CANADA

DOMINION BUREAU OF STATISTICS

CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

A DECADE OF RETAIL TRADE

1923 - 1933

Published by Authority of the HON. R. B. HANSON, K.C., M.P.,
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PREFACE

The growing importance of problems of distribution, and the increasing demands made upon the Dominion Bureau of Statistics for information on retail and wholesale trade, has made the lack of historical data on merchandising more apparent. The first comprehensive survey of retail and wholesale trade in Canada was made for the year 1930 through the Census of Merchandising and Service Establishments. The annual census which is now taken provides current statistics and enables comparisons to be made with the base year 1930. In 1924 a partial census of trading establishments was taken which provided a good deal of information for the year 1923. For the period between 1923 and 1930 no complete census was taken and only scanty information on the development of retail trade could be found by searching through various publications. It was with a view to bringing such information together and throwing more light on the probable trends in retail trade during the past decade that this study was undertaken.

Evidence collected for the Price Spreads Inquiry has been used wherever possible and a careful search has been made of any other available sources of information on retail trade or the supply of consumers' goods. While the results obtained cannot approach the accuracy or comprehensiveness of the census figures, it is believed that they are sufficiently reliable to be used as indicators of the trend in retail merchandise trade during the period which has been surveyed.

This study was made by Mr. A. S. Whiteley, M.A., of the Internal Trade Branch of the Dominion Bureau of Statistics under the direction of Mr. Herbert Marshall, B.A., F.S.S., Chief.

R. H. COATS,

Dominion Statistician.

Dominion Bureau of Statistics,

July, 1935.

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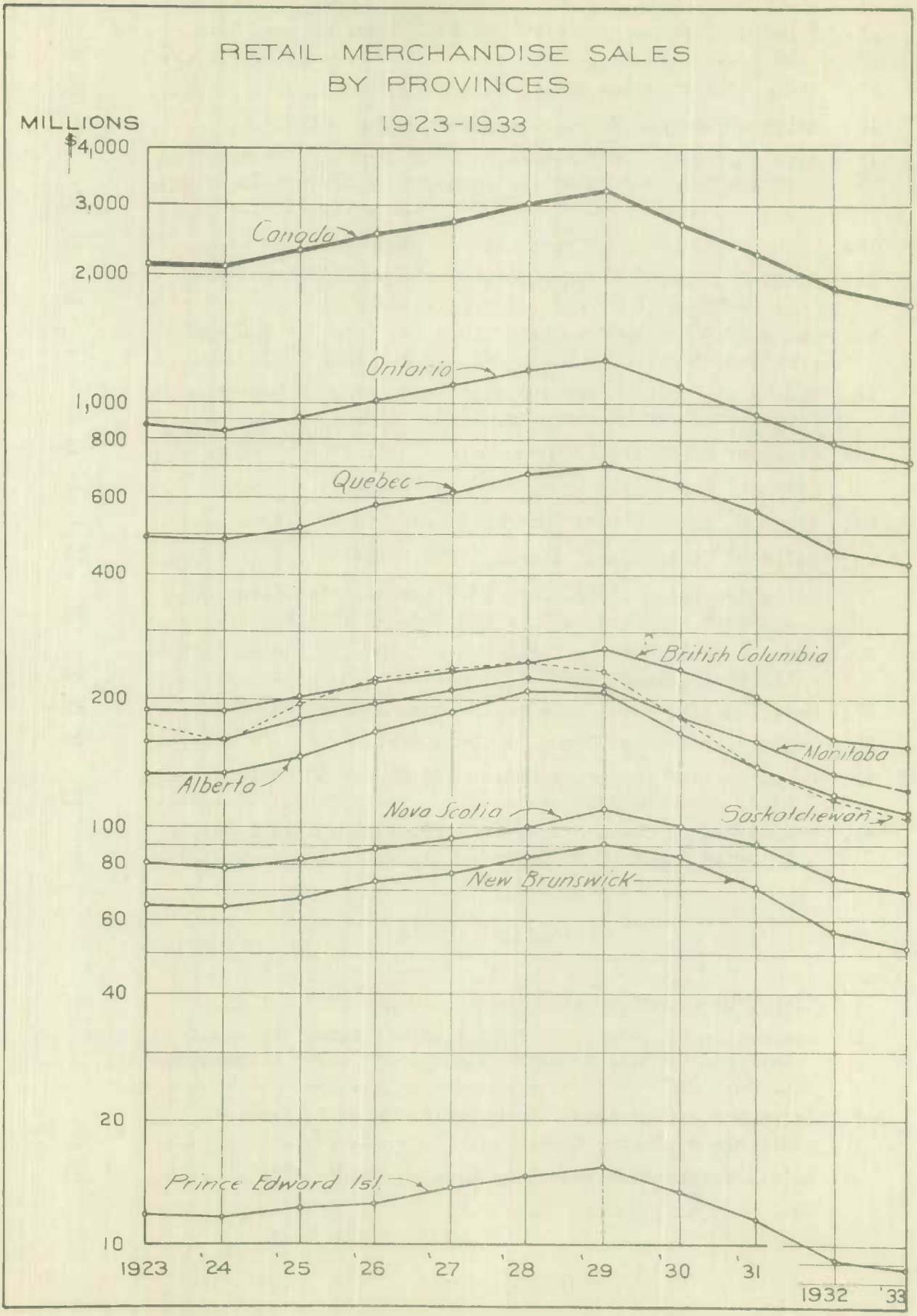
RETAIL MERCHANDISE SALES
BY PROVINCES
1923-1933
MILLIONS
$4,000
3,000
2,000
1,000
800
600
400
200
100
80
60
40
20
10
Canada
Ontario
Quebec
British Columbia
Manitoba
Alberta
Nova Scotia
Saskatchewan
New Brunswick
Prince Edward Isl.
1923
'24
'25
'26
'27
'28
'29
'30
'31
1932
'33
10
9
8

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Internal Trade Branch
Chief: H. Marshall, B.A., F.S.S.

