per cent of average	Amount	Per cent of average	Amount	Per cent of average
	c.	%	\$	%	\$	%	\$	%	Hrs.	%
CANADA.....	30.4	100	24.83	100	25.59	100	10.82	100	49.4	100
P.E.I.....			14.68	59	23.73	93			55.0	111
N.S.....	26.6	88	20.59	83	24.51	96	9.19	85	53.4	108
N.B.....	28.1	92	21.14	85	25.94	101	7.84	72	51.1	103
P.Q.....	28.0	92	23.78	96	25.09	98	10.20	94	50.5	102
Ontario.....	30.7	101	25.72	104	25.29	99	12.06	111	48.6	98
Manitoba.....	36.5	120	26.59	107	27.31	107	10.53	97	46.8	95
Saskatchewan.....	30.3	100	27.14	109	25.72	101			51.7	105
Alberta.....	34.4	113	26.77	108	27.46	107	10.18	94	48.1	97
B.C.....	40.0	132	24.57	99	28.00	109	12.10	112	48.2	98

(a) Computed by Department of Labour.

(b) Dominion Bureau of Statistics, Seventh Census of Canada, Bull. No. XXXIII.

TABLE 122—COMPARISON OF STANDARDS OF LABOUR LEGISLATION IN THE PROVINCES OF CANADA AND IN THE STATES OF MASSACHUSETTS, NEW YORK, WISCONSIN AND WASHINGTON

Province, etc.	Child labour minimum age	Maximum Hours				Prohibited hours at night for women	Minimum Wages in Factories										
		Male		Female			Class of workers	Experienced workers in towns of different size		Adult learners		Learners under 18		Payment for overtime			
		Wk.	Dy.	Weekly	Daily			Weekly	Work periods in hours	Weekly periods	Learning period	Weekly	Learning period				
P.E.I.	Mines, 16 Factories 14 Shops ..	8 ¹	8 ¹	2	2	For maintenance work— 12 ¹ hours a day 72 ¹ hours a week ²
Nova Scotia	Mines, 16 ¹ Factories .. Shops ..	8 ¹	8 ¹	60 ²	60 ²	For maintenance work— 13 ¹ hours a day 81 ¹ hours a week ³	9 p.m.-6 a.m.	Females	\$11, \$10	44-50	\$9, \$8	1 year	\$7, \$8	1 year	Pro rata based on 50-hr. w.k		
New Brunswick	Mines 16 ¹ Factories .. Shops ..	8 ¹	8 ¹	60 ²	60 ²	For maintenance work— 13 ¹ hours a day 81 ¹ hours a week ³	10:30 p.m.-6 p.m.	(Act not in force)
Quebec	Mines 15 ¹ Factories 14 Shops 14	8 ¹	8 ¹	55 ² 60 ²	10 ²	12 hours a day 65 hours a week ² In towns less than 10,000 and for 2 weeks before law for in urgent cases 10 hrs. a day, 65 a week.	6 p.m.-6 a.m. In emergencies, 9 p.m.-6 p.m. 11 p.m.-7 p.m.	Females and males replacing	10-12:50 9-10 ²	44, 48 50, 55	\$7, \$6 ³	2 years	..	..	Pro rata, or as agreed if more, except in fur sewing when time and a half must be paid.
Ontario	Mines 16 Factories 14 Shops 14	8 ¹	8 ¹	60 ² 60 ²	10 ² 10 ²	For maintenance work 12 ¹ hours a day 72 ¹ hours a week ²	6:30 p.m.-7 a.m. In emergencies, 9 p.m.-6 a.m. 11 p.m.-7 a.m.	Females and males replacing them.	\$12.50, 11.50, 11, 10	48, 48 50, 54 ⁴	\$10, 9.50, 9, 8	1 year	..	Pro rata.			
Manitoba	Mines .. Factories 14 Shops 14, 13 outside school hours with permit.	9 ¹	9 ¹	44-50 ² 48 ²	9 9	12 hours a day 50-56 hours a week ³ 11 ¹ hrs. on Saturday; 54 hours a day 54 hours a week ³ Dec. 19-24 and Christmas weeks, 9 hours overtime.	10 p.m. or 9 p.m. or 7 p.m.-7 a.m.	Females and boys under 18 years.	\$11-12 ²	..	\$10-12 ²	6-12 mos.	..	..	Pro rata.

	Mines Factories 14	Shops 14, 12 hours with permit	Mines Factories 14	Shops 14, 12 hours with permit	55 hrs. a week, 10 a day for not more than 4 weeks.	Females	22-25c. per hour.	16c. per hour	Time and a half.
Wisconsin	50 ¹ 48	50	50 ¹ 48	50	..	..	..	..	..
Washington	8 ¹	8	8 ¹	8	Fish, fruit and vego- table industries.	Females	\$13.20	\$9.00	..

¹ Below ground.
² Maximum hours apply also to "youths". In Nova Scotia, changes made in the original Factories Act have resulted in the omission of any restriction of hours for women and young persons but section regarding hours in emergencies is still in the Act. In shops in Manitoba maximum weekly hours for boys under 18, 50.
³ With permit on not more than 36 days a year or 30 days a year in shops in Manitoba.
⁴ In northern Ontario only, and below ground.
⁵ Under Minimum Wage Acts in Ontario and eastern provinces, the hours for which minimum wages are to be paid are only specified. In the provinces west of Ontario, maximum hours are fixed by the Boards with some provision for overtime. In Manitoba, and Alberta, Minimum Wage Orders have reduced hours for women below limits fixed by Factories Acts.
⁶ Rates vary with class of factory. Order of August, 1934, revises Order re dresses, lingerie, etc. Instead of stipulating learning period and rates therefor, new Order requires employment of not less than 70 p.c. skilled labour at \$12.50, 20 p.c. at \$10 and 10 p.c. at \$7.
⁷ Hours specified in Ontario are as indicated or for usual working hours of establishment if less: 14 years for boys; 15 for girls.
⁸ 14 years for boys; 15 for girls.

⁹ Minimum wages in Manitoba vary with class of factory. Until December 15, 1934, rates are subject to 10 p.c. reduction. Minimum rates for boys under 18 years \$8 a week for first 6 months, \$9 a week for second and \$10 after 12 months. Statutory minimum rate for men over 18, 25 cents an hour.
¹⁰ Minimum Wage Orders in Saskatchewan apply to cities and in Alberta apply only to towns of 600 or over and to Banff, Lake Louise, Waterton Park and Jasper. Minimum rates are subject to 5 p.c. reduction if less than \$13, to 10 p.c. if rate is \$13 or over until September 30, 1934.
¹¹ Varies with kind of factory and in case of learners varies also with age.
¹² Varies with locality. Rates for experienced workers over 17 years of age.
¹³ Under Act of 1931 the Industrial Commission is given power to limit hours and fix working periods.
¹⁴ Boys under 17 years of age in Manitoba, 18 years of age in New York.
¹⁵ For work in laundries. Order in force August 6, 1934, established first minimum wage in New York State. - Other orders to follow. In Canada, minimum wages in laundries are generally the same as those in factories with a higher rate for learners in laundries. No special rate is fixed for learners in New York.

NOTE ON CANADIAN ACTION RE INTERNATIONAL LABOUR
CONVENTIONS AS OF DECEMBER 31, 1934.

1. *By the Dominion*

Of the ten International Labour Conventions that fall within the traditional legislative competence of the Dominion Parliament the following have been formally ratified and implemented by legislation now in force:—

7. Minimum age for employment of children at sea (1920)
8. Unemployment indemnity in case of loss of ship (1920)
9. Facilities for finding employment for seamen (1920)
15. Minimum age for employment as trimmers and stokers (1921)
16. Medical examination of children and young persons employed at sea (1921)

In the Canadian Shipping Act of 1934, which will go into effect on proclamation by the Governor in Council, there were included the terms of four of the conventions above and of the four following:

22. Seamen's articles of agreement (1926)
23. Repatriation of seamen (1926)
27. Marking of weights on heavy packages to be transported by vessels (1929)
32. Protection of longshoremen (1922, a revision of No. 28, 1929)

No action has been taken to ratify or give effect to:

21. Inspection of emigrants on board ship (1926)

The Dominion, further, has in fact put terms of three other conventions into effect, as follows:

2. Unemployment (1919)—generally in effect throughout Canada, except for Prince Edward Island, by provincial legislation and agreements under the Employment Offices Co-ordination Act of 1918. (R.S.C. 1927, Cap. 57). This Act also implements Convention No. 9.
1. Eight-hour day (1919)—in effect by the Fair Wages and Eight Hour Act 1930 with respect to persons employed under Dominion public works contracts and by Order in Council (P.C. 670, 1930) with respect to Dominion Government employees.
14. Weekly Rest (1921)—in effect by Order in Council (P.C. 670, 1930) with respect to Dominion Government employees.

2. *By the Provinces*

Up to 1933 there were twenty-nine conventions of which the subjects were said to be within the exclusive legislative competence of the Province. These gave 261 opportunities for compliance by existing or new provincial legislation. Only two acts, both in British Columbia ⁽¹⁾ (Maternity Protection Act, 1921, R.S. 1924, cap. 155, and Hours of Work Act, 1923, R.S. 1924 cap. 107) have been put into effect specifically, to implement Conventions. However, under the Employment Offices Co-ordination Act, 1918, eight provinces have essentially put into effect the terms of the Convention ⁽²⁾ of 1919 about unemployment so far as it relates to public employment offices. Five provinces (Nova Scotia,

⁽¹⁾ B.C. passed three other bills (Employment of Children, 1921, Night Employment of Women, 1921, and Night Employment of Young Persons) to implement other Conventions, but these Acts will come into effect by proclamation only when similar Acts come into force in the other provinces.

Manitoba, Saskatchewan, Alberta and British Columbia) also have abolished private fee-charging employment offices, and two (Quebec and Ontario) have agreed to issue no new licences, thus complying in part with the Convention (34) of 1933. Seven provinces (all except Prince Edward Island and New Brunswick) have legislation which approximates the terms of the Convention (26) of 1928 on the creation of Minimum Wage Fixing Machinery. By a generous interpretation, it is possible, therefore, to say that the provinces in twenty-four cases are meeting the standards of the International Labour Conventions. A score of twenty-four out of a possible 261 is not one of which Canada can be proud. Further details of our record in this respect appear in Chart viii below:

25. Sickness insurance—agricultural workers, 1927.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●
26. Minimum wage-fixing machinery, 1928.....	●	⊖ ⁴	●	⊖ ⁴	⊖ ⁴	⊖ ⁴	⊖ ⁴	⊖ ⁴	⊖ ⁴	⊖ ⁴	⊖ ⁴	⊖ ⁴	⊖ ⁴	○
29. Forced labour, 1930.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●
30. Hours of work in commerce and offices, 1930.....	●	●	●	⊖	⊖ ⁵	⊖ ⁵	⊖ ⁵	⊖ ⁵	⊖ ⁵	⊖ ⁵	⊖ ⁵	⊖ ⁵	⊖ ⁵	○
31. Hours of work in coal mines, 1931.....	●	⊖	●	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	○
33. Minimum age for child labour in non-industrial employment, 1932.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●
34. Fee-charging employment agencies, 1933.....	●	○	●	○	○	○	○	○	○	○	○	○	○	○
35. Old-age insurance in non-agricultural employments, 1933.....	●	○	●	○	○	○	○	○	○	○	○	○	○	○
36. Old-age insurance in agricultural employment, 1933.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●
37. Invalidity insurance in non-agricultural employments, 1933.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●
38. Invalidity insurance in agricultural employment, 1933.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●
39. Widows' and orphans' insurance in non-agricultural employments 1933.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●
40. Widows' and orphans' insurance in agricultural employment, 1933.....	●	●	●	●	●	●	●	●	●	●	●	●	●	●

*Not to go into effect until similar statutes are put in operation by other provinces.
 1. Eight-hour day for miners below ground only in Nova Scotia, New Brunswick, Northern Ontario, Saskatchewan and Alberta. In British Columbia miners both above and below ground have 8-hour day. No 48-hour week stipulated in legislation.
 2. Compensation not payable as early as the 5th day after accident as in convention.
 3. Contrary to draft convention, compensation to alien dependants residing outside Canada may not be greater than compensation payable under law of other country or may be reduced by boards.
 4. Minimum wage law applies only to women or to boys and men replacing female employees. Does not apply to home workers as specially required by convention.
 5. Factory Act or Minimum Wage orders limit hours of females in shops but permit longer hours per day or per week than convention.
 6. The Provincial Act applies only to railway workers.

ANNEX VI

Supplementary to Chapter VII.

FURTHER STATISTICS ON DISTRIBUTION

TABLE 123.—RELATIVE PROPORTION OF CHAIN STORE SALES TO TOTAL SALES FOR SELECTED KINDS OF BUSINESS IN CANADA AND THE UNITED STATES

Kind of Business	Per cent of chain store sales to total sales of all stores in same kind of business	
	Canada	United States
	1930	1929
Variety, 5-and-10, and to-a-dollar stores.....	93.60	90.12
Office and store mechanical appliances and typewriter stores.....	73.40	50.77
Household appliance stores.....	58.31	50.50
Combination stores (groceries and meats).....	33.21	32.22
Grocery stores.....	28.53	45.70
Filling stations.....	24.79	33.86
Shoe stores.....	22.58	37.95
Drug stores.....	18.57	18.49
Restaurants and cafeterias (including lunch rooms).....	18.50	13.63
Women's apparel and accessories stores.....	15.84	22.71
Men's clothing and furnishings stores and custom tailors.....	14.29	21.16

TABLE 124.—DISTRIBUTION OF SALES OF MANUFACTURING PLANTS IN CANADA, 1930

Industry	Value of Production 1930	Percentage Distribution of Sales of Firms Reporting Sales to—						
		Manufacturers' wholesale branches	Other wholesalers	Manufacturers' retail branches	Other retailers (1)	Industrial and other large consumers	House hold consumers	Export sales
		\$	%	%	%	%	%	%
Biscuits, confectionery, cocoa, etc	58,050,602	22.4	26.7	6.1	40.9	1.2	1.3	1.4
Bread and other bakery products	73,594,894	.....	.....	.....	(2)29.9	.....	70.1	.....
Butter and cheese.....	113,018,789	.....	42.2	.....	(3)26.3	.....	(4)26.9	.....
Coffee, tea and spices.....	24,378,447	16.0	14.8	8.1	53.6	6.5	1	9
Fish curing and packing.....	32,973,308	7	41.3	.....	(5)15.5	8	3	41.4
Flour and feed mills.....	144,855,946	8.6	25.5	1.5	15.7	(6)18.7	(7)5.3	26.7
Fruit and vegetable preparations.....	31,458,415	5.6	57.8	6.9	28.1	1.3	1	2.2
Pickles, vinegar and sauces.....	11,585,337	41.8	14.9	.....	17.6	1.0	.2	24.5
Slaughtering and meat packing.....	164,029,953	36.6	4.4	3.6	48.8	1.4	4	4.8
Sugar refineries.....	42,935,722	.....	79.4	.....	6.9	12.0	.....	1.7
Tobacco, cigars and cigarettes.....	85,671,786	.....	70.3	.1	29.2	.2	.1	.1
Boots and shoes.....	40,478,911	.2	25.0	1.5	71.6	.9	.5	.3
Clothing, factory, men's.....	40,819,423	.....	(8)6.5	15.3	75.0	1.1	2.1	.....
Clothing, factory, women's.....	61,815,948	1.1	7.3	4.2	83.0	3.2	1.1	.1
Furnishing goods, men's.....	25,154,310	1.0	20.6	2.4	73.2	1.8	.8	.2
Hats and caps.....	14,224,789	4.9	16.4	9.5	64.6	3.5	.6	.5
Hosiery, knitted goods and fabric gloves.....	54,117,924	2.0	29.1	1.3	60.4	4.5	.9	1.8
Furniture.....	36,866,195	4.3	6.8	5.1	61.2	15.0	6.9	.7
Electrical apparatus and supplies.....	104,577,790	29.5	27.6	.3	8.1	31.3	.2	3.0
Hardware and tools.....	21,474,155	3.4	39.8	.....	(9)24.5	23.7	.4	8.2
Paints, pigments and varnishes.....	23,966,502	8.4	13.0	3.1	34.2	39.6	1.4	.3
Automobiles.....	101,677,487	4.4	12.1	2.8	57.6	.4	.3	22.4
Medicinal and pharmaceutical preparations.....	17,768,806	11.5	27.1	5.7	47.0	5.4	1.2	2.1
Soaps and washing compounds.....	18,167,838	1.8	58.1	.....	27.3	8.5	.5	3.8
Rubber goods, including footwear	73,782,673	23.5	9.5	1.1	21.8	12.2	.3	31.6

(1) Includes department stores and chains.

(2) Includes sales to hotels and other large users.

(3) Includes sales to retail branches.

(4) Includes sales of fluid milk and cream by dairy factories.

(5) Includes sales to retail branches.

(6) Consists chiefly of sales to bakeries.

(7) Includes sales to farmers.

(8) Includes wholesale branches.

(9) Includes sales to retail branches.