A DECADE OF RETAIL TRADE, 1923 - 1933

Prior to the Census of Merchandising and Service Establishments taken in 1931, the available information on retail and wholesale trade in Canada was extremely sketchy and it was impossible to build up any comprehensive picture of the retail distribution of commodities or to estimate the value of retail and wholesale sales in any period. It is true that a Census of Trading Establishments was taken for the year 1923, but, as it was not possible to make a complete survey of all trading establishments at that time, the actual extent of retail and wholesale trade was never definitely determined.

Final figures for the Census of Merchandising and Service Establishments, however, established a basis on which it is possible to make estimates of the amount of trade in earlier years. For such estimates, of course, the accuracy of the census results cannot be claimed, but, when every effort is made to check them with other statistical series, it is believed that a fair degree of reliability is attained. As the figures of the partial census of trading establishments were available for the year 1923, it was decided to attempt to carry back to this year calculations of the value of retail trade in each year during the period 1923 to 1930. The annual Census of Merchandising and Service Establishments which is now taken by the Dominion Bureau of Statistics provides the data for trade in the period 1930 to 1933. As there have been such marked changes in the wholesale distribution during the past decade and the development of new agencies lying outside the regular wholesale fields, no attempt has been made to calculate the sales of wholesale establishments in the earlier years.

Economic Background

Before entering on a discussion of the volume of retail trade, it may be of value to examine the general economic conditions which have prevailed in the period under review.

The year 1923 witnessed the first stage of revival after the severe deflation during 1921 and 1922. Wholesale prices had touched a low point in 1922 but advanced towards the close of the year and during the first quarter of 1923, to remain relatively stable for the balance of the year. Confidence was restored and a general recovery took place in manufacturing and construction. The prices of agricultural products, however, continued to fall during 1923 and agricultural revenue was lower than in 1922. The number of commercial failures in 1923 was less than in the preceding year and the increase in employment throughout the country gave expectations of a coming period of prosperity.

Developments in 1924 failed to live up to the early expectations and after an upward trend during the first quarter of the year business slackened considerably

and the index of employment registered a sharp decline in the latter half of the year. During the autumn and winter of 1924 prices of farm products made sharp advances and this factor, combined with improvements in the international situation, played a part in checking the downward trend in business. In spite of the contraction in trade, the number of commercial failures in 1924 was less than in 1923. Interest rates also fell during the year and a larger supply of capital was offered for investment.

Unsatisfactory business conditions which prevailed in 1924 continued during the first half of 1925, but the continued rise in the prices of agricultural products and the promise of good crops gave a marked stimulus to business during the second half of the year. Employment, which was below the 1923 or 1924 levels at the commencement of the year, passed the 1924 level in July and the average for the year was slightly higher than in 1924. Payrolls of manufacturing plants were $596 millions in 1925 compared with $560 millions in 1924 and $571 millions in 1923. Salaries and wages in the mining industry also increased in 1925.

Revival in 1925 advanced into a general movement of recovery in 1926 and the country experienced the largest measure of prosperity since the year 1920. Gross agricultural revenue was higher than in 1925 and activity in mining and forestry industries was at a higher level. Employment generally increased considerably and there was a renewed influx of immigrants and of Canadians returning from the United States. The stock exchanges reacted to the increase in prosperity and the highest level of prices in the history of the exchanges was reached by the end of the year.

Although the rate of recovery which was maintained during 1926 was not carried on during 1927, this year was still one of general prosperity. The value of field crops was the largest on record, except for the war period, and mining and forestry industries again advanced. Construction was maintained at a high level and there were some gains in employment.

The year 1928 witnessed a definite quickening in the tide of prosperity. The largest wheat crop in the history of the Dominion was harvested and gross agricultural revenue was only slightly lower than in 1927. The mining industry showed remarkable activity and among the forest industries the pulp and paper plants had a banner year. There was great progress in the development of hydro-electric power and general manufactures were more active than in any period since the war; the same conditions prevailed in the construction industries.

Culmination of the period of expansion which began in 1924 was reached in 1929. The first three quarters of the year were characterized by general business optimism which was reflected in the wave of speculation which swept over the country. Employment was higher in every month than in 1928 and there was a considerable boom in the construction industry. These accelerating movements in business affairs received an abrupt set-back in October and November with the collapse of the security markets. But the decline in agricultural income which was already taking place and the cumulative effects of international difficulties meant that the slackening in industrial activity was more than a passing phenomenon. The period of prosperity was at an end and a definite period of contraction in business enterprise had commenced.