TABLE 125.—NUMBER OF CHAIN STORE UNITS OPERATED IN 1930 AND NUMBER ESTABLISHED LATER THAN 1925

Kind of Business	Total Units	Date of Opening	
		Later than 1925	Per cent later than 1925
General merchandise.....	611	334	54.67
Apparel group.....	660	399	60.46
Furniture and household group.....	481	239	49.69
Food group.....	2,669	1,806	67.67
Lumber and building group.....	1,122	317	28.25
Restaurant group.....	290	130	44.83
Automotive group.....	841	589	70.04
Office appliance group.....	173	27	15.61
Drug stores.....	292	130	44.52
All others.....	1,395	630	45.16

TABLE 126—NUMBER OF COMPANIES, NUMBER OF UNITS AND SALES OF GROCERY, COMBINATION AND MEAT STORE CHAINS COMBINED, 1930-1933

	1930	1931	1932	1933
Number of chains.....	88	87	85	87
Number of stores (maximum).....	2,353	2,418	2,395	2,348
Total sales.....	\$128,291,800	\$124,642,400	\$109,693,300	\$102,940,200
Index of chain sales (1930=100).....	100.00	97.16	85.50	80.24

TABLE 127—CANADA—RETAIL MERCHANDISE TRADE, 1930-1933

NUMBER OF CHAINS, CHAIN STORES, TOTAL CHAIN STORE SALES AND PERCENTAGE OF CHAIN STORE SALES TO TOTAL SALES

Kind of Business	1930(1)	1931	1932	1933
All Stores, Total—				
Chains (number).....	518	506	486	461
Chain stores (number).....	8,097	8,188	8,066	7,900
Chain sales.....	\$ 487,333,000	434,015,200	360,630,100	328,736,700
Total sales.....	\$2,755,569,900	2,325,732,000	1,917,219,000	1,776,884,000
Percentage, chains to total.....	17.7	18.7	18.8	18.5
Grocery and Combination Stores—				
Chains (number).....	66	69	71	75
Chain stores (number).....	2,004	2,098	2,151	2,132
Chain sales.....	\$ 119,498,600	117,099,500	104,442,600	98,606,500
Total sales.....	\$ 405,403,400	360,872,000	315,825,000	297,306,600
Percentage, chains to total.....	29.5	32.4	33.1	33.2
Variety, 5-and-10, and to-a-Dollar Stores—				
Chains (number).....	15	14	14	14
Chain stores (number).....	313	329	339	348
Chain sales.....	\$ 39,383,600	33,906,700	35,474,800	33,348,600
Total sales.....	\$ 44,212,200	43,565,000	39,629,000	37,257,000
Percentage, chains to total.....	89.1	89.3	89.5	89.5
Filling Stations—				
Chains (number).....	28	27	26	30
Chain stores (number).....	646	686	703	738
Chain sales.....	\$ 14,875,300	15,552,200	14,705,800	14,071,100
Total sales.....	\$ 66,449,300	60,195,000	54,091,000	47,842,000
Percentage, chains to total.....	22.4	25.8	27.2	29.4

ROYAL COMMISSION ON PRICE SPREADS

TABLE 127—CANADA—RETAIL MERCHANDISE TRADE, 1930-1933—*Concluded*NUMBER OF CHAINS, CHAIN STORES, TOTAL CHAIN STORE SALES AND PERCENTAGE OF CHAIN STORE SALES TO TOTAL SALES—*Concluded*

Kind of Business	1930 ⁽¹⁾	1931	1932	1933
Men's and Boys' Clothing and Furnishings (including custom tailors)—				
Chains (number).....	22	22	19	14
Chain stores (number).....	176	179	148	125
Chain sales.....	\$ 9,866,800	8,253,600	5,784,700	5,405,200
Total sales.....	\$ 72,110,500	58,759,000	46,876,000	44,520,000
Percentage, chains to total.....	13.7	14.0	12.3	12.1
Family Clothing Stores—				
Chains (number).....	13	13	12	12
Chain stores (number).....	55	55	57	62
Chain sales.....	\$ 4,746,600	4,425,100	3,873,700	6,722,000
Total sales.....	\$ 42,144,100	36,976,000	31,845,000	31,593,000
Percentage, chains to total.....	11.3	12.0	12.2	21.3
Women's Apparel and Accessories Stores—				
Chains (number).....	28	25	19	15
Chain stores (number).....	183	186	164	144
Chain sales.....	\$ 8,584,800	6,828,100	5,093,700	4,029,400
Total sales.....	\$ 69,806,000	61,236,000	49,405,000	44,688,000
Percentage, chains to total.....	12.3	11.2	10.3	9.0
Shoe Stores—				
Chains (number).....	17	18	19	22
Chain stores (number).....	193	212	230	257
Chain sales.....	\$ 7,702,700	7,687,500	7,094,800	7,114,800
Total sales.....	\$ 35,908,000	32,259,000	27,802,000	26,284,000
Percentage, chains to total.....	21.5	23.8	25.5	27.1
Household Appliance Stores—				
Chains (number).....	19	17	17	16
Chain stores (number).....	283	269	260	250
Chain sales.....	\$ 10,282,000	7,682,400	6,216,800	5,299,700
Total sales.....	\$ 17,798,200	14,247,000	10,886,000	9,209,000
Percentage, chains to total.....	57.8	53.9	57.1	57.5
Restaurants, Cafeterias and Eating Places—				
Chains (number).....	21	20	17	17
Chain stores (number).....	252	243	224	216
Chain sales.....	\$ 13,438,600	11,011,700	8,262,600	7,129,300
Total sales.....	\$ 75,977,100	62,040,000	47,673,000	41,666,000
Percentage, chains to total.....	17.7	17.7	17.3	17.1
Drug Stores—				
Chains (number).....	31	32	32	29
Chain stores (number).....	284	299	305	297
Chain sales.....	\$ 13,971,300	13,584,600	12,520,000	11,001,300
Total sales.....	\$ 76,848,900	70,510,000	63,818,000	57,068,000
Percentage, chains to total.....	18.2	19.3	19.6	19.3

⁽¹⁾ Figures for 1930 have been revised to provide for the reclassification of some stores by type of operation and the use of sales figures by firms instead of individual units.

TABLE 128—PERCENTAGE EARNED ON INVESTMENT

Year	G. Tambllyn Ltd.	Loblaws Groceries Ltd.	Dominion Stores Ltd.
	%	%	%
1923.....		31.13	
1924.....		21.21	16.11
1925.....	20.15	25.50	16.65
1926.....	18.95	27.87	20.52
1927.....	18.34	20.51	19.89
1928.....	16.38	19.64	18.38
1929.....	19.50	22.91	14.36
1930.....	16.53	20.57	12.30
1931.....	16.36	19.75	12.10
1932.....	11.47	17.54	8.54
1933.....	9.39	(not available)	8.08

TABLE 129—RELATIVE NUMBER OF GROCERY AND COMBINATION (GROCERIES AND MEATS) STORES

(Independent and Chain Stores, by Cities, Grouped According to Proportion of Chain Store Sales)

Proportion of chain store sales to total sales	Cities	Total popula- tion	Independent Stores		Chain Stores		
			Number of persons per inde- pendent store	Average sales per store	Per cent of chain store sales to total sales	Number of persons per chain store	Average sales per store
Over 50 per cent.....	Windsor, Toronto, Verdun.....	755,060	484	\$ 14,961	54.2	2,097	\$ 176,650
40-50 per cent.....	Hamilton, Calgary, Ottawa....	366,180	478	16,193	46.9	1,688	50,494
30-40 per cent.....	Saskatoon, Vancouver, Regina, Kitchener, Winnipeg, Brant- ford.....	622,778	424	14,272	34.9	2,673	48,314
20-30 per cent.....	London, Montreal, Edmonton.	968,922	324	18,462	23.6	3,126	55,197
10-20 per cent.....	Saint John, Halifax, Quebec, Victoria, Three Rivers.....	311,915	265	15,934	16.8	3,713	44,982

¹ The average for Windsor is \$48,562, for Verdun \$49,402, and for Toronto \$87,308.

CHART VI

Total Sales of all Divisions of T. Eaton Company Limited and Robert Simpson Company Limited

(Semi-logarithmic scale)

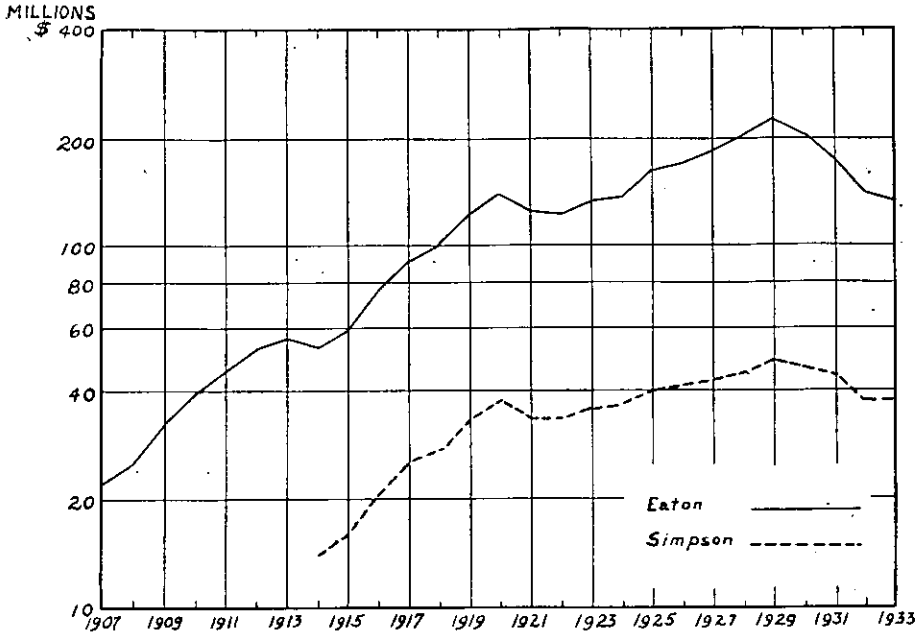
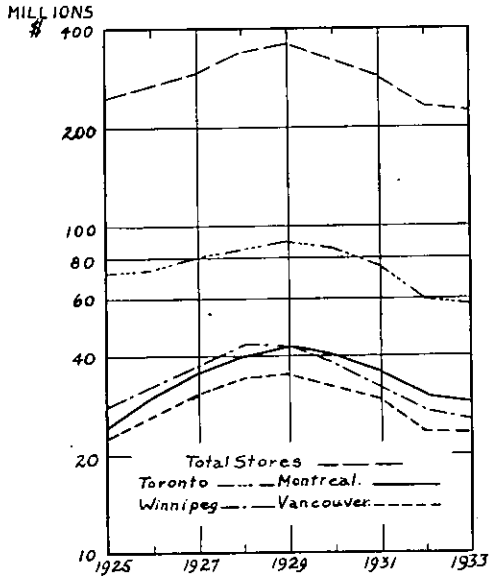


CHART VII

Sales of Twenty-two Department Stores and Mail Order Warehouses, and Sales by Cities, 1925-1933.

(Semi-logarithmic scale)



ANNEX VII

Supplementary to Chapter IX

SUMMARY OF LEGISLATION OF PRINCIPAL INDUSTRIAL NATIONS RELATING TO TRADE COMBINATIONS

CONTENTS

	PAGE
Introduction.....	439
Synopses of Legislation on Trade Combinations.....	442
Argentine Republic.....	443
Australia.....	443
Austria.....	445
Belgium.....	446
Canada.....	446
Czechoslovakia.....	449
Denmark.....	451
France.....	451
Germany.....	452
Great Britain.....	456
Hungary.....	457
Italy.....	459
Japan.....	460
The Netherlands.....	461
New Zealand.....	461
Norway.....	463
Poland.....	465
Russia.....	466
Spain.....	466
Sweden.....	466
Switzerland.....	467
Union of South Africa.....	467
United States of America.....	467

INTRODUCTION

The following survey of combine and trust legislation is not exhaustive; it represents at best an endeavour to describe the manner in which the principal industrial nations of the world have attempted to cope with the question of industrial combinations. Most of the material used in this summary is drawn from a "Review of the Legal Aspects of Industrial Agreements" prepared in 1930 for the Economic Consultative Committee of the League of Nations.

The difficulties attending the compilation of such a survey are many and varied. As an example, in the case of the United States of America the mere quotation of the terms of the various anti-trust laws would fail to convey a correct or adequate picture of the situation there without a description of the principal interpretations given these laws by the United States Supreme Court, which, to refer to but one instance, have, by the introduction of the "Rule of Reason," considerably modified the original intent and meaning of the Sherman Law. To enter into any exact analysis of the interpretations of the anti-trust and anti-combine laws of the United States would involve the citation of copious extracts from a large number of court decisions. These decisions change their purport and their effect with the changes in the economic development and general viewpoint of the nation and vary according to the particular circumstances of particular cases. An exact and comprehensive summary of the anti-combine laws of other countries would involve even greater difficulties, as many

are based upon the gradual growth and development of common law, evolved under different and less complex economic conditions and modified by many statutes which, though not specifically formed for the purpose of combating or regulating trusts and combines, nor expressly referring to them, may, nevertheless, be made applicable to them. Other countries have placed on their statute books special laws which relate only to one or more particular commodities and which yet specifically mention combines or trusts in connection with them.

The post-war years have been years of widely varying economic conditions with abrupt and exaggerated price fluctuations, accompanied by basic changes in many governments which have in some cases involved different and even distinctly opposed policies on the subject of combines and trusts in the same country and within comparatively short periods. Measures to curb or regulate profiteering, price manipulation, and unfair trade practices have been essayed by most governments and though these have not necessarily mentioned trusts and combines specifically they have generally exerted a material influence upon them. Many of the governments of the world are now experimenting with, or at least seriously debating, comprehensive and drastic reorganization of industry and industrial control. Even in the United States individualism and free competition have been called in question and an experiment in government regulation of industry is being tried. This survey has not included any treatment of the United States National Recovery program. In Russia and Italy, and to a less extent in Japan, state control of various guild systems is being undertaken. Germany and Norway, followed by Poland, Hungary, and Czecho-Slovakia, have enacted extensive measures of combine control and supervision.

The generally accepted differentiation between "good and bad combines" has been greatly accentuated, particularly since the depression. Advantages of rationalization and stabilization of industry as opposed to disadvantages of unrestrained competition have been sharply emphasized. There has been a general desire, acutely stimulated by the depression, to secure the undoubted benefits to be derived from industrial organization or combination while guarding against the evils to be apprehended from it. How can the right of combination be curtailed without unduly restricting individual liberty; how can it be left unrestricted without destroying the liberty of individuals and possibly the power of governments? The following survey will attempt to show how certain nations have attempted to deal with these problems and how they have failed to find an entirely satisfactory solution of them.

Trade combinations may be classified in a general manner as (a) monopolies, (b) combines and cartels, and (c) trusts or mergers.

(a) *Monopoly*.—The distinguishing characteristic of a monopoly is control of all or practically all of the trade in a particular field, either by government franchise or otherwise. The regulation of rates and operating conditions of authorized "natural" monopolies, classed as public utilities, is a function of government distinct from the regulation of combines and trusts, and is not reviewed in the present survey.

(b) *Combines and cartels*.—These two terms may be taken to be synonymous; the former being the Anglo-American expression, while the latter is used upon the continent of Europe. The combine is distinguishable from the trust in that it does not necessarily constitute a legal entity with property of its own, as distinct from that of its members. It is essentially an agreement between individuals or companies who, without sacrificing their separate commercial or industrial existence, agree to pursue by concentrated action a specific economic result. The agreement may take any form from a "gentlemen's agreement" to a definite contract of ostensibly binding quality between its members and it may cover joint selling and buying agencies, an allocation of territory, control and restriction of production, the fixing of common selling or buying

prices, or any or all of these and other functions. In some cases, for reasons of practical convenience, a combine may take on the outward form of a company proper, with a separate legal personality, but such a company is really no more than an executive instrument. Joint selling or purchasing agencies, for example, frequently assume the form of commercial companies, but they operate for the exclusive profit of their members rather than for themselves.

(c) *Trusts*.—The trust or merger is a company in the full legal and commercial sense of the term. It has its own independent existence, legally separate from that of its members. It has capital which is its personal property and it enters into contracts with third parties on its own account. The trust essentially seeks to make profits for itself. It influences, either directly or indirectly, other undertakings in which it has financial, commercial, or industrial interests and which it keeps subordinate to itself and from which it draws dividends. Trusts, too, are able to overcome their competitors much more effectively than combines by a series of devices, i.e., acquisition of shares, refusal to deliver machine tools or raw materials or other boycotting measures, price-cutting in certain markets, etc. The power of trusts is, moreover, enhanced by their ability, through a more complete integration, to embark upon vast programs for control of production and markets.

Public opinion is mainly concerned with the sales policies of trusts and combines, i.e., whether they tend to raise prices or to introduce unduly harsh terms of business, while public authorities direct their attention both to the internal organization of combines and to their external organization, i.e., to the excessive power possessed by the combine or trust over its own members and over third parties outside the organization who may be either competitors or consumers. In countries where economic development is more advanced the public authorities have usually endeavoured to suppress abuses of power by combines when such abuses are directed toward the ruin of competitors by boycott or systematic price-cutting. Governments have also tried to check abuses which are within the power of combines and which operate to the detriment of consumers, i.e., excessive prices, refusal to sell to certain buyers, etc. Different governments have agreed in regarding such abuses of combine power as intolerable restrictions on the freedom of commerce and industry. Those legal systems which are founded on Roman law, such as in France, Belgium, and Italy, have adopted the conception of *public order*, while Anglo-American law has followed the closely related conception of *unreasonable restraint of trade*. In Germany the idea of the infringement of *bonos mores* has been confined to the protection of purely private interests, and in Norway the idea of *abnormal price* or *unreasonable profit* has formed the basis of legislation.

Judicial suppression of the abuse of power by combines both in the field of criminal and civil or commercial law has not been uniform nor, it must be admitted, very effective. The chief explanation is that the notion of public order is essentially a question of opinion which must be left to the decision of judges. These opinions vary with the importance of the part played by trusts and combines in the economic life of the particular country and to the importance attached by its courts to the maintenance of trade and industry on a competitive basis.

Common law fails to deal adequately with the regulation of trusts and combines. It belongs in large part to a period prior to their development and it is difficult, without some board, bureau, or other body entrusted with such a function, to track down these abuses unless under particularly aggravating circumstances.

Jurists have been led to recognize that abuses of power by trusts and combines belong to the realm of economic policy. The importance of this

realm is constantly increasing in proportion to the development of these organizations. Germany and Norway have considered the suppression of abuses of combine power to be a question of public law, and special courts of administrative law have been established to deal with them. A similar tendency has existed in the United States of America and Canada and in some other countries.

Two main conflicting points of view with regard to trusts and cartels have been in evidence since these complex industrial organizations have become a problem in the life of nations. The American conception, and to a lesser extent the British, is one of maintenance of the principle of competition in the interest of consumers and small producers or traders. This policy in Great Britain rests on the common law. English common law was adopted in the United States and was further elaborated by the anti-trust laws of that country. Canada and other members of the British commonwealth followed a similar course. The European conception has seriously compromised and invaded the competitive system by a combination movement supported in varying degrees by governmental co-operation and regulation.

The German school of thought, which belongs to the latter class of national economy, considers that combines and trusts, whether "good" or "bad", must not be permitted to go uncontrolled, and the governments which support this view are finding themselves being drawn more and more into supervisory functions involving the regulation of prices, production, and sale. Even the United States has turned recently in this direction.

SYNOPSIS OF LEGISLATION ON TRADE COMBINATIONS

The following list indicates the main legislative measures adopted by various leading nations to regulate and protect the public from abuses of combinations in trade and industry. The countries listed are divided into three groups. Countries in the first group have special legislation designed to regulate cartels and other trade combinations or to otherwise prevent the formation of detrimental combines. The second group consists of countries which have no special cartel legislation, the principles of the ordinary law being applicable to such organizations. Countries in this group have, however, laws relating to special classes of trade combinations or applicable to certain injurious policies such as the maintenance of prices at unreasonably high levels. The third group contains nations whose governments at present exercise extreme powers for the operation or general administration and control of industrial enterprises.

1. COUNTRIES WITH SPECIAL LAWS CONCERNING CARTELS AND COMBINES

- Argentine—Law against Trusts. (1923).
- Australia—Australian Industries Preservation Acts. (1906-1910).
- Austria—Law regarding Combines. (1870).
- Canada—Combines Investigation Act. (1923). Criminal Code, Section 498.
- Czechoslovakia—Law Regarding Price Rings. (1933).
- Denmark—Act relating to Price Agreements. (1932).
- Hungary—Law regarding Cartels. (1931).
- New Zealand—Commercial Trusts Act. (1910). Board of Trade Act. (1919).
- Norway—"Act regarding the Control of Limitation of Competition and Improper Manipulation of Prices." (1926).
- Poland—Law regarding Price Rings. (1933).
- Sweden—Act for Investigation of Combines. (1925).
- Union of South Africa—Meat Trade Monopoly Act. (1909). Act against Monopolistic Combinations. (1923).

II. COUNTRIES WITH NO SPECIAL LAWS CONCERNING CARTELS AND COMBINES OR WITH NO ADMINISTRATIVE SUPERVISION

- Belgium—Punishment of the offence of fraudulently or abnormally affecting prices (Criminal Code, article 311).
 Invalidation by the courts of agreements contrary to public policy (Civil Code, article 1131).
 Damages awarded to persons injured by acts of unfair competition (Civil Code, article 1382).
 No general administrative supervision.
- France—Punishment of the offence of fraudulently or abnormally affecting prices (Penal Code, article 419).
 Invalidation by the courts of agreements contrary to public policy (Civil Code, articles 6 and 1131).
 Damages awarded to persons injured by acts of unfair competition (Civil Code, article 1382).
 No general administrative supervision.
- Great Britain—Invalidation by the courts of agreements in undue restraint of trade.
 No penal measures in force.
 No general administrative supervision.
- Netherlands—Punishment of fraudulent acts arising out of illicit agreements (Penal Code).
 No administrative supervision.
- Switzerland—Invalidation by the courts of agreements having objects such as exploiting the public for undue gain through monopolistic agreement or excessive restriction of economic freedom of members of cartels.
 No general administrative supervision.

III. COUNTRIES WITH WIDE GENERAL REGULATION OR OPERATION OF INDUSTRY BY GOVERNMENT

- Germany—Administrative and court supervision of industry under Cartel Decrees of 1923 to 1933.
- Italy—Punishment of the offences of restricting freedom of trade by force or threats (Criminal Code, article 165), and of affecting market prices by fraudulent means (Criminal Code, article 293).
 Invalidation by the courts of agreements contrary to public policy (Civil Code, articles 1119 and 1122).
 Administrative supervision of industry.
- Japan—Administrative supervision of many industries under Industrial Control Law of 1931.
- Russia—State operation of industry and trade.
- Spain—Administrative regulation of industrial production under Decree of November 4, 1926.
- United States of America—Administrative regulation of trade and industry under National Industrial Recovery Act of 1933.
 Prohibition of monopolistic agreements under National Industrial Recovery Act, Sherman Anti-Trust Law and other statutes.

THE ARGENTINE REPUBLIC

A general law was enacted on August 23, 1923, rendering abuses of power by trusts a punishable offence. A few months later an administrative decree was issued supplementary to this statute containing a detailed list of necessities of life which were to be safeguarded against monopolistic control.

A number of other statutes, not exactly to be termed trust legislation, have been enacted supplementary to the general law. A law of October 3, 1923, fixed maximum and minimum prices for meat, and a second law of the same date stipulated that cattle should be sold only on the basis of live weight. A further law, also of the same date, dealt with the control of the meat trade.

The general tendency exhibited by the judiciary is one of opposition to trusts and a desire to restrain them.

AUSTRALIA

The Australian federal government has been handicapped in the enactment of adequate combine laws by the limitations of its jurisdiction. Since the War attempts have been made to enlarge the powers of the federal government and a referendum was held to authorize the continuance of the extraordinary powers

given the Australian government during the War but the measure was rejected at the polls. On the other hand during the War all the states of the Australian Commonwealth, with the exception of Tasmania, enacted legislation dealing with the control and regulation of prices and since the War several of the states have passed legislation dealing with profiteering and price-fixing, including the Monopoly Act of 1923 passed by the legislature of New South Wales.

The outstanding legislation enacted by the Australian federal government has been the *Australian Industries Preservation Acts, 1906-1910*. In 1906 the legislature passed "an Act for the preservation of Australian industries and for the repression of destructive monopolies". This act was directed against the apprehended danger of the American Meat Trust extending its activities to Australia. The act was amended in 1908, 1909, and 1910.

The act stipulates that "any person who, either as principal or as agent, makes or enters into any contract or is, or continues to be a member of, or engages in any combination in relation to trade or commerce with other countries or among the States

- (a) in restraint of, or with intent to restrain, such trade or commerce, or
- (b) to the destruction or injury of, or with intent to destroy or injure by means of unfair competition any Australian industry the preservation of which is advantageous to the Commonwealth, having due regard to the interests of producers, workers, and consumers, is guilty of an offence"

punishable by a fine of £500 and a further penalty in the case of continuing the offence of £500 for each day during which the offence is continued. It is provided that it should be a defence that the matter or thing alleged to have been done was not to the detriment of the public and the restraint was not unreasonable, placing the onus of proof on the defendant. The Act also stipulates that any person who monopolizes, or attempts to monopolize or who combines or conspires with any other person to do so is guilty of an indictable offence entailing the same penalties as above, or, in the case of a corporation, double these amounts. The attorney-general may proceed by indictment or may institute proceedings in the High Court by way of a civil action to recover the pecuniary penalties for the offence. Other offences are:

(a) Bribery in the form of rebates, refunds, etc., to ensure exclusive dealing, refusal to deal, or joining a commercial trust. The penalty is £500 and contracts embodying such arrangements are made null and void.

(b) Refusal to sell or supply goods or services either absolutely or except under disadvantageous conditions to any persons for the reason, amongst others, that such persons are not members of a commercial trust. Penalty, £500.

(c) Whoever abets, procures, etc., or who is knowingly concerned in or privy to the commission of an offence or who commits outside Australia what, if done in Australia, would constitute an offence against the Act is guilty. Penalty, £500.

The attorney-general is also empowered to institute proceedings to restrain by injunction the carrying out or continuing of any combination or contract in restraint of trade. Any person who is injured by an act in contravention of the Act or by contravention of an injunction granted as above is given the right to sue for the recovery of treble the amount of damage sustained by him because of the injury. No person is excused from answering or making discovery of documents in such civil cases on the ground that such might tend to incriminate him but his answers are not to be admissible in evidence against him in criminal proceedings other than for perjury.

The Act states that "unfair competition" is taken to mean competition which is unfair in the circumstances, and competition is deemed to be unfair, unless the contrary is proven, in the following circumstances:—

- (a) If defendant is a commercial trust,
- (b) If competition results, or would probably result, in an inadequate remuneration for labour,
- (c) If competition results in creating substantial disorganization in Australian industry or unemployment,
- (d) If defendant gives or offers rebates, discounts, or other reward to ensure exclusive dealing.

In determining whether competition is unfair, regard is to be given to whether the management and equipment of the industry affected by the competition is reasonably efficient and up to date.

Very little action has been taken under this Act and its efficiency is largely nullified by the constitutional limits of the federal government.

In addition to the above Act there are provisions in the Customs Tariff (Industries Preservation) Act, 1922, which relate to combines and trusts and are designed to prevent dumping.

Australia has a lengthy history of federal or state operation in various branches of commercial enterprise including banking, insurance, canneries; and wages have been generally maintained in Australia for many years at relatively high levels through government regulation. Through these and similar measures the Australian governments have exerted their chief efforts toward protecting employees and consumers against high-price policies of combinations and monopolies.

AUSTRIA

The legal position of cartels in Austria is based on the *Law regarding Combines* of October 7, 1870. Section 4 of this law declares any "agreements between industrialists or merchants concluded for the purpose of raising the prices of commodities to the prejudice of the public" to be legally inoperative. Under the Civil Code, independent of the Combination Law, cartels may be declared null and void if their activities are contrary to morality or public policy. The only cartels expressly prohibited by law are combinations for the submission of tenders. A law of March 9, 1921, regarding the illicit raising of prices, which provides penalties for agreements designed to secure undue profits on necessaries, service and brokerage was directed against profiteering under inflation conditions and has not been applied, at least recently, to cartels. The opportunity for exercising pressure on non-members or enforcing penalty provisions against members of combinations is very restricted.

In spite of these obstacles of the law, cartels have attained a position of relative importance in the country. This degree of cartel organization is stated, by the writer of the review published by the League of Nations in 1930 on which the present summary is based, to be due to a high development of discipline within industrial associations and to the prudent policies of the cartels which have minimized disputes calling for judicial decisions. The same writer includes the following in a list of general conclusions to be drawn from judgments of the Supreme Courts in illustration of the legal position of industrial combinations in Austria:—

"Cartels are not legally inoperative where their object is to protect the legitimate economic interests of the producers against middlemen or against unwarranted pressure to keep prices down (Decision of February 4th, 1903)."

"It is immaterial whether the cartel has actually had the effect of increasing prices as far as the public is concerned; it is enough if it has

placed the consumer in a less favourable position (Decisions of January 26th, 1898, April 6th, 1899, and September 4th, 1914)."

"The rationing of production constitutes a cartel, in so far as it is a means of artificially increasing prices (Decision of September 9th, 1914)."

"A contract relating to the closing of a factory on the strength of an agreement with the competitors constitutes a restriction of competition and is consequently regarded as prejudicial to the interests of the community (Decision of March 20th, 1923)."

"... Decision of November 23rd, 1927, declared to be contrary to public morality (as infringing No. 1 of the Law on Unfair Competition) a contract of exclusion between the brewers and the bottle-fillers' corporation, whereby the formation of any other bottle-filling concerns was to be prevented by the breweries by means of a refusal to effect deliveries; the court declared the reason given by the parties concerned, namely, that their object had been to remedy a crisis brought about by over-crowding of the industry, was incompatible with commercial liberty."

The laws of the country are thus distinctly opposed to a wide exercise of trade control by industrial combinations. An organization composed chiefly of small industrialists and merchants operates in Austria as a special defence body against cartels.

BELGIUM

In Belgium there are no statutes specifically governing trusts and combines. These are left subject only to the common principles of Belgian law. Until 1867 the French Criminal Code was in force in Belgium and Article 311 of the Belgium code, as amended July 18, 1924, is still very similar to Article 419 of the present French code.

Article 311 of the Criminal Code of Belgium provides that where fraudulent methods are used to bring about movements in the prices of foodstuffs, other commodities, or stocks and shares a crime has been committed, and this is punishable by imprisonment of from 15 days to five years and fine of from 300 to 5,000 francs. Moreover, even if fraudulent means are not used, persons who engineer abnormal fluctuations in price in the home market, "whether by prohibitions or agreements designed to fix minimum or maximum selling prices or by restrictions upon the production or the free movement of products", are also considered to be guilty. A further provision is to the effect that the court may order the publication of the sentence, or extracts from it, at the expense of the person upon whom sentence has been passed. The interpretation of Article 311 is very limited. Only where wrongful intent can be shown is it enforced and this is not considered to exist where an agreement between producers is designed simply to limit production in order to prevent it from exceeding the consumers' capacity for absorption.

Article 1131 of the Belgian Civil Code declares invalid any agreement based on unlawful grounds or contrary to public policy.

Article 1382 of the Civil Code allows a private individual to obtain damages if he has been injured by agreements which constitute acts of unfair competition prejudicial to the freedom of trade or industry.

Belgian jurisprudence is not unfavourable to combinations generally but rather in favour of concentration in industry and trade. Trusts or cartels which do not aim at producing abnormal rises or falls in prices are therefore lawful in Belgium.

CANADA

The first legislative action in Canada with regard to trusts and combines was taken in 1889, as a result of the acceptance of the "National Policy" of tariff protection and because of industrial and commercial developments which were then taking place. A select committee was appointed in 1888 by the House of

Commons to investigate the activities of industrial combinations with regard to certain specific commodities. The committee reported its findings during the same year, but it did not make any general recommendations. The following year, an act was passed, entitled: "An Act for the Prevention and Suppression of Combinations formed in Restraint of Trade". In 1892 this act was incorporated in the Criminal Code. As amended it now forms sections 496, 497, and 498 of the Canadian *Criminal Code*, R. S. C. 1927, c. 36, and reads as follows:—

"496. A conspiracy in restraint of trade is an agreement between two or more persons to do or procure to be done any unlawful act in restraint of trade. R. S., c. 146, s. 496.

"497. The purposes of a trade union are not, by reason merely that they are in restraint of trade, unlawful within the meaning of the last preceding section. R. S., c. 146, s. 497.

"498. Every one is guilty of an indictable offence and liable to a penalty not exceeding four thousand dollars and not less than two hundred dollars, or to two years' imprisonment, or if a corporation, is liable to a penalty not exceeding ten thousand dollars, and not less than one thousand dollars, who conspires, combines, agrees or arranges with any other person, or with any railway, steamship, steamboat or transportation company

- (a) to unduly limit the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any article or commodity which may be a subject of trade or commerce; or
- (b) to restrain or injure trade or commerce in relation to any such article or commodity; or
- (c) to unduly prevent, limit, or lessen the manufacture or production of any such article or commodity, or to unreasonably enhance the price thereof; or
- (d) to unduly prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation or supply of any such article or commodity or in the price of insurance upon person or property.

"2. Nothing in this section shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees. R.S., c. 146, s. 498."

In 1897 and in 1907 the *Customs Tariff* was amended to provide for the reduction or cancellation by Order-in-Council of the duties on such articles as might be exploited because of tariff protection by combines and trusts of manufacturers to the detriment of the public. A clause to this general effect is embodied in the present Customs Act.

In 1904 the *Inland Revenue Act* was amended to provide for the cancellation of the licence of any manufacturer who violated certain conditions of sale.

The *Patent Act* contains provisions for the revocation of patents if the reasonable requirements of the public are not met.

The first *Combines Investigation Act* was passed in 1910 and provided for the investigation of combines, the machinery for such investigations, and measures for combating industrial combinations operating to the detriment of the public.

In 1919 the *Combines Investigation Act* of 1910 was repealed by the *Combines and Fair Prices Act*. This new statute, together with the *Board of Commerce Act*, also passed in 1919, and providing for the establishment of a government board of supervision, formed a new and elaborate procedure for dealing with trusts, combines, etc., but, on reference of a ruling of the Board to the Privy Council, the legislation was declared to be *ultra vires* the Canadian Parliament.

In 1923 a second Combines Investigation Act was passed, which repealed the two statutes of 1919. This Act, as revised in 1927, is in force as the *Combines Investigation Act, R.S.C. 1927, c. 26*. Its full title is "An Act to provide for the Investigation of Combines, Monopolies, Trusts, and Mergers". Together with the above-quoted sections of the Criminal Code it represents the combine law of Canada to-day.

Combines are defined in section 2 of the Act as follows:

" 2. In this Act, unless the context otherwise requires

(1) combines *which have operated or are likely to operate to the detriment or against the interest of the public*, whether consumers, producers or others, and which

(a) are mergers, trusts or monopolies, so called; or

(b) result from the purchase, lease, or other acquisition by any person of any control over or interest in the whole or part of the business of any other person; or

(c) result from any actual or tacit contract, agreement, arrangement, or combination which has or is designed to have the effect of

(i) limiting facilities for transporting, producing, manufacturing, supplying, storing or dealing, or

(ii) preventing, limiting or lessening manufacture or production, or

(iii) fixing a common price or a resale price, or a common rental, or a common cost of storage or transportation, or

(iv) enhancing the price, rental or cost of article, rental, storage or transportation, or

(v) preventing or lessening competition in, or substantially controlling, within any particular area or district or generally, production, manufacture, purchase, barter, sale, storage, transportation, insurance or supply, or

(vi) otherwise restraining or injuring trade or commerce, are described by the word 'combine'."

Section 4 provides that "Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees".

The general administration of the Act is placed under the Minister of Labour. A Registrar is appointed, whose duties are to receive and register and deal with applications for the investigation of alleged combines; to call for such returns and make such inquiries as he may deem fit in order to examine into alleged combines; to make reports to the Minister; to keep a register of applications, inquiries, and reports; to keep all documents connected with such proceedings and to transmit them to the Minister when so required; to supply information relating to the Act or any regulations under it; and to do such other things as may be required in connection with his duties under the Act. The Governor in Council may also, from time to time, appoint commissioners under the Act to conduct investigations, and counsel may be appointed to conduct investigations before the Registrar or any Commissioner. Having received application of six persons, or when the Registrar has reason to believe a combine exists or is being formed, or when so directed by the Minister, the Registrar "shall cause an inquiry to be made". If in the opinion of the Registrar, after a preliminary inquiry, the circumstances do not justify further investigation he so reports to the Minister.