The period from 1930 to 1933 is still so close at hand that only the general movements between 1930 and 1933 need be mentioned. One of the most serious features of the depression from the viewpoint of the Canadian economy was the drastic decline in the prices of primary products. While there was a tendency for the prices of farm products to decline from 1926 onwards, the movement was gradual and

engendered none of the disturbances which followed the precipitate fall in prices which began in 1930 and extended through 1931 and 1932. While the largest declines took place in the prices of agricultural products, the indexes of prices for articles of marine, forest and mineral origin also declined greatly in the same period, and the result was a general reduction in the incomes of the Canadian people. The decline in the national income was evident in all phases of economic activity - employment was greatly curtailed, the construction industry was brought to a standstill, and the production of capital goods and durable consumers' goods reached an extremely low level.

During 1933 there was some evidence that deflation had run its course and the rise in the prices of primary products tended to alleviate somewhat the position of producers and to restore a measure of confidence to business. The advance made in 1933 was extended during 1934 when manufacturing, and particularly mining, registered considerable gains. Retail trade also showed some improvement in this year. While the general level of economic activity was far below that of 1928 or 1929, definite indications of a revival in trade could be found.

Social Factors.--The development of retail trading establishments is closely related to the growth of urban communities. Retail trade is concentrated in cities and towns primarily because of two factors. One is the necessity of having distributing centres to serve outlying communities which are so sparesly settled that they could not support mercantile establishments, and the second is the enlarged dependence of urban dwellers on purchased commodities in contrast to rural dwellers who can raise or make exchanges for a considerable part of the goods they need. Another feature of the life of urban communities is the increased demand for services. While this is most easily seen in the development of automotive shops of various kinds, there has been an enlargement of the services provided in practically all branches of retail trade. The rapid urbanization of the Canadian population in the decade under review has undoubtedly been one of the chief causes for the movements in retail trade. From 1921 to 1931 the total population of Canada increased 18 per cent, but the urban population grew 28 per cent and the population of the four metropolitan areas (Montreal, Toronto, Winnipeg and Vancouver) was 38 per cent greater in 1931 than in 1921. A close correspondence is found between the changes in the urban population in each province and the number of gainfully employed persons in trade. The following table will serve to illustrate this point. The trade groups, as used for census purposes, include auctioneers, advertising agents, merchants and dealers wholesale and retail, salesmen and saleswomen, deliverymen and, generally, persons employed in and about stores.

Table 1.--Changes in the Number of Gainfully Employed Persons in Trade and in Urban and Rural Populations, by Provinces, 1921 and 1931

Province	Number of Gainfully Employed in Trade			Percentage Increase or Decrease in Population, 1921 - 1931		
	1921	1931	Per cent change	Urban	Rural	Total
CANADA	310,439	387,315	+24.8	+26.7	+ 9.5	+18.1
Prince Edward Island .	1,995	2,138	+ 7.2	+ 6.8	- 2.7	- .7
Nova Scotia	15,462	15,202	- 1.7	+ 2.0	- 5.3	- 2.1
New Brunswick	11,668	12,034	+ 3.1	+ 3.6	+ 6.0	+ 5.2
Quebec	77,410	99,401	+28.4	+37.1	+ 2.2	+21.7
Ontario	120,475	148,883	+23.6	+22.8	+ 8.9	+17.0
Manitoba	25,892	31,216	+20.6	+20.8	+10.2	+14.8
Saskatchewan	17,091	21,812	+27.6	+32.9	+17.1	+21.7
Alberta	16,559	21,824	+31.8	+25.0	+24.0	+24.3
British Columbia	23,887	34,805	+45.7	+34.5	+29.7	+32.4

While the increase in the number of persons engaged in trade follows the same trend as the growth of urban population, it is not possible to find such a direct relationship between the trend in dollar value of retail sales and the growth of population. The actual amount of retail business must have a direct relationship to the amount of purchasing power available which, in turn, is dependent upon the general level of economic activity. The relative level of retail prices is, of course, an important factor affecting the dollar volume of retail sales. While the combined index of retail prices remained fairly steady from 1923 to 1930, there was a slight tendency for food prices to increase and for the prices of fuel and clothing to decline. After 1930 prices in practically all lines of consumers' goods dropped considerably, but, of course, the decrease was much greater for some products than for others. In the absence of price indexes which can be directly related to sales of retail stores, it is not possible to determine the quantities of goods which are sold each year.

Increased urbanization of the Canadian population was accompanied by rapid improvements in the means of transportation and communication. The most marked developments were in the field of motor transportation. During the period from 1923 to 1930 the mileage of gravel highways in Canada more than doubled, increasing from some 35,000 miles at the beginning of 1924 to more than 71,000 miles at the end of 1930. The mileage of other types of surfaced highways was also greatly increased and more than 2,000 miles of concrete highway were constructed. The improvement in roads and the increased use of motor vehicles greatly affected the location of retail establishments and the development of new types of merchandising units. Further reference will be made to this subject in the discussion of the development of retail trade.

Changes in Methods of Distribution

From 1923 to 1933 there was a rapid acceleration of many changes in the distributive field. The long-established system of merchandising--manufacturer - wholesaler - retailer--was breaking down even before 1923 as manufacturers established direct trade relationships with retailers and as the larger retailers attempted to purchase directly from manufacturer or producer. Accompanying these changes was the development of branded packages and nationally advertised articles by large manufacturers, and this direct appeal to the consumer relieved both the wholesaler and retailer of part of their function of forecasting demand and arranging for supply. Some indication of the growing use of advertising as a means for securing patronage is given by the statistics for the amount of advertising revenue secured by printing and publishing plants in the period under review. The figures for the printing trades relate only to the direct sale of advertising by publishing plants and do not include the value of advertising revenue secured by firms which have their printing done by outside firms. The greater part of the revenue from advertising given in the annual reports is reported by publishers of newspapers. It is probable, therefore, that the statistics secured in this fashion minimize the development of advertising in the period.