The Registrar is empowered to require from any person or corporation written statements under oath relevant to an inquiry and can require a full disclosure of all contracts or agreements. If he then considers that the circumstances justify such action or if a return is not made, the Registrar may

enter the premises and examine the premises, books, and records of the parties under investigation. The Registrar or Commissioner is empowered to call witnesses and examine them on oath. The Minister may also issue commissions to take evidence in a foreign country. No person may be excused from giving evidence on the ground that such evidence might incriminate him, but such evidence is not to be used in criminal proceedings to be instituted against him other than for perjury. The proceedings of the Registrar or Commissioner are private but the Minister may order that any portion of them be conducted in public. At the conclusion of every investigation the Registrar or Commissioner makes a report in writing and during an investigation the Minister may call for an interim report. The Minister may exercise his discretion in making a report public in whole or part, but unless in the opinion of a commissioner the public interest forbids publication of his report, it is to be made public within fifteen days after its receipt.

Whenever, as a result of an investigation, it appears to the satisfaction of the Governor in Council that there exists any combine within the meaning of the Act which is facilitated by the customs duties imposed on the article, Council may direct either that the article be admitted free of duty or that the duty be reduced to give the public the benefit of reasonable competition.

In case the holder of a patent has made such use of his exclusive rights as to limit unduly or injure facilities for producing, supplying, or dealing in the article, etc., such patent shall be liable to be revoked.

Having provided for these measures the Act stipulates certain measures to be taken against offenders. Any person is guilty of an indictable offence and liable to a penalty not exceeding \$10,000 or two years' imprisonment or, if a corporation to a penalty not exceeding \$25,000, who is a party, or privy to, or knowingly assists in the formation or operation of a combine within the meaning of the Act.

Prosecution is usually conducted by a provincial Attorney-General. The Act provides that whenever in the opinion of the Minister an offence has been committed he may remit to the Attorney-General of any province within which such alleged offence shall have been committed, for such action as such Attorney-General may be pleased to institute because of the conditions appearing, any returns made to the Minister relevant to such alleged offence, the evidence taken during the investigation, and the report covering it. If, within three months after the remission of such documents or within such shorter period as the Governor in Council shall decide, no such action shall have been taken in a province as seems in the public interest to be required, the Solicitor-General may, on the relation of any person competent to do so, permit an information to be laid against such persons as in the opinion of the Solicitor-General shall have been guilty of an offence against the Act, and the Solicitor-General may apply for the instruction of counsel to attend on behalf of the Minister of Justice at all consequent proceedings.

In view of division of opinion as to the constitutional validity of the Act, an appeal was taken to the Supreme Court and to the Privy Council, and the Act was declared in 1931 to be *intra vires* the Dominion Parliament. A body of law has been and is being built up through the judicial interpretation of the Act.

CZECHOSLOVAKIA

Until 1933 there was no special legislation in force in Czechoslovakia which covered the juridical position of cartels. In Bohemia, Moravia, and Silesia the Austrian law, including the Law of Combines of 1870, was in force and in Sub-Carpathian Russia and Slovakia the Hungarian law was in force. Certain general legislation applicable to the whole country provided means for regulating trade combinations in the following ways:

(1) Section 113 of the constitution provided for the dissolution of such associations as might threaten public safety and public order.

(2) Provisions for a certain measure of public control were made by Decrees of February 26, 1919, and April 15, 1920, which permitted the creation of special associations of concerns belonging to the same industry for the purpose of fixing prices with the co-operation of the central authorities. Ten years later there were no such associations in existence under these provisions.

(3) A Decree of September 23, 1919, enabled the Ministry of Public Works to introduce a system of compulsory administration in business firms under its supervision, if they should act in a manner prejudicial to the interests of the community.

(4) The Emergency (Inflation) Decree of September 3, 1920, imposed certain obligations to give information and declare stocks and introduced a system of licences for buying and trading. This decree related only to necessities.

(5) The Penal law of August 12, 1921, directed against constraint in business, provided restrictions on the exercise of undue pressure in the organization of cartels.

(6) A law of June 15, 1927, against unfair competition, which went into force January 28, 1928, provided both criminal and civil remedies. On the strength of its general clause this Act is considered applicable to the relations between combines and their members as well as to relations between combines and third parties. This law provided general provision against unfair competition and supplementary clauses covering specific forms, such as false advertising, false indications of origin, disparagement, use of deceptive names, commercial bribery, violations of business secrets, and the unfair use of services of employees of competitors. The law provided that plaintiff might bring a civil action to cease and desist and also for damages. The citizens of foreign countries were also protected. Penalties were: imprisonment up to six months and fines not exceeding 50,000 crowns (\$1,500).

(7) A law of March 28, 1928, declared null and void any cartel agreements which relate to building materials and which result in fixing unduly high prices.

Finally, an Act was passed on July 12, 1933, which related specifically to price rings and combines. This act was directed mainly toward protecting the consuming public. It came into force September 1, 1933. The Act provided for the registration of all price rings, and copies of their agreements, with the National Office of Statistics. This office is also to supervise the prices which are fixed on the basis of such agreements. If danger to the public interest is anticipated the Ministry is directed to undertake an inquiry and if necessary, to institute conciliation negotiations. In the event of an inquiry the price ring must submit explanations with requisite data. If these are not satisfactory the Ministry may proceed to examine the books and other documents of the contracting parties. The results of the inquiry are to be reported to the Government. If the inquiry shows that prices are unjustified the Government may forbid the parties to exceed a certain price level and if this is not complied with (1) the parties may be called upon to deposit a sum not exceeding three million crowns (\$90,000); or (2) the contract may be declared to be null and void; or (3) the organization may be dissolved. The Government is empowered to delegate power to take these measures to a committee of representatives of the Ministries concerned. The contracting parties have a right of appeal to a special price ring court composed of magistrates and experts. The provisions of the Act may also be applied to private monopolies and to prices of goods or services of prime necessity as well as to price ring agreements concluded abroad and applied in the Republic.

DENMARK

An Act Relating to Price Agreements was passed on April 28, 1931, which came into force on January 1, 1932, and which is to extend until December 31, 1936. This Act provides that a committee shall be constituted to consider price agreements made by trusts and similar combinations of a monopolistic character with a view to determining whether they have brought about, or are intended to bring about, or are intended to fix, obviously unreasonable prices for goods of general consumption, or seek to maintain such prices by improper measures. The committee is to take action upon receiving a written and reasoned request for the examination of any such agreement. If the committee then finds that a price agreement is of the nature above described it must lay the matter before the courts which, if they confirm the findings of the committee, will declare the price agreement invalid and may impose fines.

The committee is composed of three members, consisting of a judge of the Supreme Court, a county judge, and a member to be nominated by the President of the Maritime and Commercial Court. The committee may demand from the amalgamations or businesses in question all information regarding the agreement and the measures for maintaining it. Refusal to supply such information is punishable by a fine of at least K. 25 per day. The firms investigated may, however, refuse to divulge technical secrets. In the event of such a refusal the director of the Polytechnic School is authorized to receive such information privately and, if he considers the refusal to be justified, he is to offer the committee his guidance. None of the committee or experts is to be interested in any way in the branch of production or trade under investigation.

FRANCE

The right of combination was not a part of the principle of the freedom of commerce declared following the French Revolution and expressed in the following terms of the law of March 2, 1791:—

“Each individual is free to transact any business or to exercise any profession, art or craft that may seem good to him.”

Industrial combinations were opposed and forbidden. The right to combine which has since developed with the introduction of the machine and large scale business enterprise is still restricted within certain limits.

The principal provision of French law relating to combines in trade and industry is *Article 419 of the Penal Code*. The offence under the law, which dates from 1811 and was widened and made more severe by amendments of December 3, 1926, is the promotion of an artificial rise or fall in the price of commodities. This offence can, under Article 419, be committed by the action of associations or individuals in exercising or attempting to exercise an influence on prices with the view of realizing profits other than those resulting from the natural effects of supply and demand. Article 419 of the Penal Code reads as follows:—

“All persons:

“(1) Who by wrongful or calumnious reports deliberately disseminated among the public, by market bids made for the purpose of upsetting quotations, by offering better prices than those asked by the sellers, or by any fraudulent means or devices whatsoever:

“(2) Or, who by exercising or attempting to exercise, either by individual or collective action, any influence on the market for the purpose of acquiring profit other than that derived from the natural operation of the law of supply and demand:

“Directly, or through a third person, promote, or attempt to promote, an artificial rise or fall in the prices of foodstuffs and other commodities or negotiable securities either public or private:

"Shall be punished with a term of imprisonment varying from two months to two years and a fine varying from 2,000 to 100,000 francs.

"The Court may also forbid the offender to reside in a certain place for not less than two and not more than five years."

Article 420 provides severer penalties for combinations affecting certain necessities, and states:—

"Imprisonment from 1 to 3 years and a fine from 5,000 to 150,000 francs will be inflicted if the rise or fall in price has been operated or attempted in grains, flours, or substances of a farinaceous nature, food-stuffs, beverages, fuel or commercial manures."

Actual fines under French law are much heavier than those stated. The revision of Article 419 made in December, 1926, is said to represent the legislative recognition of the differentiation made formerly by the Courts between "good" and "bad" combinations. The characteristic element of the offence is the attempt to secure gains which are considered to be in excess of those resulting from normal effects of supply and demand.

Court cases under this law since 1926 have been few and relatively unimportant.

A further provision of the French Penal Code, Article 412, has been exercised against trade combinations in some few instances. This article relates to interference with the freedom of tenders, and bidding at auctions, by violence, threats or bribery.

The French system is essentially punitive; no provision is made for prevention.

The French commercial courts regard acts of unfair competition entitling to damages as well as certain forms of commercial boycott resulting from agreements between manufacturers and traders.

GERMANY

Germany possesses a number of laws and decrees dealing directly or indirectly with cartels and trusts. The principal enactment of this nature is the Cartel Decree of 1923, but there are also provisions of ordinary and public law, and a number of decrees issued since 1923 which modify the Cartel Decree of that year. The combine law of Germany is perhaps the most complicated of any country and consequently the most difficult to condense into a brief yet comprehensive sketch. Here it will be dealt with in three principal sections: (1) The Cartel Decree of 1923; (2) ordinary and public law; and (3) Decrees since 1923.

The post-war attitude toward cartels and other economic problems in Germany, such as national planning and socialization, has varied with shifts in political power and in state and public opinion. Cartels came in for popular criticism because of their activity during the period of currency depression when they were charged with having shifted the currency risk to distributors. These were the forces that led to the enactment of the Cartel Decree of 1923 which was intended to be of a somewhat provisional nature. Industry had already attempted to deal with its own abuses by means of a special cartel committee in the Federation of German Industries in 1920, and an advisory cartel council in the Ministry of Economic Affairs in 1922. The Cartel Decree of 1923 was not intended to destroy cartels or combinations but merely to prevent abuses by them which had developed. To settle differences between ordinary traders and co-operatives in connection with wholesale and retail trade special conciliation boards had been established in connection with the Ministry of Public Economy and similar boards existed for the purpose of dealing with complaints which arose within an industry itself or between industry and commerce. The attitude

of public bodies, however, was not uniform. In some cases they enjoined compulsory combination while in others combines were vigorously combated. The exercise of the supervisory powers granted under the Cartel Decree depends on the monetary, economic, and political situation as a whole.

I—The Cartel Decree of 1923

The Cartel Decree of November 2, 1923, or Decree Against the Abuse of Economic Power, gave cartels a special basic legal status of their own. It did not prohibit agreements to combine but, as indicated, was directed only against abuses of economic power. Each case was to be examined individually to decide whether such abuses existed. The Decree provided that in the event of the economic situation or the public welfare being endangered the administration should intervene. The outstanding positive provisions were to the effect that: (1) Cartel contracts and resolutions were to be reduced to writing; (2) confirmation of cartel contracts and resolutions by word of honour or solemn declaration were to be prohibited; and (3) the consent of the President of the Court of Cartels was to be obtained before deposits could be realized upon or punitive steps of a like nature taken. A court of cartels was established under the decree. This court was to be a special tribunal attached to the Economic Court of the Reich, its judges were to be counsellors of the Economic Court and its assessors to be drawn from business circles.

The provisions of the Cartel Decree fall into four groups:—

1. Material Provisions (sections 1-10, 16, 19)
2. Procedure (sections 11-15, 20)
3. Penalties (sections 17, 18)
4. Provisional Regulations (section 21)

1. *The Material Provisions* have a twofold object. Sections 1 to 9 are directed against certain agreements or decisions which form a link between several undertakings; principally against combines. The definite form which cartels must follow is laid down in section 1. Section 2 provides that no oath or assurance is to form the basis of a cartel. Section 3 provides that cartel agreements are to be considered null and void if they exclude or impede appeals to the Court of Cartels or infringe the operation of the Statute. Sections 4 to 7, and 16 provide that if a cartel or its operation is considered to be dangerous to the economic situation or the public welfare its binding force may be reduced or cancelled by a public appeal to the Court of Cartels or by administrative intervention on the part of a competent minister. It is permissible to institute public proceedings for an injunction against certain methods of executing cartel decisions or contracts, and such cartels can be forced by Ministerial Decree to submit regularly copies of all individual engagements and dispositions (sections 4; 3, 5). Section 8 provides that agreements or decisions of the type in question may be denounced at any moment on any grounds of sufficient importance. Section 9 provides that the realization of securities or the enforcement of boycotts on the strength of such agreements can only be carried through with the consent of the court of cartels. Section 10 deals with trusts as well as cartels and has in view all forms of economic control. The Court of Cartels has the power to veto agreements of this type which are concluded with third parties on the basis of such a system of economic control if they involve a danger to the economic situation or the welfare of the public. Section 19 provides that compulsory associations or contracts concluded on the basis of conditions or prices which have received official sanction are not subject to intervention.

2. Provisions which deal with *Procedure* govern the position, competency, and routine of the Court of Cartels. The Court of Cartels is an independent juridical body but attached to the Economic Court and general statutes of the latter are applicable to the former. The competency of the Court of Cartels is

exclusive and other courts are not to decide upon questions within its competency (section 12). The Court of Cartels must give advisory judgments if required by the Minister concerned (section 20). At the instance of the Minister the procedure of the Court of Cartels may be preceded by mediatorial action in the conciliation courts. (section 14).

3. There are two kinds of *Penalties*: minor offences entail disciplinary penalties which are imposed by the Court of Cartels at the instance of the Minister, (section 17): Criminal proceedings are threatened to deter persons concerned from using the assistance given them by the statute to establish economic terrorism, (section 18). The ordinary machinery of the law is employed for such prosecutions.

4. *Provisional Regulations* of section 21 deal with the method of preserving the validity of agreements which were concluded before the statute came into force, either in form incompatible with that laid down in section 1 or confirmed by oath.

II—Public Law and Civil Law

1. *Public Law*.—Present legislation in these matters is based on the Reich Legal Regulation (1869) which favoured private initiative by establishing freedom of trade and abolishing the privileged position previously enjoyed by industrial organizations and guilds and therefore also abolishing compulsory organization. Open competition is implicit in this principle. No legal provisions were made to guard against organized attempts to establish monopolies as they were not then visualized. The public authorities adopted an entirely neutral attitude. The situation was not modified by the constitution of 1919. Although, in principle, freedom of association is allowed, the public authorities reserve the right to take steps withdrawing the juristic personality of or dissolving corporate bodies which act contrary to law or against the public welfare. Section 100 (q) of the 1869 Law prohibits compulsory corporate bodies from fixing prices or regulating competition in any way. Section 253 of the Criminal Code of the German Reich, (Prosecution for extortion), has only been applied sporadically regarding the compulsory powers of organization held by cartels.

2. *Civil Law*.—Section 1, (138) of the Civil Code constitutes a general rule of law affording protection against civil juristic acts of any kind which are *contra bonos mores*. This provision also affords protection against abuses of the power of organization. It affords protection against not only arbitrary acts in respect to individual members and similar acts compelling third parties to join the organization, but also against the effects on the national economy and common weal of the policy of selling at excessive prices. In practice, however, this rule has remained inapplicable because the organizations concerned have not been found to constitute a *de facto* monopoly or to be making an agreement intended to stifle competition even though in individual cases the opposite party has been proved to have suffered seriously from the consequences. A similar general clause was introduced in the Law Against Unfair Competition in 1909. This clause reads: "Any person who, in the transaction of business and for competitive purposes, performs acts which are *contra bonos mores* may be sued for restraint and for compensation for damages". As interpreted by the Reich Court, however, this does not protect the public but is a measure for the protection of competition itself. Section 826 of the Civil Code affords protection against damage caused by compulsory organization, and particularly against outside parties. It reads: "A person who wilfully causes damage to another in a manner *contra bonos mores* is bound to compensate the other for the damage".

In addition to public and private law there are a number of important individual rules of law which have the effect of limiting the powers held by organizations in various economic fields, such as coal, potash, electrical industry, iron, matches, etc.

III—*Decrees Since 1923*

The Cartel Decree of 1923 was provisional and in 1926 the Social Democrats succeeded in having a resolution adopted calling for stricter supervision of trade combinations.

In 1928 a Congress of Jurists recommended a more aggressive policy by the State and the transference of the two vital clauses of the Cartel Decree to civil judicatures. Their influence, however, was not sufficient to influence the government.

During the depression the price-fixing power of cartels was brought forcibly to the attention of the public and they were accused of standing in the way of the adjustment of prices to the level of the new purchasing capacity.

The *Cartel Decree of July, 1930*, formed part of the general emergency decree of the same date and was intended to prevent uneconomic price-fixing and to provide for more direct action. It gave the Government power to invalidate agreements involving price fixing or price raising when such agreements prejudiced the production or distribution of goods or interfered with economic freedom to a degree not justified economically. The government could also, under such circumstances, issue an order authorizing members of such combines to withdraw within a certain time limit. There was also provision for reducing or abolishing import duties on combine-controlled commodities. The scope of this new decree involved agreements not covered by the combine ordinance of 1923, such as agreements imposed by individual firms or trusts. The enforcement of the new decree was placed in the hands of the Minister of National Economy without the intervention of the Cartel Court. In the administrative regulations it was provided that the decree was to apply also to any attempts to restrict resale prices or the prices of products or services of a kind or origin not covered by the cartel. This was aimed at the practice of some cartels of fixing resale prices for products obtained by their customers from outside competitors as well as for supplies and services connected with the distribution of the product covered by the combine agreement.

The Economic Council pronounced against the total prohibition of price-fixing during the crisis in favour of price reduction on proprietary foodstuff articles and for carrying out the reduction policy by negotiation with the cartels rather than by means of more drastic action. The price reduction policy regarding proprietary articles was embodied in a *Decree of January 17, 1931*, which ordered a minimum price reduction of 10 per cent as compared with prices on July 1, 1930.

A further emergency decree, more comprehensive in its reduction of prices, was the *Decree of December 8, 1931*, which provided for all fixed prices to be reduced by at least 10 per cent as compared with June 30, 1931. Prices bound by international agreement were excepted.

None of these decrees, nor the *Decree of 1932* providing for changes in cartel court procedure, can be regarded as embodying a definite combine policy. The National Socialist Government shows a stronger tendency to deal with cartels as a part of the new economic regime.

Two *cartel laws* were passed on *July 15, 1933*, which introduced some radical changes and gave the State, through the Minister of Economic Affairs, much wider powers of intervention.

The first law made more definite the powers of the minister to dissolve cartels under certain conditions without recourse to the Cartel Court and strengthened the influence of cartels by providing that the Cartel Court might approve boycotting measures by a cartel in cases where the business affected was managed by persons of insufficient reliability, including persons selling goods or services at prices held not to be justified in the light of conditions either of the firm or generally.

The second law provides for compulsory cartelization. The Minister of National Economy is empowered to combine enterprises if such action is deemed advisable in the interests of such enterprises as well as of the common welfare. He is given power to restrict the expansion or utilization of productive facilities in the interests of the branch of production involved with due regard to the general welfare. The significance of this law is that the existence of outside competition has been a dominating influence in cartel policy as well as in jurisprudence and prior to this decree cartelization was only resorted to in such key industries as coal and potash. New powers are given to be used only where private industry is unable to solve its own organization problems. Many appeals have already been made, in accordance with the new law, for compulsory cartelization and in a number of industries it has taken place with the aid of the government. German members of an international cartel (rayon) have been authorized by the government to withdraw from it without notice on the ground that it has failed to perform the function of dividing equitably the German viscose market or to equalize prices.

GREAT BRITAIN

Combinations of manufacturers and traders are not governed by any special statutes in Great Britain; but are subject to common law. Any contract or agreement made in unreasonable restraint of trade, (i.e., tending to create a monopoly by the abolition of free competition in trade or industry), is declared null and void as being contrary to public policy, although not necessarily illegal, unless involving an illegal act. A contract which is in restraint of trade, however, may be regarded as valid and enforceable if it involves only a particular restraint which is not larger than the protection of the party with whom the contract is made reasonably requires. The courts will not enforce a contract which is harmful to public interest and therefore combines cannot have recourse to the courts to compel recalcitrant members to observe stipulations illegally restricting their commercial freedom. With regard to relations between combinations and third parties the courts regard as illegal any agreement concluded between two or more persons to injure a third party in the exercise of his trade or industry. On the other hand, an agreement is lawful if its real object is not to harm a third party but only to promote the business or defend the interests of its members. It cannot be penalized even if it is prejudicial to third parties unless the means employed are illegal in themselves.

The courts consider as null and void any agreement which deprives a person unreasonably or unjustly of the right to engage in a lawful trade or occupation as, and where, he thinks fit. To be valid, such a contract must have for its sole object the protection of the person framing the contract, without actually harming the public interest, and provided that the restrictions placed on the freedom of the party bound by it do not exceed what the person framing it is reasonably entitled to demand for his personal protection. Such restrictions must, moreover, be worded in sufficiently precise terms, based on valid grounds, and be not of too general a character.

In recent years there has been a tendency for the law relating to combinations to be stated with modifications. In a number of cases the courts have upheld the legality of trade boycotts and other devices by which trade associations seek to strengthen their positions against outside competitors. It remains true, however, that the interpretation which the courts give to the common law doctrine relating to contracts in restraint of trade is a limiting factor upon the formation of powerful combines in that it is difficult for the latter to secure the enforcement of agreements against recalcitrant members.

It may be noted that while the English law with regard to combines suffers in its effectiveness because it lacks machinery for investigation or super-

vision, the English courts have the power, owing to the nature of common law, to adapt legal practice to the fresh needs which constantly develop.

In 1919 a temporary law known as the *Profiteering Act* was enacted. This Act provided fines or imprisonment for the unlawful raising of prices. The Act expired in 1921.

In 1918 a Royal commission, called the *Committee on Trusts*, was appointed "in view of the probable extension of trade organizations and combinations, to consider and report what action, if any, may be necessary to safeguard the public interest." The committee reported in April of the following year to the effect that in every branch of British industry there appeared to be an increasing tendency toward the formation of trade associations and combinations having for their purpose the restriction of competition and control of prices. It enumerated ninety-three industrial associations and concluded that on the whole these groups were useful and beneficial but that, if unregulated, there were dangers to be apprehended from a system which inclined toward the control of prices and the creation of virtual monopolies. It recommended the institution of permanent machinery for the investigation of the operation of monopolies, trusts, and combines similar to the commissions and other tribunals which had been created for that purpose in the United States and certain British Dominions. The recommendations of this committee have not been followed, although in 1925 a bill was introduced in the House of Commons "to provide for the collection of information with respect to trusts and combines and to restrain abuses thereof."

The recent situation in Great Britain, resulting from industrial difficulties and unemployment, has had the effect of furthering the movement towards concentration and some recent legislation has encouraged it. The Mining Industries Act of 1926 gave the Railway and Canal Commission the right to exercise surveillance over the amalgamation or absorption of coal-mining undertakings. Since then Parliament has removed a number of difficulties preventing the concentration of industry in general. It may be said that English law with regard to industrial agreements is at present in the process of evolution. Its current tendency is not, in principle, hostile to such agreements if adequately regulated or controlled in the public interest.

HUNGARY

Until 1931 Hungary had no legislation specifically concerning cartels and similar trade combinations. Cartels have since 1914 been regarded by jurists in Hungary as legitimate in so far as the policy they pursue is not contrary to morality or public order as it would be considered by the courts, in particular, if an attempt was made to secure a monopoly of markets or limit competition by agreements abnormally affecting prices.

The criminal law prohibits the formation of combinations for the submission of tenders for public contracts. It also contains an Ordinance of 1920 against the artificial raising of prices.

The *Hungarian Cartel Law* which came into force on *October 5, 1931*, provides for the regulation of cartels and trusts and the suppression of such combinations operating to the detriment of the public. This law is based largely on the German Cartel Decree of 1923.

Article 1 of the Hungarian law provides, as in the German Decree, that all fundamental agreements of trade combinations must be in writing. The combinations included are "agreements or decisions involving the compulsory limitation of the output, sale or selling price of any commodity, or otherwise controlling commercial competition."

All such agreements are to be submitted to the Minister of National Economy for registration. Article 6 provides that "If, by reason of the agreements

or decisions covered by Article 1, or of any other action or policy directed towards the ends mentioned therein (even though not embodied in any written agreement or decision), the economic interests of the country or the public welfare are imperilled, and particularly in any case in which it is sought to control the manufacture, sale or price of any commodity in a manner not justified by the economic situation and to the detriment of consumers, producers or distributors, whether in the branch of industry primarily concerned or in any other branch, the Minister of National Economy may institute an official inquiry, negotiate with, penalize or prosecute the parties to the agreement. He may endeavour to modify the measures to which objection is taken by means of negotiations conducted or initiated by him, or by calling an arbitration commission. If these negotiations fail he may propose to take steps against the guilty parties by withdrawing their privileges in respect of taxes, duties and the like, by excluding them from public tenders, or by special industrial or freight measures. He may also propose to the Cartel Court to prohibit the execution of a harmful measure by means of a provisional order under penalty of a fine. Finally, he is authorized under Article 6 to order the immediate institution of a public prosecution in accordance with Article 7. If in the Minister's opinion it is unnecessary to take immediate action, he will, as a rule, obtain the opinion of the Cartel Commission before taking any of these measures.

The institution of a public prosecution is subject to certain conditions.

The Cartel Court may order the dissolution of an organization itself, or forbid the execution of any agreement concluded, or any decision adopted by it, under penalty of a fine.

An application for public prosecution may be made to the Minister, on the production of proof, by any authority, or by a private person. The Minister is not bound to comply with such an application, but if it is from a public authority he must, as a rule, obtain the opinion of the Cartel Commission before making a decision not to proceed.

Actions brought by private persons must concern matters exceeding the scope of purely private interests. Persons whose private interests suffer damage have their remedy in the ordinary courts.

Articles 17 and 18 prohibit agreements affecting prices of agricultural produce to the detriment of producers, and include the following provisions:—

“Any understanding, combination or other measure, the object of which is the manipulation, to the detriment of producers, of the free and natural level of market prices for agricultural produce, is hereby forbidden.

“Unless such action is punishable by a heavier penalty, any person who concurs or co-operates with others or spreads false rumours, with the object of influencing the free and natural level of market prices for agricultural produce to the detriment of producers shall be guilty of an offence punishable by a fine.”

Procedural Provision

The law provides for the co-operation of the following authorities:—

1. The Minister of National Economy.
2. The Cartel Commission.
3. The Legal Representative of the Treasury.
4. The Cartel Court.
5. The Local Market Police (under Articles 17 and 18).

1. The Minister's functions are established in detail.

2. The Cartel Commission is an advisory body composed of eleven members acting in an honorary capacity but on the footing of public officials as regards secrecy, etc. They are appointed by the Cabinet. An Ordinance provides that the manufacturing industries, craftsmen, commerce, agriculture, the general

consumer and labour are to be represented on the commission by at least one member each.

3. The Legal Representative of the Treasury (Causarum regaliū Directorat) has the power of a public prosecutor and consists of official solicitors, who receive a fixed salary to represent the Treasury under private law. It may at the request of the Minister take action with a view to annulling an arbitration award which infringes the law, or for enforcement of other provisions of the Cartel Law.

4. The Cartel Court is a special court of five members and is attached to the Supreme Court. The president of the latter is also president of the former and has the right to delegate his powers. He prepares a list of judges of the Supreme Court from which two are appointed by the president of the Cartel Court for each case. Two lay assessors are appointed from a list of ten experts prepared by the Minister of Justice. Cases brought before this Cartel Court are always "prosecutions in the public interest." Procedure is governed by the principles of civil procedure. The decision of the Cartel Court is binding on the ordinary courts and Arbitration Court. The Cartel Court is competent to impose penalties.

5. The market police represent the lowest authority, having jurisdiction over local matters of trade in agricultural products. If they cannot settle minor difficulties the district administrative board may take proceedings and inflict fines.

Prior to the passing of the 1931 Cartel Law the Hungarian courts had already adopted the view that an agreement between persons for the purpose of varying the normal prices of articles as established by supply and demand is *contra bonos mores* and a breach of public order. Such an agreement is considered as a limitation of the competition which should exist to safeguard the interests of the public, and as injurious to the body of consumers. For this reason the courts also refused to admit any action based on such an agreement. According to a Hungarian Judgment of recent years an agreement prohibiting the marketing of articles at less than cost price is not considered to be illegal.

6. The Fascist State during the past year has been developing a grouping of its citizens into corporations approximating to guilds. These guilds are grouped by industries and include both labour unions and trusts or cartels. The guilds are under the immediate authority of the State. The guilds are expected to settle internal difficulties by conciliation but if they fail, appeal may be made to the Labour Magistracy. On the other hand, the State or its public bodies are expected to consult the interested guilds before taking any decision of an economic or social character with respect to them. The guilds are expected to regulate production for the various industries. It is intended that the guilds, in addition to functioning for particular industries, should form a plenary assembly to handle general problems. This program of guild organization is not yet completed. It represents one of the experiments to solve modern economic problems on a national basis without resorting to complete state control.

7. The operations of cartels are not the subject of special legislation, although the government has often tried to combat the high cost of living by exercising control over prices, particularly retail prices. During the present year (1934) a new flat reduction in wages and prices has been made by the Government.

8. After war-time price regulation a law of September 30, 1920, instituted provincial boards of arbitration to conduct investigation into prices of raw materials and articles of general consumption and give awards regarding prices in disputes between buyers and sellers. Penalties including the provisional closing of offenders' premises might be imposed by these boards of arbitration.

The Law of 1920 was unsuccessful and was annulled in January, 1923. Another attempt to combat the high cost of living was made by a decree of December 15, 1926, establishing municipal supervisory boards to grant trading licences. This decree was still less effective and was annulled a year later.

Provisions of the Civil and Commercial Code afford various measures of protection against detrimental activities of combines. According to Article 165 of the Criminal Code of Italy:—

“Any person who in any manner whatever restricts or hinders freedom of trade by means of force or threats shall be liable to imprisonment for not more than twenty months and a fine of not less than 100 and not exceeding 3,000 lire.”

“This clause enables penalties under the Criminal Code to be imposed if competitors are threatened with a trade boycott for refusing to be amenable to the discipline of a cartel of producers or traders.”

If the objects of a trade combination are unlawful, Articles 1119 and 1122 of the Civil Code, relating to illicit obligations, are applicable. Article 326 of the Penal Code makes it an offence to promote by fraudulent means a shortage or increase of price in foodstuffs. Agreements between shipping companies for raising prices are declared illegal by Article 32 of the emigration legislation. The courts have always held that industrial agreements as such do not constitute illicit associations but that a consideration of the aim of the particular agreement must be considered in judging the legality of each case.

While recently encouraging cartel agreements designed to control production and lower costs and prices, the Italian government views participation in international cartels with distinct disfavour.

JAPAN

There is no legislation forbidding cartels and trusts in Japan, and the judiciary until quite recently has not concerned itself with this question.

A Decree of the Ministry of Agriculture and Commerce of September 1, 1917, set up a controlling body supervising the purchase and retention from the market of certain commodities including grain, flour, steel, iron, coal, textiles, paper, dyestuffs, drugs, manures, where this is done with a view to securing abnormal profits by fixing prices.

Since 1931 the Japanese government has been giving considerable attention to the rationalization of industry. A Bureau of Industrial Rationalization has been established for the primary purpose of assisting important industries in improving their efficiency of management and for the promotion of trade associations. An important function of the Bureau is its control over cartel agreements in important industries.

The *Industrial Control Law of 1931*, although not placing industries under state control, provides for state supervision. It provides that, should one half of the companies in a given industry reach an agreement to curtail production, it will be ordered by the government provided two-thirds of the industry agrees. The law aims at standardization of production, improvement in quality, and the prevention of undue competition and price-cutting. The authorities have the right under this law to investigate combine agreements and may alter or abolish agreements when the interests of the industry and the community are jeopardized. The Bureau of Industrial Rationalization, which derives its power from this Act, is also charged with promoting the formation of trade associations among unorganized manufacturers. The objects in encouraging such associations include the utilization of common plants, and the adjustment of the price and quantity of products. Associations have been established among manufacturers of textiles, enamelware, pottery, superphosphates, automobiles, iron and steel,

etc. Various bills have been drawn up to give the government a stricter control over the industrial situation, particularly with regard to the promotion and protection of new industries. The manufacture of carbon dioxide, sugar refining, and the gasoline refining or trading industry have been added recently to the list of industries designated by the law.

On October 31, 1933, certain other regulations were instituted:

1. Manufacturers' associations intending to establish a price agreement must clearly state in their articles of incorporation the means by which the agreement is to be made effective.

2. Such price agreements are subject to the formal approval of the government.

3. The manner in which application for the Government's approval is to be made is defined.

4. The period for which a price agreement is to remain in force is to be limited to from three to six months.

5. An organization composed of trade representatives and government officials is to be established for the purpose of advising the government whether the price levels proposed in such agreements are reasonable and likely to react to the benefit of the public or otherwise.

Japanese laws and regulations which, during the past three years, have tended so directly toward the concentration and regulation of industry are not motivated by the same considerations as in most other countries. Strained foreign relations and strong pressure for industrial and territorial expansion appear to have been a leading factor in the mobilizing of Japanese industry.

THE NETHERLANDS

A general Article of the Dutch Penal Code refers to an "unlawful act." A person injured by the formation or methods of operation of a combine may declare himself to be a victim of an unlawful act. No proceedings against trade combinations appear to have been taken under this measure.

Dutch law contains no provision for the regulation of trusts or other trade organizations by the state.

Under a decree of May 11, 1920, a Royal Commission was formed for the purpose of investigating the question of what legal measures were necessary to bring the production and marketing of goods into greater harmony with public welfare. No further action with regard to this movement has been noted.

NEW ZEALAND

Legislation in New Zealand has shown a similarity to that of Australia, with the important difference that, while the Australian Federal Government has been severely handicapped by lack of jurisdiction, the government of New Zealand has been unrestricted in this connection and well able to institute such legislation as it has believed necessary.

In 1905, 1908, and 1910, laws were enacted to prevent monopolistic developments in the New Zealand market in regard to foodstuffs, coal, petroleum and tobacco. *The Monopoly Prevention Act of 1908* consolidated statutes which dealt with the dumping of foreign agricultural machinery and the monopolizing of flour supplies.