Table 2.--Revenue from Advertising Reported by Firms in the Printing Trades, 1923 - 1933

Year	Amounts Reported $
1923	28,219,344
1924	32,330,520
1925	32,177,509
1926	34,853,587
1927	38,696,548
1928	43,023,560
1929	48,236,937
1930	44,597,708
1931	39,544,157
1932	32,059,245
1933	28,638,061

Changes in the established system of distribution were undoubtedly hastened by the collapse of the inflationary movements engendered by the war. The rapid fall in prices in 1921 and 1922, and the curtailment in economic activity, undermined the position of many retail and wholesale firms. Dun's record of business failures gives some indication of the difficulties experienced by trading firms in this period.

Table 3.--Number of Failures Among Trading Concerns in Canada and Newfoundland (From Dun's Review), 1918 - 1924

Year	Number of Failures
1918	590
1919	494
1920	771
1921	1,739
1922	2,717
1923	2,319
1924	1,720

Mercantile concerns which carried heavy inventories or had a considerable amount of credit outstanding found that the decline in prices and the contraction in business rendered their financial position most insecure. The record of business failures reveals that a great many went under, but, in addition, there must have been a great many reorganizations and amalgamations during this period which forecast new developments in the field of merchandising.

Businesses which possessed large resources, or which were not burdened by commitments made in the period of high prices, were given a strong competitive advantage. The two most outstanding developments in the retail field during this period were the growth of large departmental organizations and the phenomenal advance of chain stores in certain fields of retail trade.

Department stores and mail order houses long ante-date the year 1923 with which this survey begins, but since 1923 departmental organizations have become more markedly a significant feature of retail trade. Chain stores, likewise, were by no means unknown before 1923, but the scale on which multiple organizations in Canada were then operating was relatively small. Exceptions to this statement may

be found in the 5-and-10 cent chains and, perhaps, one or two other organizations. No reliable information is available to show the growth in number of chain store companies or in number of chain units in the period prior to the year 1930, when the Census of Merchandising Establishments was taken(1). Some indication of the development of chain store systems is gained from the age of units which were operated during the year 1930. There were 8,534 establishments classified as chain stores for census purposes and of these 4,601, or more than half the number, had been opened after 1925. The number of units established in each year since 1925 is as follows:

1926	395
1927	682
1928	944
1929	1,080
1930	984
Not known ..	516

The relative age of chain units varies, of course, with different kinds of business. In the following table, chain stores have been grouped according to opening before or after 1925 for certain kinds of business:

Table 4.--Number of Chain Store Units Operated in Canada 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 group	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

As the largest number of chain stores is in the food group, and as a relatively high proportion of stores in this group were opened after 1925, an examination of the growth of a group of food chains may serve to illustrate the rapid development which has taken place in this field. From the evidence presented to the Royal Commission on Price Spreads, it is possible to assemble figures for four food chains, three of which operated throughout the period 1923 to 1933, while the fourth commenced operations after 1927. The combined figures for these four organizations are as follows:

(1) For further particulars of chain stores, see Appendix, Page 28.

Table 5.--Development of Four Food Chains, 1923 - 1933

Year	Number of Chains	Number of Stores	Per Cent of 1930	Amount of Sales	Per Cent of 1930
				$	
1923	3	298	31.1	14,330,038	22.1
1924	3	400	41.7	18,751,544	28.9
1925	3	462	48.2	22,602,921	34.8
1926	3	512	53.4	28,365,147	43.7
1927	3	596	62.2	36,092,048	55.6
1928	4	837	87.3	50,563,871	77.9
1929	4	884	92.2	63,507,596	97.8
1930	4	959	100.0	64,945,379	100.0
1931	4	1,034	107.8	64,447,061	99.2
1932	4	1,049	109.4	57,083,253	87.9
1933	4	1,002	104.5	52,278,386	80.5

These four chains, it may be said in passing, had slightly less than half the total number of grocery and combination chain stores in Canada in 1930 and accounted for more than half of the total sales for chain stores in this field.

Since 1930, the number of chains has fallen and the number of chain stores dropped after 1931. The following table gives figures for all chains in Canada except department store chains in the period 1930 to 1933.

Table 6.--Significant Figures for Chain Stores in Canada, 1930 - 1933

Year	Number of Chains	Number of Chain Stores (average for the year)	Amount of Sales
			$
1930	518	8,097	487,336,000
1931	506	8,188	434,015,200
1932	486	8,066	360,630,100
1933	461	7,900	328,736,700

Another development in the retail field which gained a good deal of impetus in the period under review was the growth of voluntary or co-operative associations of independent merchants, commonly called voluntary chains. Again, no definite information is available for the earlier years, but in 1930 there were 24 such associations reported for the census comprising almost 4,500 members. Since 1930, as the following table shows, the movement has continued to expand.