The Commercial Trusts Act of 1910 was based on Australian legislation and was limited in its operation to certain classes of goods. A commercial trust is defined as any association or combination either in New Zealand or elsewhere having as an object control, fixation, or influence upon supply and demand or

prices of goods; the creation or maintenance of a monopoly, whether complete or partial. An offence is committed by

(1) Any person who either as principal or agent gives, offers, or agrees to give another a rebate, refund, discount, or other consideration, to ensure exclusive dealing or refusal to deal, or to become a member of a commercial trust, or to follow instructions of a commercial trust.

(2) Any person who refuses absolutely, or agrees only upon disadvantageous conditions, to sell or supply another because the latter does or will deal or refuse to deal with any person or class of persons, is, or refuses to be, a member of a commercial trust, or does, or does not, act in accordance with the instructions of a commercial trust.

(3) Any person who conspires to monopolize wholly or in part the demand or supply or to control the price of goods, if such monopoly or control is of such a nature as to be contrary to the public interest.

(4) Any person who sells, or offers for sale or supply, goods at a price unreasonably high, if such price is in any way influenced by a commercial trust of which the person or his principal is a member.

If a commercial trust sells or supplies goods or offers to do so at unreasonably high prices every person who is a member of the trust has committed an offence and, in the case of a corporation, it is itself guilty without excluding or affecting the liability of its members. For purposes of the Act the price is to be deemed unreasonably high if it produces, or is calculated to produce more than a fair and reasonable rate of commercial profit.

A penalty of £500 is provided for each person who is guilty under the Act, and penalties are recoverable by civil suit in the Supreme Court instituted by the attorney-general. The Supreme Court may also grant an injunction against the continuance or repetition of an offence under the Act. The few proceedings under this Act have included prosecutions of an alleged sugar trust (1913) and an alleged milling trust (1927).

These enactments were followed by the *Cost of Living Act, 1915*, which vested in a Board of Trade certain powers of inquiry and investigation in the case of infringement of the Commercial Trusts Act and in other matters relating to the cost of living and prices. *The Slaughtering and Inspection Amendment Act, 1918*, which was enacted to combat the activities of the Meat Trust, prohibited the exportation of meat from New Zealand except under licence by the Minister of Agriculture.

The *Board of Trade Act of 1919* repealed the *Cost of Living Act of 1915* and authorized the Board of Trade to hold such judicial inquiries as it might think fit, whether of its own motion or on a reference from the Governor General or on complaint from an individual, into any matter relative to any industry, "for the purpose of obtaining information which may be required for the due control, regulation, and maintenance of the industries of New Zealand; the due observance, enforcement, or amendment of the laws relative thereto; the discovery of breaches of those laws; the prevention or suppression of monopolies, unfair competition, and other practices detrimental to the public welfare; the proper regulation in the public interest of the prices of goods and the rates of services; or for any other purpose relative to the industries of New Zealand". The Act provides for the procedure of investigations, the hearing of evidence, the production of papers, and publication of results. The Governor-in-Council may, on the recommendation of the Board of Trade, make such regulations under the Act as he deems necessary in the public interest for the following purposes:—

(1) the prevention or suppression of methods of competition, trading, or business considered unfair or prejudicial to the country's industries or to the public welfare;

(2) the prevention or suppression of monopolies and combinations in or in relation to any industry which are considered to be prejudicial to that or any other industry in New Zealand or to the public welfare;

(3) the establishment of a fixed or maximum or minimum price for any class of goods or services;

(4) the prohibition, regulation, or control of differential prices or treatment;

(5) the regulation and control of industries in any other manner, except the determination of remuneration of employees. Offences against the regulations of the Board of Trade are punishable by a fine not exceeding £1,000 or imprisonment for not more than three months. Prosecutions are instituted only with the consent of the Board of Trade. If two or more commit the offence each is liable independently of the others. Penalties are recoverable by civil action instituted by the attorney-general, and the Supreme Court may grant an injunction against the continuance of an offence. Similar penalties are provided for persons who sell or offer goods at prices unreasonably high ("calculated to produce more than a fair and reasonable rate of commercial profit") or who destroy, hoard or refuse to sell with the result of raising the cost of similar goods to the public.

The few prosecutions which have been conducted under this Act include proceedings against members of a combine in the distribution of sugar, members of which were convicted, and an action against members of a flour milling combination. The conviction in the latter case was reversed by the Privy Council in 1927. Investigation and publicity are commonly relied on to safeguard the public interest against injurious policies of trade combinations.

NORWAY

An "Act regarding the Control of Limitation of Competition and Improper Manipulation of Prices" which came into force in Norway on July 1, 1926, provides a comprehensive system of regulation of trade combination. The main object of the law is to prevent excessive prices and profits by preventing undue limitations of competition.

In 1913 a proposal was made by the Government to establish a committee to study measures for the prevention of detrimental policies by cartels and trusts. Due to the war this committee was not appointed until 1916. Government regulation of prices was in force throughout the War period. An Act of August 6, 1920, required "monopolies, combines and all other methods of limiting competition" to be reported to the Directorate of Prices, a price control office established in 1917 for the regulation of commodity prices and the profits of distributors. The development of trade combinations is shown by the fact that in addition to the general body of trade, about 470 such associations were subject to control, as well as 58 concerns having monopoly characteristics.

The Combines Law of 1926 repealed the previous legislation for the regulation of prices.

To administer the Act, an Office of Control, and a Council of Control were established. The Office of Control exercises a control over combinations and the regulation of prices as laid down in the statute. In individual cases appeal may be made to the Council of Control, which further issues certain regulations governing the activities of the Office of Control. The Office of Control maintains a register, which, in general, is accessible only to the control officials but, if the Council agrees, portions of it may be made public. The register contains the agreements of all combinations between persons engaged in gainful enterprises, which have for a purpose the regulation of prices, production or distribution. Control officials are entitled to any information they may require in order to carry out their duties; they may examine the books and papers of any concern and, in case of need, confiscate them; and they may demand that technical

secrets or processes be disclosed to the Office of Control or to the president of the Council of Control. The Council of Control and the Office of Control are independent bodies but the former has no independent initiative. If the administration of a commune so elects, communal control committees may be appointed to assist the Council of Control in its functions, subject to the approval of the central Administration.

The scope of the law extends to measures for the prevention of improper manipulations of prices and for the control of restrictions on competition. It is applicable to both private business enterprises and to such as are conducted by municipalities in competition with private concerns. Combination to regulate wages and working conditions are exempted from the terms of the Act.

The organizations subject to compulsory reporting and registration include combinations which have taken steps, or desire to take steps, to settle prices or conditions of production and marketing in so far as those combines are of importance to the national market; agreements or arrangements serving such purposes or having such effects; and individual enterprises having an important effect on the prices of goods or services.

A special system of control is prescribed for large-scale undertakings in the form of joint-stock companies with capital or assets of at least one million crowns, except banks and insurance companies.

Those subject to the reporting of trade programs and then to registration have further of their own accord to make any supplementary declarations arising out of the text of the law. In the event of their failure to make a notification, the Office of Control proceeds to register them of its own authority and may inflict upon offenders large fines or severe terms of imprisonment, or they may be prevented from carrying on their business for five years or permanently. Information given in registration except technical secrets, may be published if the public interest so requires.

A general clause imposes a general prohibition on undue prices, making it illegal not only to adopt but to demand undue prices and exorbitant conditions. At the instance of the Office of Control the fixing of minimum resale prices may be forbidden. Prices and profits of members of combinations or of other undertakings with "no adequate regulation by competition" may be limited on order of the Council of Control.

Special provisions relate to the actual organization of combinations and agreements, and confer on the Council of Control the right to decide as to their maintenance and as to the exercise of compulsion by the organization. An organization may not impose upon members penalties for non-fulfilment of their agreement and may not realize bills of exchange, bonds, or other deposits in cases where the provision which the member has infringed is itself "unfair" or if the penalty is "contrary to the general interest". The Council of Control at the instance of the Office of Control decides whether provisions of the kind prohibited are present in any particular case.

Combinations designed to regulate competition may be dissolved by the Council of Control if it can be shown that they injuriously affect prices and conditions of production and sale in the home market or if generally their activities are to be regarded as undue. Appeals may be made against decisions of the Council of Control. The appeal is taken to a Commission of Appeal, consisting of a senior judge and four lay assessors appointed by the Crown. This Commission constitutes an administrative Court of Appeal for all proceedings arising out of the Act.

Special provisions of the Act relative to boycotting, exclusive agreements, and price discrimination. Boycotting is defined as

"the refusal of one or more traders to transact business with another trader or with a consumer on the ordinary business terms: it is, for instance, to be regarded as commercial boycotting whenever the object of the refusal

is: (a) to limit the number of traders or (b) to fight a business group, including both the group itself and its customers, and (c) to fight outside competitors of every description and their customers".

The initiation of or participation in a boycott of a commercial concern is prohibited if it is against the public welfare or if it is unjustly detrimental to the boycotted party. Exclusive agreements, under which a trader transacts business exclusively or under especially favourable terms with another person or limited number of persons may under the Act be similarly prohibited by the Council of Control, also all discrimination between customers or areas in the matter of prices and terms of sale when such discrimination tends to unduly restrict or restrain competition or if the discrimination does not result from justifiable differences in costs of distribution. Selling at prices which are evidently insufficient and purchasing at exorbitant prices are forbidden when the effect is to unduly limit competition and when the purpose is to injure competitors.

Penalties for violations of the Act consist of fines, imprisonment or the suspension of concerns from business. Penal procedure is evidently taken in the ordinary courts as no special provisions appear in the Act.

The Norwegian Act represents a purely administrative supervision of trade combinations; it covers a large number of commercial concerns in the country and its application is carried out entirely by the constituted administrators.

·POLAND

Until 1933 Poland possessed no special combine laws and its legal system was complicated and diverse. Austrian, German and Russian laws were in force in the different parts of the country according to pre-war government. The Austrian portion included Austrian laws at the time of the War. In the former German portion the formation of combines was subject to the provisions of communal regulations. In the former Russian portion Article 242 of the Penal Code of 1903 made it a punishable offence to conclude "any arrangement made with the purpose of increasing the prices of articles, especially of the indispensable necessities of life".

On *March 28, 1933*, a new statute was enacted to provide against detrimental "price rings". The *Law regarding Price Rings* covers all agreements which aim at the control or regulation of production, sales prices and conditions of trade in mining, industry, and commerce. All such agreements must be communicated to the state authorities within a fortnight of conclusion. Any amendment or cancellation of such agreements must also be reported. The register containing such agreements is open to the public and the registration of any ring is published in the official gazette. If it is considered that the agreement or its operation may constitute a public danger, or has done or is doing so, or if prices are raised to an economically unjustified level and so maintained, the Government may impose any or all of the following measures: termination of the agreement or of certain of its provisions; authorization for the members to terminate the agreement without penalty; or exemption of members from the necessity of obeying the provisions of the agreement. All questions relating to rings are to be decided under this new Act by a tribunal established for the purpose consisting of five members, three being judges of the Supreme Court, and two being laymen selected from the list of those qualified to act as commercial arbitration officers. The tribunal is established under the Supreme Court. Members of rings which are covered by the Act are bound to submit to the Minister, on written application made by him, all books, documents, etc., relating to their agreements and such other information as he may require.

The state operates numerous enterprises reaching into many branches of production and under special provisions controls or regulates various cartels and

syndicates of exporters. An Anti-Profiteering Law of July 2, 1920, provided penalties for traders or manufacturers who wilfully exact excessive prices. The provisions of this Law have not been generally applied to cartels although by a decision of March, 1927, the Court held that the fixing by a combination of merchants of prices at which each should sell coal under penalty of expulsion fell under the provisions of the Anti-Profiteering Law.

Other Orders exist regulating the selling prices of various commodities.

RUSSIA

(Union of Soviet Socialist Republics)

Ninety per cent of the industrial output of the U. S. S. R. comes from the state trusts which are responsible to the Supreme Economic Council for their efficiency, quality of product, and profitable operation, but which, since 1927, have enjoyed a certain degree of autonomy. In 1928 there were 8,750 large enterprises operated through these state trusts. In addition, many small establishments were operated by co-operatives as private enterprises and a number of concessions were operated by foreign firms, forty of which were for mining and manufacturing. The State trusts are usually organized on the horizontal principle. Since the administration is through the government and for the government, there is opportunity, through the State Planning Commission, to attempt to co-ordinate production, distribution and consumption on a scale never before attempted. Some of the State trusts control the industry assigned to them for the whole country and some only for particular geographical regions.

SPAIN

Spanish law contains provisions of a general character directed against agreements or arrangements which might injure consumption through the artificial enhancement of prices. The chief aim of the government seems to be to check individual speculation facilitated by the inadequate economic organization of the country, which has also prevented combinations from attaining an important place there.

Under a decree of 1921 dealing with the supervision of wholesale and retail prices all producers may be compelled to announce their selling prices.

A regulation of December 31, 1923, provides that products of prime necessity and foodstuffs are to be placed under the supervision of committees. These committees are empowered to regulate the price of raw materials used in these commodities and to supervise and restrict their distribution. In the event of fraudulent interference with prices penalties may be imposed.

A Royal Ordinance of May 5, 1926, set up a "Committee for the Regulation of Industrial Production," without the authorization of which it is forbidden, in principle, to establish or modify any industrial company or even to transfer installations. Ordinances and decree laws of 1926 and 1929 considerably modify the apparent severity of the 1926 ordinance.

Although the regulations in force in Spain are not primarily aimed at trusts and combines, they do amount to the supervision and administrative rationing of production in various industries.

SWEDEN

In 1920 the Government appointed a committee for the purpose of preparing a Bill for the supervision of all monopolistic combines by the State. The Bill was subject to many alterations before becoming law. According to that law—the "*Act for the Investigation of Monopolistic Enterprises and Combines*"—dated June 18, 1925—the Government is authorized to institute inquiries

into the operation of "manufacturing, commercial, banking, insurance or transport undertakings of monopolistic character" through officials or specialists appointed for the purpose, in order to ascertain how far the undertakings influence prices or market conditions in Sweden. Such persons may not be refused information or access to books and documents.

On the strength of this Act, the Government appointed an expert early in 1926 to inquire into the influence of a Swedish milling combination with regard to the prices and marketing conditions of bread cereals, and other cereals.

No information has been secured on Swedish laws subsequent to 1927.

SWITZERLAND

No special legislation on trade combinations existed in Switzerland up to 1927.

Abuses of trade combination are dealt with in the ordinary courts and each case is considered on its individual merits. Cartels as such are not considered against the public interest. The courts hold the exploiting of the public for undue gain on the strength of a monopolistic position to be unlawful; the excessive limitation of the economic liberty of members of combinations is similarly regarded.

No information has been secured on Swiss law relating to trade combinations subsequent to 1927.

UNION OF SOUTH AFRICA

The *Cape of Good Hope Meat Trade Monopoly Act*, passed before the union, was continued in accordance with the South Africa Act, 1909. It provides for the licensing of butchers, and "every act, contract, combination, or conspiracy in unreasonable restraint of trade of a butcher" is declared to be illegal. The maximum penalty is £500 or one year's imprisonment.

The *Union Post Office Administration and Shipping Combinations Discouragement Act, 1911*, provides that no ocean mail contracts shall be entered into with any person connected with any shipping or other combination or who gives, offers, or promises a rebate, etc., to ship goods by vessels of a particular line to the exclusion of any others.

The *Profiteering Act of 1926* was temporary. The *Speculation in Food-Stuffs Prevention Act, 1920*, provides for licensing dealers and brokers of food-stuffs.

The *Board of Trade and Industries Act, 1921*, set up a board with extensive powers of investigation. Under further legislation in 1923 the Minister of Industry was empowered to take action against combinations tending to set up a monopoly:

An Act (*Number 24*) was passed in 1931 dealing with the sale of gasoline. It prohibits gasoline wholesalers from compelling retailers to sell at a prescribed price, or to refrain from purchasing from a particular source, or to limit their sales. It further compels wholesalers to sell gasoline on the most favoured terms to any trader who is able to pay for it. The provisions of this Act may be applied by the Governor in Council to any contrivances used in the distribution of gasoline, to motor requisites, to bread, meat, fish, and coal, and, if authorized by a resolution of the legislature, to any other commodity.

THE UNITED STATES OF AMERICA

The United States of America has endeavoured in every domain to safeguard the maintenance of free competition. Until the passage of the National Industrial Recovery Act, with which this survey does not deal, this policy of

the people of the United States has been the first principle of the national economic creed. It has been the outcome of the desire to maintain the unity of the constitutional principles on which their legislation is based. Until 1890; however, the question of industrial combination was governed by the common law only, which prohibited restriction of the freedom of trade. Common law did not prevent the formation of combines and trusts and, in the light of exposures of unfair methods utilized by industrial combinations, the government of the United States entered the field of anti-trust legislation in 1890.

The *Sherman Anti-Trust Law, 1890*, contains eight sections. The first three define offences and state penalties. The Act prohibits all improper limitations of commerce in interstate and foreign trade and declares illegal "every contract; combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States or with foreign nations. The Court may assess fines up to \$5,000 or imprisonment up to one year, or both. Under this law the government can take action in two ways or both simultaneously:—

- (a) It can institute criminal proceedings against persons who participate in illegal associations;
- (b) It can institute proceedings to restrain and repress violations of the law.

It is not necessary to bring written evidence with regard to the illegality of such agreements since the fact of combined action can be deduced from circumstances and from the general policy of the defendants.

The second prohibition under the Sherman Law is directed against actions by individual persons and declares illegal any monopoly or attempt to monopolize a part of inter-state or foreign commerce.

Sections 4 to 7 inclusive outline jurisdiction and procedure. The Circuit Courts were at first given jurisdiction but these have now been replaced by District Courts. Federal District Attorneys are charged with prosecuting violations. The courts are empowered to summon witnesses and to make forfeit certain property belonging to corporations under trial and to provide for the recovery of liberal three-fold damages by any person who is able to prove damage done to him by such unlawful combination. The closing section defines "person" to include corporations as well as individuals.

The Courts have finally come to some definite conception of "improper restraint" of trade. The considerations discussed by the courts in dealing with individual cases have been its effects, extent, character, the methods employed in its realization, and the intention of participants. The law is brief and direct and of broad application. The interpretation of the courts, however, gradually drew a distinction between "good and bad trusts" and tended to introduce a workable basis founded on the particular circumstances of particular cases. This basis of interpretation became known as the "Rule of Reason."

The Sherman Act included application of its provisions to monopolies and trade restraints due to combinations of labour. An amendment, introduced while the Act was under consideration, to exempt labour failed, and labour did not secure a legislative expression of exemption until twenty-four years later under the Clayton Act.

Between 1890 and 1903 many bills concerning trusts were proposed but none were passed with the exception of the anti-trust sections of the *Wilson Tariff Act of 1894*. These sections declared unlawful any combinations engaged in the importation of goods into the United States whenever the combinations sought to restrain trade or competition, or to increase prices of their imported goods, or of wares made from such goods.

It became apparent during the early attempts to administer the Sherman Law that it suffered from the same weakness as common law in that it provided no administrative agency charged with the power to investigate circumstances and collect information regarding the great corporations and give publicity to their methods of conducting business. The creation of some such Federal administrative commission was urged in 1893, 1902, and 1903, and in February, 1903, Congress established the Department of Commerce and Labour and provided a *Bureau of Corporations* in the new Department. The chief functions of this Bureau were those of investigation and publicity. Its principal duties were to investigate trusts and combinations in restraint of trade and to advise the Department of Justice in cases which involved enforcement of the anti-trust laws. It was empowered to examine and report to the President on the organization, conduct, and management of corporations and associations engaged in interstate or foreign commerce, with the exception of public transport services. In 1915 the Bureau of Corporations was absorbed by the Federal Trade Commission.

In 1913 the *Panama Canal Act* was passed. It contains a paragraph which denies the use of the Canal to persons doing business in violation of the anti-trust laws. In 1913 an amendment was made to the *Wilson Tariff Law* prohibiting all associations, agreements, and conspiracies between persons any of whom were engaged in importing goods from abroad and who had the intention of operating in such a way as to restrain lawful commerce or free competition, or to raise the market price of imported articles.

In 1914 a second definite step was taken by the United States in its anti-trust legislation by the enactment of the *Clayton Act, 1914*, and the *Federal Trade Commission Act, 1914*.

The *Clayton Act* is entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes". This Act makes it unlawful for any person to discriminate in price between different purchasers of commodities except where such discrimination merely allows for differences in the quality or quantity sold, or in the selling or transportation costs, or where made in good faith in order to meet competition. The Act further forbids a corporation to acquire the whole or part of the stock or other share capital of any other corporation "where the effect of such acquisition may be to substantially lessen competition" between them "or to restrain such commerce in any section or community", or tend to create a monopoly. It was provided that this prohibition was not intended to prevent corporations from holding stock merely for investment purposes where its voting power is not used to lessen competition nor is it designed to prevent them from forming legitimate subsidiary corporations. The Act provided that after two years from its passage no person should at the same time be a director or employee of more than one bank or trust company which has deposits, capital, surplus and undivided profits aggregating more than five million dollars and that no person should be a director at the same time in any two or more corporations engaged in commerce, any one of which has a capital, etc., aggregating more than one million dollars. It provided that, after two years, no common carrier should deal in the securities, supplies, etc., to the amount of fifty thousand dollars, in any one year, of any other corporation, when the common carrier had as one of its officials or its agent in the particular transaction concerned, any person who was an officer or agent, or had a substantial interest in, the corporation with which the business was done—unless the contract was awarded through competitive bidding under the rules laid down by the Interstate Commerce Commission.

The Act further provides that any person injured in his business or property by reason of anything forbidden in the anti-trust laws might sue in a District Court of the United States for three-fold damages and costs. A decree rendered against a defendant in a suit brought by the United States under the anti-trust laws is to be considered as *prima facie* evidence in any suit brought by any other party against the defendant and the statute of limitations is not to run against any private right of action under the anti-trust laws during the pendency of a Federal suit. The Act provides that whenever a corporation violates any of the penal provisions of the anti-trust laws, such violation will also be deemed to be that of the individual directors, officers, or agents who had authorized or done the violating acts under a penalty of \$5,000 and imprisonment up to one year, or both. Any person is entitled to sue in the Federal Courts for injunctive relief against threatened, immediate, and irreparable loss or damage by a violation of the anti-trust laws. Injunctions to be granted by a Federal judge in any labour dispute are limited. This last provision (section 20), together with section 6, contained the exemption of labour which had been refused under Court interpretations of the Sherman Act.

A strict construction of the Clayton Act (section 7) would have prevented most future mergers in the United States but for the saving clause that "nothing contained in this section shall be held to affect or impair any right heretofore legally acquired."

The *Federal Trade Commission Act, September 26, 1914*, created a Federal commission to prevent persons, partnerships, or corporations, excepting banks and common carriers subject to the acts which regulate commerce, from using unfair methods of competition in inter-state or foreign commerce. This commission, entitled the Federal Trade Commission, is composed of five members appointed by the President, and is empowered to conduct hearings in any city of the United States. If unfair methods of competition are shown the commission is empowered to direct the offenders to cease and desist therefrom, and may apply to the United States Circuit Court of Appeals for the enforcement of its orders. The commission is also empowered to enforce compliance with certain sections of the Clayton Act; to conduct investigations into business practices and management; to investigate the enforcement of decrees under the Sherman Act, and to investigate and report to Congress on foreign trade combinations. A maximum penalty of imprisonment for six months, a fine of \$1,000, or both, is provided for refusal to testify before the commission, falsification of evidence, or failure to submit required reports. The Federal Trade Commission was invested with the powers previously held by the Bureau of Corporations as well as with additional powers of a quasi-judicial character. Among these the following are most notable:--

- (a) Authority to require corporations to make annual reports or special reports in such form as the Federal Trade Commission shall prescribe;
- (b) The general power to investigate corporations;
- (c) Authority, under the direction of the President or one of the Houses of Congress, to investigate and report concerning any alleged violations of the anti-trust laws by any corporation;
- (d) Authority to investigate trade conditions in other countries with reference to combinations or other conditions affecting the foreign trade of the United States;
- (e) Authority to make recommendations to the Attorney-General for the readjustment of any corporation found to be violating the anti-trust laws;

- (f) Authority to investigate the manner in which any court decrees restraining corporations from violating the anti-trust laws are being carried out;
- (g) Authority to make public such portions of the information obtained in investigations as it shall deem expedient, with the exception of trade secrets and names of customers.

With regard to the quasi-judicial functions of the Federal Trade Commission, it has authority to enforce the provisions of the Act relative to unfair competition and the provisions of the Clayton Act relating to price discrimination, tying contracts, holding companies, and interlocking directorates in the case of all corporations coming under its jurisdiction.

The *Export Trade Act, 1918* (the Webb-Pomerene Law) constitutes the first departure from the principle and aim of anti-trust legislation as previously known in the United States. This Act permits associations for the purpose of foreign trade, such as would be illegal in internal trade. The Act provides that such associations as are engaged exclusively in foreign trade are bound to register with the Federal Trade Commission and to deposit copies of all agreements dealing with its constitution, a statement showing its principal place of business, together with the name and addresses of its officials and participant members. These particulars are examined in order to assure that:—

- (a) The association has been constituted exclusively for exporting from the United States and that it continues to devote its activities exclusively to exporting;
- (b) It does not artificially raise or lower internal prices;
- (c) It abstains from unfair competition against United States competitors;
- (d) It does not take any measures calculated to diminish, in any real sense, free competition in the United States.

Every registered association is bound to furnish, if required by the Federal Trade Commission, all information with regard to its organization, conduct, business methods, management, and relations with other associations or persons. If the Commission has reason to assume an infringement of the Act it is its duty to examine the association in question, and if an offence is detected the Commission is called upon to make definite proposals to the association as to how such violation is to be remedied. If the association does not then adopt its proposals the commission is called upon to forward its findings and proposals to the Attorney-General, who may take such steps as appear to him to be necessary.

The next legislation bearing upon trusts and combines was the *Packers and Stockyards Act, August 15, 1921*, which provided for the regulation of interstate and foreign commerce in live stock, live stock products, dairy products, poultry, poultry products, and eggs.

The final step before the National Industrial Recovery Act was the *Capper-Volstead Act, of February 18, 1922*. This statute provides "that persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairy-men, nut or fruit growers may act together in associations, corporations, or otherwise with or without capital stock in collectively processing, preparing for market, handling, and marketing in inter-state and foreign commerce such products of persons so engaged. Such associations may have marketing agencies in common; and such associations and their members may make the necessary contracts and agreements to effect such purposes." Here again the principle of free competition is safeguarded by a specific provision that, "if the Secretary of Agriculture shall have reason to believe that any such association monopolizes or restrains trade

in inter-state or foreign commerce to such an extent that the price of any agricultural product is unduly enhanced by reason thereon", he shall take evidence, give a hearing, make findings of fact, and, if he concludes that the association does monopolize or restrain trade and prices are unduly enhanced thereby, he shall make an order directing the association to cease and desist from such practices. ¹

¹ SOURCES

- Curtis, R. E.—*The Trusts and Economic Control*; McGraw-Hill Book Company, N.Y. and London, 1931.
- Euler, L. J.—*Manual of Monopolies and Federal Anti-Trust Laws*; Callaghan and Company, Chicago, 1929.
- Foreign Law Series—*Trade Combinations in U.S.A., France, Germany, Poland*; Paris, 1932.
- Jenks, J. W., and Clark, W. E.—*The Trust Problem*; Doubleday, Doran Company, N.Y., 1929.
- League of Nations, Economic and Financial Section—*Review of Legislation on Cartels and Trusts*; Lemmers, C.; Geneva, 1927.
- League of Nations, Economic and Financial Section—*Review of the Legal Aspects of Industrial Agreements*; Decugis, H., Olds, R. E., Tschierschky, S.; Geneva, 1930.
- League of Nations, Economic and Financial Section—*Review of the New Legislation Concerning Economic Agreements (Cartels, etc.) in Germany and Hungary*; Tschierschky, S., Geneva, 1932.
- National Industrial Conference Board—*Rationalization of German Industry*, N.Y., 1931.
- Sanderson, W. A.—*Restraint of Trade in English Law*; Sweet and Maxwell, Limited, London, 1926.
- Seager, H. R., and Gulick, C. A.—*Trust and Corporation Problems*; Harper and Brothers, N.Y. and London, 1929.
- United States, Department of Commerce, Bureau of Corporations—*Trust Laws and Unfair Competition*; Davies, J. E.; Government Printing Office, Washington, 1916.
- United States, Bureau of Foreign and Domestic Commerce—*Special Circular No. 285: New German Cartel Policy*; Domeratzky, L.; Washington, October 28, 1933.

ANNEX VIII

Supplementary to Chapter IX

COMBINES INVESTIGATION ACT

PART I—AMENDMENTS PROPOSED BY THE CANADIAN MANUFACTURERS' ASSOCIATION, INC.

It is suggested that the following amendments to the Act might be given consideration:—

1. The transference of the administration of the Act from the Department of Labour to the Department of Trade and Commerce.

The reason for this, it is submitted, is obvious. The Act deals primarily with merchandising and thus comes naturally within the jurisdiction of the Department of Trade and Commerce rather than of the Department of Labour. The fact is that it is largely an accident that its administration has been entrusted to the Department of Labour, and there is no good reason for not transferring it to the Department of Trade and Commerce, where, as has been suggested, it really belongs.

2. The deletion of the words "or are likely to operate" after the words "have operated" in the third line of Section 2 (a) of the Act.

With these words deleted, the subsection would read as follows:—

"The expression 'combine' in this Act shall be deemed to have reference to such combines immediately thereafter defined as have operated to the detriment of or against the interest of the public whether consumers, producers or others, etc., etc."

The main argument in favour of this proposal is that, while it may be perfectly possible and proper for a judge or jury to decide that a certain combination has operated to the detriment of the public, it is quite improper to ask or allow any judge or jury to speculate or guess as to the way in which the public will be affected in the future by a certain combination, which is precisely what the present law does. The most that should be asked is that the judge or jury should decide in the light of the facts proved, whether the particular trade arrangement in question has in fact operated to the detriment of the public.

3. That the following words be added to Section 4:—

"Nor to combinations of employers, producers, distributors or others for the reasonable prevention of unfair practices."

The Section will then read as follows:—

"Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees, nor to combinations of employers, producers, distributors or others for the reasonable prevention of unfair practices."

4. That the Registrar should not be allowed to proceed with investigations except on the authority of an Order in Council, on the recommendation of the Minister.

At present, the Registrar may proceed with investigations with or without the approval of the Minister. In such an important matter, proceedings should not be commenced without the approval of the Government.

5. As an alternative to the only procedure which the Act at present provides in a case where the practices complained of are found to be objectionable, i.e., prosecution, it is suggested that a section to the following effect might well be inserted:—

In case the Minister decides upon the report of the Registrar made after investigation, that the public interest may be served by issuing an order to the parties against whom the complaint has been made to cease and desist from the practice complained of and to file a report within three months showing the manner in which the order to cease and desist has been complied with, the Minister shall be empowered to make such order, and to vary, cancel or revoke it.

Under the Act as it stands at present when once investigation has disclosed what appears to the Registrar to constitute a breach of the Act, there is no procedure provided for except prosecution; but there are cases where the degree of guilt and the extent of injury to the public are so slight that a prosecution is not warranted. All that is required is that the practice in question should be discontinued. In such cases, the provision suggested above would provide a convenient and, it is submitted, an adequate method of procedure.

If it is objected that such a procedure would be tantamount to "finding guilty" without a full trial, the answer is that if the parties complained against preferred that the investigation should proceed, that course could be followed.

The above report was submitted to a joint meeting of the Legislation Committee and the Industrial Relations Committee of the Canadian Manufacturers' Association (Inc.) duly authorized on February 9th, 1934, and unanimously adopted.

CANADIAN MANUFACTURERS' ASSOCIATION (Inc.),

L. L. ANTHES, President
J. E. WALSH, General Manager.

Toronto, February 9th, 1934.

PART 2—COMMENTS ON AMENDMENTS PROPOSED BY CANADIAN MANUFACTURERS' ASSOCIATION

The following memorandum has been prepared in response to a request for comment on certain proposals which the President and General Manager of the Canadian Manufacturers' Association submitted on February 20, 1934, to Hon. H. H. Stevens, then Minister of Trade and Commerce.

The Association's letter refers to the drastic way in which the Combines Investigation Act "limits the right to combine in the field of commerce" and expresses the considered view "that the best interests of the country would be served by the entire cancellation of the Combines Investigation Act."

No remarks are made in this memorandum on the suggestion that the Act should be repealed, since the possibility of its repeal does not appear to be considered seriously in the proposals of the Canadian Manufacturers' Association and since I understand the Commission does not contemplate recommending repeal. Comment is made, however, on the statement that the Act drastically limits the right to combine.

The Canadian Manufacturers' Association suggests, as an alternative to repeal of the Combines Act "if this should not be deemed practicable," that certain amendments should be made which "are in our opinion urgently required in the interests not only of manufacturers but of the public at large." Detailed comment on each of the proposals is made below.

No objection is raised by the Canadian Manufacturers' Association to Section 498 of the Criminal Code. The letter reaffirms the Association's contention, which was put forward when the Combines Act was passed in 1923, "that the Criminal Code provides ample safeguard so far as the public is concerned." It might be noted here that, although these two enactments are much the same in the offences they create, they differ in one important respect, that the Act provides for special government measures to see to its enforcement, whereas no such provision is made for the enforcement of Section 498 of the Criminal Code.

Right of Combination.—While Canadian combines legislation makes no affirmative statement of the policies and practices which trade and industrial combinations may pursue, there is unquestionable right to combine and, in combination, to carry out any course of action which is not injurious to the public. The present Combines Investigation Act makes this clear, by providing in its definition clause against those combinations, and those only,

"which have operated or are likely to operate to the detriment or against the interest of the public, whether consumers, producers or others."

The section refers further to monopolies and mergers and to agreements which have such effects as limiting production, fixing common or resale prices, enhancing prices or lessening competition; but there is no offence, and the statute could not be clearer on this point, unless the combination or monopoly has operated or is likely to operate against the public interest. In the penalty clause (section 32) it is declared that

"every one is guilty . . . who is a party or privy to or knowingly assists in the formation or operation of a combine *within the meaning of the Act.*"

Reference to the debates in Parliament in 1923, when the present legislation was enacted, shows that the Prime Minister of that day emphasized that no limits were being placed on the freedom of association, pointing out that

"The legislation does not seek in any way to restrict just combinations or agreements between business and industrial houses and firms, but it seeks to protect the public against the possible ill-effects of these combinations."

(Hansard, May 7, 1923, p. 2520)

Hon. H. H. Stevens emphasized the same distinction in an answer which he made in Parliament on May 19, 1933:—

"I would point out that there is a definite legal interpretation of the word 'combine' . . . In the Combines Investigation Act a combine exists where there is a combination of business interests in restraint of trade to the detriment of the community as a whole, or affecting other persons."

(Hansard, p. 5225)

This distinction between combinations which are socially desirable and those which are not has been made in all our Canadian legislation on the subject. The Act of 1889, which now appears as Section 498 of the Criminal Code, does not provide against all trade combinations and agreements but only against agreements to lessen production unduly, to enhance prices unreasonably or to prevent or lessen competition unduly. Similarly the Combines Investigation Act of 1910 applied only to those agreements or combinations which were "to the detriment of consumers or producers of such articles of trade or commerce."

The Combines and Fair Prices Act of 1919 was designed to prevent those combinations, and those only, which

"have, in the opinion of the Board of Commerce of Canada (or of a single member thereof acting under authority of and for the purposes of section eight of this Act) operated, or are likely to operate, to the detriment of or against the interest of the public, consumers, producers or others."