Table 7.--Significant Figures for Voluntary Chains in Canada, 1930 - 1933

Year	Number of Associations	Number of Members	Amount of Purchases
			$
1930	24	4,485	22,783,372
1931	29	5,456	25,220,327
1932	30	6,207	26,364,548
1933	32	6,689	28,625,065

More than 90 per cent of the voluntary chain movement lies in the grocery field and, in spite of the considerable fall in the prices of groceries, the value of purchases through such associations has continued to increase.

Calculation of Retail Sales

The estimation of the value of retail merchandise trade in the period prior to the census for 1930 had, of necessity, to be based on information derived from a variety of sources. A description of the methods followed in calculating the value of retail sales in the period from 1923 to 1930 will be given in the discussion of the trend of sales for each trade group. The retail sales were first calculated from the year 1930 as the complete census figures were available for this year. After the dollar value of sales was secured an index was made using figures for 1926 as a base in order to permit ready comparison with other statistical series published by the Bureau. The value of retail merchandise trade, it is estimated, was slightly in excess of $2 billions in 1923 and a little more than $3 billions in 1929, when a peak was reached. By 1933 sales had fallen to approximately $1¾ billions. A comparison of the trend of retail sales, as calculated for this study, and other statistical series published by the Bureau yields interesting results. It will be seen from the table below that there is a close correspondence between the movements in retail sales and in the physical volume of business from 1923 to 1930 (See also Chart 2). Thereafter, the index of retail sales falls lower than the index of physical volume of business. The divergence between the two series is not large until 1933 when opposing trends are shown. This difference is probably due to the greater influence of prices on the level of retail sales and the production of producers' goods on the index of the physical volume of business.

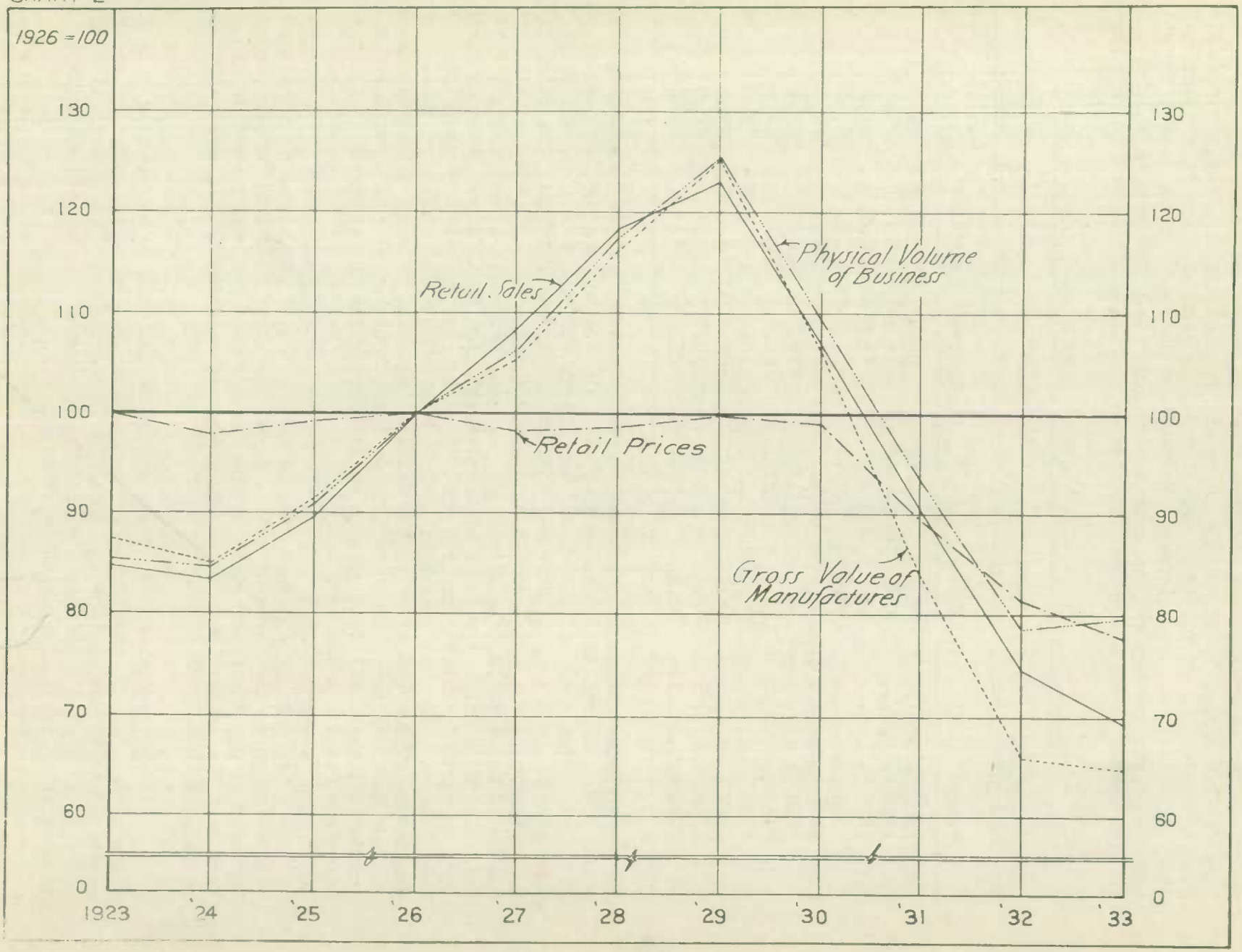
Table 8.—Comparison of Retail Sales and Other Economic Factors, 1923-1933