Canadian courts also, in dealing with cases under this legislation, have applied it as designed to prevent only such combination as are publicly injurious or dangerous. The comment of Mr. Justice Mignault in the Stinson-Reeb case in 1929 is typical:—

"What is the true test was laid down by this Court in *Weidman v. Shrage* as above stated. Injury to the public by the hindering or suppressing of free competition, notwithstanding any advantage which may accrue to the business interests of the members of the combine, is what brings an agreement or a combination under the ban of Section 498 Cr. C."

1929 Can. S.C.R. 280.

Mr. Justice Garrow, in *Rex v. Famous Players* (1932), stated:—

"Our statute is broad enough in its terms—I refer to the Combines Act—but an essential requirement as to all combines within the Act is that they operate or tend to operate to the detriment of the public whether consumers, producers or others."

1932 O.R. 344.

In the administration of the Combines Investigation Act there has never been any thought of condemning combination per se. The Department has refrained from interference unless public interests have appeared to be prejudiced or threatened. The essential test applied in all investigations has been, not whether a combination or agreement exists (such information is usually secured without difficulty) but whether the public has been injured or endangered by the combination through such practices as restricting production, fixing or enhancing prices or lessening competition.

It would probably suit the purposes of members of some combinations to have the impression created that the Combines Investigation Act is opposed to the whole idea of combination or that it is being administered in such a way as to prevent business men from getting together for perfectly normal and lawful purposes, in the interests of the public and of industry alike. The fact that we have in Canada hundreds of trade associations and trade agreements which have never been questioned under the Combines Investigation Act is sufficient answer to this claim. Particular care has been taken to ensure that no investigation shall proceed unless there are reasonable grounds for believing that the interests of the public are affected. When investigations are made they are usually conducted in private; and when they are completed adverse reports are made only when public interests are found to be injured or endangered. Those which have been condemned following investigations have been few in number. Of the sixteen principal investigations since 1923, eleven have resulted in findings of combine. In the cases which have been referred to the courts the findings of the original investigations have been confirmed with but one exception.

1. *Proposed transference of administration of the Combines Act to Department of Trade and Commerce.*

This suggestion has been made by a number of business groups besides the Canadian Manufacturers' Association, notably the Retail Merchants' Association, the Canadian Plumbing and Heating Institute, the Canadian Pharma-

ceutical Association, and by members of other combinations which have been investigated under the Combines Investigation Act. The proposal seems to have been born of the hope that more favourable treatment would be given to business groups by a department which was established primarily for the general service of trade and industry.

When it comes to a matter of deciding whether special groups have been profiting unfairly at the expense of other interests in the community, as might be charged under the Combines Act, the decision should not rest with the very departments which have been established to serve the general interests of these groups. Between such departments and such groups friendly co-operation should be maintained, in the public interest. It would be fair neither to the department nor, to third parties, such as consumers or primary producers to have decisions under this Act, made by a department so closely associated with the group complained against.

It was doubtless with this consideration in mind that the Federal Trade Commission in the United States was established in 1914 as entirely separate from the Department of Commerce, and that the latter department has not been charged with the administration of the Sherman anti-trust law. When the Combines Investigation Act was passed in 1910 and when the present Act was passed in 1923 general administration of the legislation was entrusted to the Minister of Labour. When the Combines and Fair Prices Act was passed in 1919 it was not assigned to any existing department of government, but was placed under an independent body, the Board of Commerce, which reported to the Governor in Council through the Prime Minister. Such a course would seem to have been a proper one where quasi-judicial functions were to be performed by an administrative tribunal.

2. Proposed deletion of words "likely to operate" from definition of a combine

Combinations which are *likely to operate* to the detriment of the public, as well as those which have actually so operated, are prohibited under the Combines Investigation Act. The Canadian Manufacturers' Association asks that the words "likely to operate" be eliminated.

Assuming the law were so changed, then an agreement to enhance prices unreasonably would be condemned only if it had fully attained this object. If the same thing were attempted, or if an organization were established showing clear indication of impending injury to the public, actual damage would have to be done, and evidence of this damage secured, before any action could be taken under the Combines Act. Experience in investigational work of this type has shown how difficult it is and how long it takes to deal adequately with such evidence. If it is a matter of determining whether prices are unreasonable or not, the Government would have to ascertain the costs of the articles affected, a task which is difficult, time-consuming, and very expensive. If many companies were involved, costs of all would have to be determined, and in many industries a wide differential would be found between the costs of the least efficient and the most efficient operators. Questions as to comparative qualities would properly be introduced. If only certain articles were included in the agreement, the problem of the proper allocation of overhead costs to each item would have to be dealt with. Endless argument would ensue as to the meaning of cost, whether the basis should be original cost or replacement cost, what items of expenditure should properly be included, what allowances for depreciation and obsolescence, what salaries and bonuses. In the end, opinions of government and company accountants as to actual costs might differ widely. Even if there were agreement, the only costs known would be those of a given period, and with the constant fluctuations in cost which occur in many industries it would be difficult or impossible to reach satisfactory conclusions as to the fairness or unfairness of the selling prices agreed upon.

Assuming, again, that costs could be satisfactorily determined and reasonable profits could be defined, it cannot be conceded that actual costs plus reasonable profits equal fair prices. Costs may include many items of expenditure, unnecessary or excessive, which would be eliminated or reduced if the pressure of price competition were maintained. In the absence of price competition, other types of competition develop, such as that in service and sales effort, which tend to increase costs and prices rather than reduce them.

It has been suggested that the Combines Investigation Act should be used more freely to prevent the establishment of mergers and certain undesirable trade practices of mergers and quasi-monopolies after they have been established. If the "likely to operate" provision were removed, no action could be taken until after a merger had actually been completed and had wrought damage which could be proved in the courts.

A study made in the United States by the National Industrial Conference Board comments as follows on this aspect of the problem:—

"The protection from economic oppression which the anti-trust law was designed to afford would be of little practical value if the penalties of the law could not be invoked until competition in the market had been completely destroyed. In the nature of things, moreover, it would not be possible in any of these ways [attacks upon would-be competitors, agreements among competitors, absorption of competitors in mergers] to assure more than a temporary control of the market. But the applicability of the anti-trust law is not contingent upon even a temporary condition of dominance in the market. It suffices that a scheme be adopted which, when put into execution, will have a *necessary tendency* in that direction. Economic law may be relied upon *eventually* to release society from any wilful device of economic oppression. But it is the very *raison d'être* of this statutory rule to provide a clearer warning and a quicker remedy against the invasions of private rights and public interests in the business sphere."¹

It is not uncommon in criminal legislation to provide against dangerous probabilities and even against dangerous possibilities. Section 499 of the Criminal Code makes it a criminal offence to break a contract if the person knows or has reasonable cause to believe that the *probable consequences* of his so doing will be injury to other persons or property. The carrying of a concealed weapon may be an offence, the pointing of any firearm or airgun whether it is loaded or unloaded, the adulteration of foods even though injury to health may not be proved, the attempt to commit an offence whether damage results or not, being intoxicated while in charge of a motor car whether it is in motion or not and whether anyone is injured or not. And in the field of restraint of trade, section 498 of the Criminal Code, of which the Canadian Manufacturers' Association has expressed approval, legislates similarly against dangerous probabilities. It makes no reference to public injury resulting from agreements of a certain type; it condemns the agreements themselves whether damage results or not. What it says is this:—

"Every one is guilty of an indictable offence . . . who conspires, combines, agrees or arranges with any other person . . .

- (a) to unduly limit facilities,
- (c) to unduly lessen manufacture, . . . or to unreasonably enhance prices,
- (d) to unduly lessen competition," etc.

¹National Industrial Conference Board, New York, "Mergers and the Law" (1929), p. 134.

The 1910 and 1919 legislation had provisions with similar effect. The Combines Investigation Act of 1910 provided against any arrangement

"which has, or is designed to have, the effect of increasing or fixing the price . . . or . . . restricting competition . . . to the detriment of consumers or producers".

In the Combines and Fair Prices Act of 1919 the definition of a combine was briefly as follows:—

"The expression 'combine' . . . shall be deemed to have reference only to such combines . . . as . . . have, in the opinion of the Board of Commerce of Canada . . . operated, or are likely to operate, to the detriment or against the interest of the public, consumers, producers or others, and, limited as aforesaid, the said expression as used in this Act shall be deemed to include,—(a) mergers," etc.

The only comment made in Parliament on this phrase when the 1919 bill was discussed was offered by Mr. Meighen in answering an inquiry when he said:

"there may be evidence that the purpose of a certain act, or even a certain combination itself, is to operate against the public interest, which may be set out, for example, in communications that pass between the various bodies that are about to combine, and though no harm may yet be done there may be ample evidence that harm is intended and the board is empowered to anticipate and prevent such harm."¹

Thus the object to be served was the anticipation and prevention of public injury.

No discussion of any extent arose on this point when the 1923 bill was before Parliament. The substitution of the words "about to operate" was suggested but was rejected as having substantially the same meaning.

Reported court interpretation of the words "likely to operate" as used in the Combines Investigation Act has not been exhaustive. In *The King v. White*, Mr. Justice Sedgewick in his charge to the jury on April 1, 1932, stated:

"It seems to me that . . . the words 'have operated' apply to a person referred to in s. 32 as one who has been party or privy to or assisted in the operation of a combine; while the words 'are likely to operate'—combines which are likely to operate to the detriment or against the interest of the public—apply to a person who has been a party or privy to or assisted in the formation of a combine."

In *The King v. Canadian Import Co.*, Mr. Justice Laliberte in his judgment of December 12, 1933, included the following observations on the same subject:

"Under both these laws (the Combines Investigation Act and Criminal Code, section 498), the evil results attained seem to replace the intention. When the combinations or agreements were not operated to have and do not have the specified results, it is essential that it be proved that they were designed to have that effect and to be against the public interest. In fact they do have that effect when the agreements themselves are such by their nature and content that their inevitable and necessary consequence must be to unduly prevent or lessen trade, etc., within the meaning of the statutes."

One thing may be taken for granted, as far as Canadian courts are concerned, convictions will not be registered under the "likely to operate" provision unless there is substantial proof of probable injury to the public. The following quotation from the judgment of a United States court in a case under the Clayton Act expresses what may be taken as the certain attitude of the Canadian judiciary on this point:

¹ Hansard, July 4, 1919, p. 4567.

"In applying the statute it must be judicially determined what the effect may be. This judgment must be more than a mere feeling of 'possibility' arising in ignorance of facts which, if known, would destroy that feeling. It must be based on knowledge and upon a reasonable belief that, in view of existing facts, there is a 'dangerous probability'."¹

It is submitted that no sound reason has been shown why the Combines Investigation Act should be weakened in this respect, why its preventive influence should be impaired, or why the statute should be rendered less stringent than Section 498 of the Criminal Code. The provision has not operated unfairly, and, it might be added, is not likely to operate unfairly, to any business interests affected by the legislation.

3. *Proposed specific exemption of combinations of employers, producers, distributors or others for the reasonable prevention of unfair practices.*

The Combines Investigation Act, in section 4, makes the following provision regarding labour unions:

"Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees."

An identical provision has been included in Section 498 of the Criminal Code since 1900. A clause to the same effect appeared in the Combines and Fair Prices Act of 1919. The Combines Investigation Act of 1910 included no such express provision, but declared that the protection given by the Trade Unions Act to registered unions would not be disturbed.

The Canadian Manufacturers' Association now suggests the addition of the following words at the end of section 4 of the Combines Act:

"nor to combinations of employers, producers, distributors or others for the reasonable prevention of unfair practices."

To appreciate the significance of this proposed addition the general purpose of the Combines Act should be borne in mind, and the reason for the inclusion of section 4 as it now stands. The Act was designed to prevent business interests, engaged in the making or buying and selling of goods, from taking to themselves, through combination, such control of production and prices as would unduly lessen or eliminate the bargaining power of other interests in the community. It dealt primarily with relations between buyers and sellers. It was not designed to deal with relations between employers and employees, which is a matter taken care of by other legislation. This seems to be clear enough in the definition of a combine, but to make it doubly clear Parliament inserted a clause stating specifically that "nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees." Had there been any need of making this provision apply also to employers, as employers, no doubt Parliament would have agreed. If unfair advantage appeared to be given to employees as against employers and it appeared necessary to effect a balancing of interests, extending to employers whatever exemption may be granted to employees by section 4, the appropriate addition would have been to the following effect:

"nor to combinations of employers for their own reasonable protection as employers."

¹ Standard Fashion Co. v. Magrane Houston Co., Federal Trade Commission Statutes and Decisions, 1914-1929, p. 851.

This, of course, is not what is suggested by the proposed amendment. It mentions employers, but not employers acting only in their employing capacity; it includes producers, distributors and others, but makes no reference to their relations with employees. Instead it deals with the prevention of unfair practices, such as might develop between several traders or several manufacturers. Under the Combines Investigation Act there is no objection to the reasonable prevention of unfair practices, but the place to say it in the Act is not in the section which deals with relations between employers and employees, but in the main section which describes the type of combination against which the legislation is directed. And there it is said. It is true it does not say what may be done; that is not the function or method of criminal legislation. If the statute were to include all the things that may be done, the list would be a long one, and in the end the result would be far from satisfactory to those who propose the present amendment. What the Act does say is that those combinations, and those only, which have operated or are likely to operate against the public interest should be suppressed.

Frequently there is substantial disagreement regarding the fairness or unfairness of a particular practice, disagreement between the business concerns themselves and between the members of a combination and other interests in the community. It may well be that certain practices which a combination regards as unfair should not, in the public interest, be prevented by a combination of the majority of manufacturers or dealers affected. The breaking of an agreement to maintain prices at high levels might be regarded as unfair by the members of a combination, but the courts, considering the interests of others outside the particular industry or trade, might conclude that the public was detrimentally affected by the agreement. Where the prevention of certain unfair practices is in the public interest a combination formed for the purpose of preventing them could not on that account be condemned under the Combines Investigation Act in its present form.

4. *Proposal that the Registrar should not be allowed to proceed with investigations except on the authority of an Order in Council, on the recommendation of the Minister.*

Section 12 of the Act provides that whenever six persons make an application which complies with the requirements of the Act, the Registrar shall cause such inquiry to be made as he shall consider necessary. He shall cause inquiry to be made also whenever he "shall have reason to believe that a combine exists or is being formed, or whenever so directed by the Minister".

The principal object of this provision was to ensure that if responsible citizens complained of the existence of a combine, investigation would be made. It is not required that all investigations shall be of an extensive or formal nature; the Registrar is called upon to make such investigation as he deems the circumstances warrant. As a matter of fact, of some four hundred cases which have been dealt with under the Act many have been of relatively minor importance and have been disposed of quickly. A limited preliminary inquiry has usually been sufficient to determine that no contravention of the Act had occurred. If the right to initiate such inquiries were curtailed or if investigations were delayed, as would be inevitable if inquiry could not proceed without the authority of an Order in Council, suspicions of unjustified political interference might readily arise in the public mind.

5. *Proposal that as an alternative to prosecution the Minister may issue orders to cease and desist.*

The submission of the Canadian Manufacturers' Association on this subject is for the inclusion of a section in the Combines Act to the following effect:

"In case the Minister decides upon the report of the Registrar made after investigation, that the public interest may be served by issuing an order to the parties against whom the complaint has been made to cease and desist from the practice complained of and to file a report within three months showing the manner in which the order to cease and desist has been complied with, the Minister shall be empowered to make such order, and to vary, cancel or revoke it."

Provision to this effect was made in the Combines and Fair Prices Act of 1919, and it would appear that this was one of the principal grounds on which that legislation was held to be ultra vires. Sir Lyman Duff emphasized the difference between the 1919 Act and the present Combines Investigation Act in the following passage in his reasons for judgment in *Re Combines Investigation Act and S. 498 of the Criminal Code*:

"An attempt was made on the argument to bring this statute [the Combines Investigation Act] under the decision of the Privy Council in relation to the Combines and Fair Prices Act, 1919. There is no doubt that parts of the present statute are taken from the earlier Act, but the provisions of the earlier Act which gave character to that Act have disappeared.

"The former statute in its substantive enactments on the subject of combines, conferred upon the Board of Commerce, a Board created by Dominion legislation, composed of persons named by the Dominion Government, the authority and the duty to enquire into the existence of combines and plans for the formation of combines, and to suppress, by order of the Board, the combines themselves, and practices associated with combines, in so far as the Board might think it right and in the public interest to do so. The present Act gives no such power of regulation."

(1929) 2 D.L.R. 802 at 809-810.

It would seem therefore that the only way in which the Dominion could exercise such power would be to have the British North America Act changed or to secure enabling legislation from the provinces.

Assuming, however, that the constitutional obstacle were removed, the question remains whether the adoption of the proposed amendment would be in the public interest. If the legislation were dealing merely with certain types of unfair competition in which the public interest was not seriously affected or endangered, such a method of securing compliance with the law would have many advantages over the method of prosecution. Moreover in some exceptional instances of combination in violation of the present Act quicker results might be obtained, in the particular case, and so long as this method were not adopted as the general practice the public interest might be adequately protected. The danger would be, however, that although the one case would be more quickly disposed of, the number of violations of the Act would be almost certain to increase to an alarming extent. This result would surely follow if members of combinations were given reason to believe that the only thing that would happen in the event of an illegal combine being discovered would be an order to cease and desist. The restraining or preventive effect of the law as it is at present would be seriously impaired.

To provide for the exceptional case in which the cease and desist method could be employed to public advantage, there is no occasion for amendment of

the legislation. Under section 31 of the Act it is left to the discretion of the Minister whether a case shall be sent or not to the Attorney General of the province for prosecution. In the case of the Proprietary Articles Trade Association a commissioner reported against the combination, which immediately ceased operations. Further action by the Minister was postponed until the courts pronounced judgment on the validity of the Act. When the Act was declared *intra vires* the Association disbanded and the Minister decided that prosecution was not necessary in the public interest. Had the Association continued operations, prosecution proceedings would undoubtedly have been taken. A few other cases of much less importance have been disposed of in a similar manner, but this method, which is not specifically provided for in the Act, has been used only in the exceptional case. Were it stipulated in the Act as an alternative it might easily become the method generally employed, with the unfortunate results above indicated.