Year	Value of Retail Sales (000)	Indexes (1926 = 100)					
		Retail Sales	Retail Prices	Physical Volume of Business	Manufactures (Gross Value of Production)	Employment	Bank Debits
	$						
1923	2,179,398	84.9	100.0	85.5	87.4	95.8	93.4
1924	2,138,977	83.3	98.0	84.6	85.0	93.4	89.5
1925	2,303,598	89.7	99.3	90.9	91.5	93.6	92.6
1926	2,568,185	100.0	100.0	100.0	100.0	99.6	100.0
1927	2,783,189	108.4	98.4	106.1	105.4	104.6	118.9
1928	3,035,878	118.2	98.9	117.3	116.1	111.6	143.2
1929	3,157,927	123.0	99.9	125.5	125.1	119.0	153.7
1930	2,755,577	107.3	99.2	109.5	106.5	113.4	123.5
1931	2,325,732	90.6	89.6	93.5	83.8	102.5	104.0
1932	1,917,219	74.7	81.4	78.7	66.0	87.5	85.1
1933	1,776,884	69.2	77.7	79.7	64.8	83.4	98.8

Changes in the value of retail sales, as has already been mentioned, reflect both changes in quantities of goods purchased and also movements in retail prices. The decline in retail sales from $3,157,927,000 in 1929 to $1,776,884,000 in 1933 is thus a resultant of a reduction in the physical volume of goods sold and a fall in retail prices. The actual reduction in physical volume of goods distributed cannot be accurately determined, but against the decline of 44 per cent in value of sales between 1929 and 1933 may be noted the decline of 22 per cent in the index of retail prices.

COMPARISON OF INDEXES OF RETAIL SALES, RETAIL PRICES, PHYSICAL VOLUME OF BUSINESS AND GROSS VALUE OF MANUFACTURES 1923 – 1933

CHART 2



Sales by Provinces.--The estimates of retail sales in each province are, of course, subject to a greater margin of error than the figures for the Dominion as a whole, as for several groups the same index of sales had to be employed in each province for the period 1923 to 1930. However, it has been considered worthwhile to give the estimates of the total annual sales in each province as a contribution to the study of retail trade in different sections of Canada. The indexes of retail sales by economic divisions probably represent more accurately the general movements in trade in each area than do the provincial figures for the Maritime and Prairie Provinces.

Table 9.--Indexes of Retail Sales by Economic Divisions, 1923 - 1933

(1926 - 100)

Year	CANADA	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
1923	84.9	89.4	86.0	86.5	80.0	83.8
1924	83.3	87.8	84.3	85.2	77.7	83.4
1925	89.7	91.6	89.5	90.3	88.2	89.6
1926	100.0	100.0	100.0	100.0	100.0	100.0
1927	108.4	105.9	108.6	108.3	109.1	108.0
1928	118.2	113.8	117.2	118.9	120.0	116.6
1929	123.0	123.1	125.4	125.3	116.2	124.1
1930	107.3	113.1	113.1	110.3	93.9	110.1
1931	90.6	99.2	97.7	95.4	72.6	91.6
1932	74.7	80.7	80.8	78.9	60.9	71.8
1933	69.2	74.7	73.2	73.9	56.3	68.1

Retail sales for Canada as a whole showed a slight recession in 1924 compared with 1923 and this decline is shown in different degrees for each economic division. From 1924 to 1929 there is a fairly uniform rate of growth which is shown more clearly in the ratio chart(1) than in the index of sales. The sales in the Maritime Provinces, which were relatively higher in 1923 compared to 1926 than the volume of business in other divisions, did not increase as rapidly from 1924 to 1927. Sales in the Prairie Provinces were relatively low in 1923 and declined further in 1924 as agricultural income fell off. A rapid rise in sales is shown for this area from 1924 to 1928, but thereafter sales declined considerably more than in other provinces. The trend of sales for British Columbia, Ontario and Quebec are shown as roughly parallel for the period 1923 to 1930, but the value of retail sales in British Columbia fell to a greater extent during the depression than did the business in either Ontario or Quebec.

Sales by Groups.--As the combined index of retail merchandise trade has been built up on the basis of estimates of the trend of sales for each broad kind-of-business group, the description of the methods employed may proceed in the same fashion. The general picture of the movements in sales by business groups is given by Chart 4.

Food Group.--Sales of the stores in the food group, according to the results of the census, formed the largest single part of retail merchandise trade, constituting 22 per cent of the total for the Dominion. The distribution of the sales of food stores by provinces conformed somewhat to the distribution of urban population as the following table shows.

(1) Chart 1.

INDEX NUMBERS OF RETAIL MERCHANDISE SALES
BY ECONOMIC DIVISIONS
1923 -1933

CHART 3

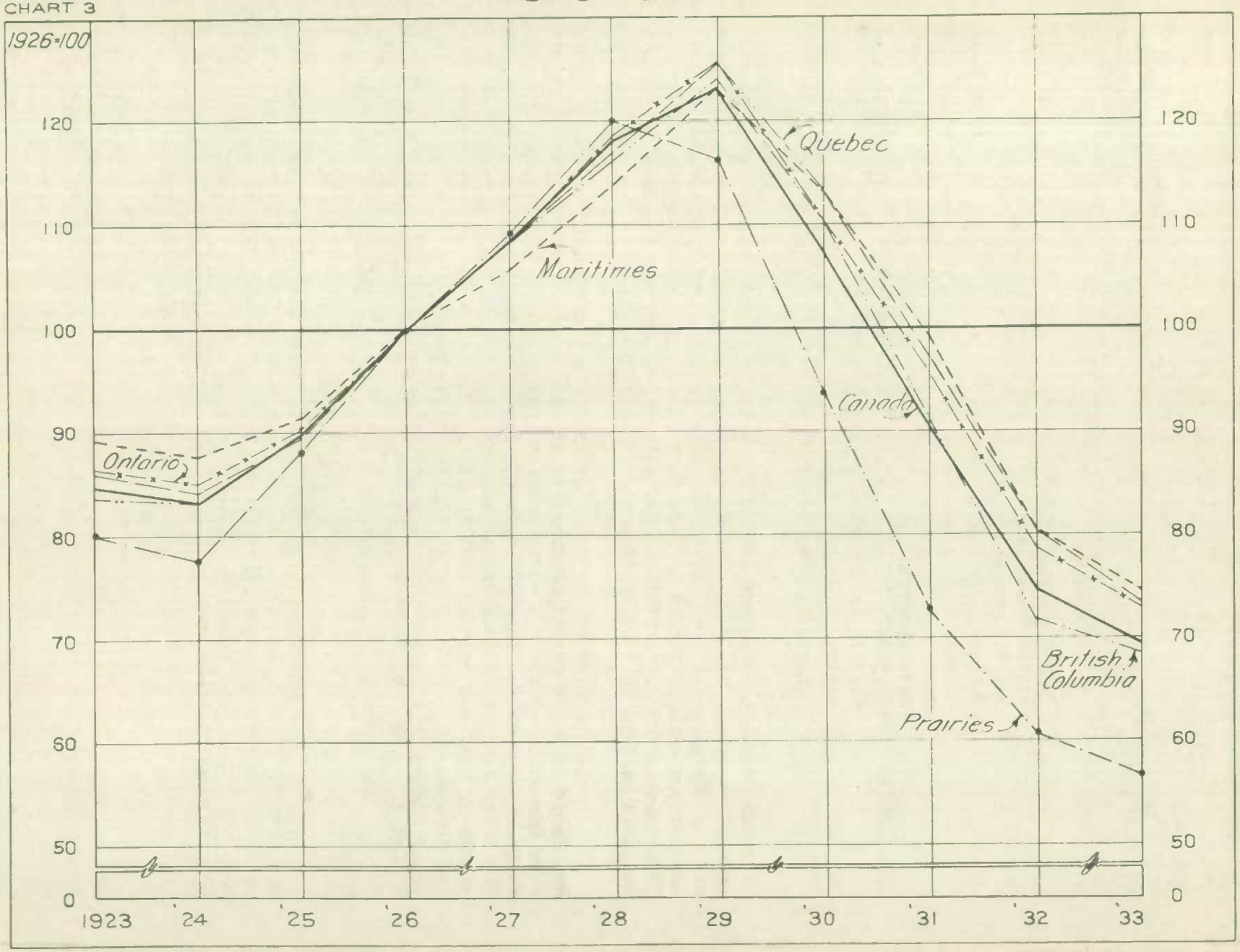


Table 10.--Distribution of Sales of Food Stores, 1930, and Urban Population, 1931, by Provinces

Province	Proportion of Dominion Total: Sales of Food Stores 1930	Proportion of Dominion Total: Urban Population 1931
Prince Edward Island	.4	.4
Nova Scotia	4.0	4.2
New Brunswick	2.4	2.3
Quebec	30.3	32.5
Ontario	41.6	37.6
Manitoba	4.5	5.7
Saskatchewan	4.2	5.2
Alberta	4.7	5.0
British Columbia	7.9	7.1
CANADA (Including Yukon and Northwest Territories) ..	100.0	100.0

This relationship displayed in the above table is not surprising in view of the concentration of the business of food stores in urban communities. In 1930, 41 per cent of the sales of food stores was made in cities of over 100,000 population and only 13 per cent in places of less than 1,000. The distribution of food products by department stores in certain cities affects, of course, the relative amount of business handled by food stores.

Calculation of the total sales of food stores for the period 1923 to 1930 was based on the apparent consumption of food products in the period as determined from the value of food products manufactured in Canada and imports and exports of food as shown in the foreign trade figures for commodities classified by purpose. The index derived in this manner was then applied to the figures of sales of food stores in 1930 and carried back to 1923. The sales for each year were then distributed between the provinces on the basis of the proportion of urban population. The sales figures for food stores in years subsequent to 1930 were taken from the census report for 1933. The dollar value of sales and the index on the 1930 base are shown below. The index of retail food prices is derived from the Prices Report of the Bureau.

It should be noted, however, that while figures for the value of production and imports cover a large part of the food sold in Canada, they do not include the value of domestic produce sold without being processed. As it was not possible to make any reasonable estimates of the year-to-year changes in the value of such sales, they have necessarily been omitted in the calculation of the index.

CHART 4

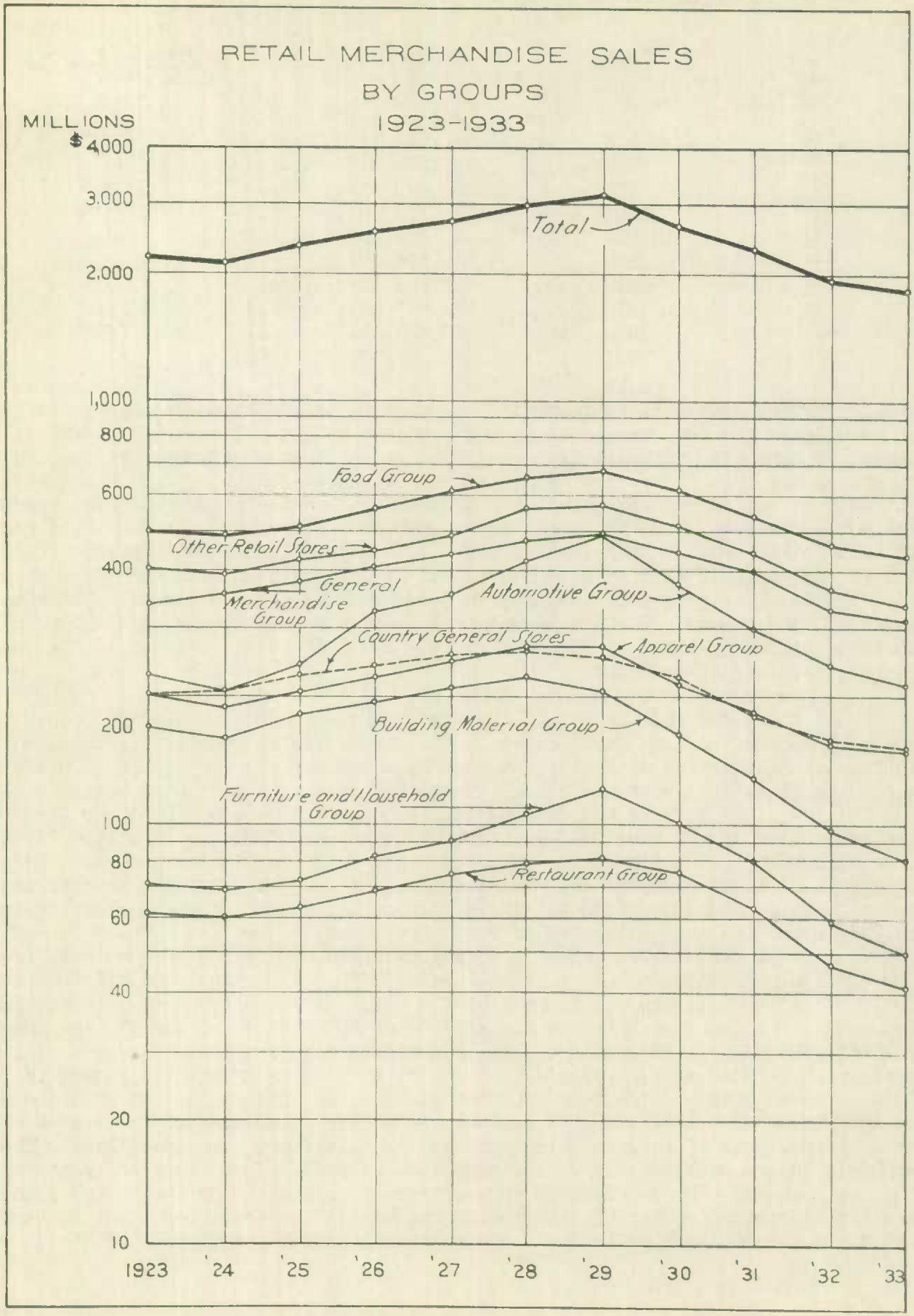

RETAIL MERCHANDISE SALES
BY GROUPS
1923-1933
MILLIONS
$4000
3,000
2,000
1,000
800
600
400
200
100
80
60
40
20
10
1923
'24
'25
'26
'27
'28
'29
'30
'31
'32
'33
Total
Food Group
Other Retail Stores
General Merchandise Group
Automotive Group
Country General Stores
Apparel Group
Building Material Group
Furniture and Household Group
Restaurant Group

Table 11.--Sales of Food Group and Index of Retail Prices of Food, 1923 - 1933

Year	Sales	Index of Sales	Index of Retail Prices of Food
	$	(1926 - 100)	
1923	500,160,000	89.2	92.1
1924	491,549,000	87.7	90.7
1925	514,364,000	91.8	94.7
1926	560,451,000	100.0	100.0
1927	609,114,000	108.7	98.1
1928	640,428,000	114.3	98.6
1929	668,248,000	119.2	101.0
1930	615,478,000	109.8	98.6
1931	534,423,000	95.4	77.3
1932	460,570,000	82.1	64.3
1933	431,165,000	76.9	63.7

Consumption of food products appears to be affected chiefly by the growth of population and the changes in the diet of the public. The general level of the income of consumers affects, of course, the trend of expenditures for food, but the record of the past four years tends to show that curtailment of food purchases is not made on any large scale even when incomes are seriously reduced. The tendency for public assistance to be given largely for food orders has, of course, a bearing on this point. While the growth of population and changes in diet affect the quantities and types of food products consumed, it will be seen from the table above that the level of prices influences, in large measure, the dollar value of retail sales of food stores. While sales of food stores dropped from $668,248,000 in 1929 to $431,165,000 in 1933, or 35 per cent, the index of retail prices, in the same period, declined 37 per cent.

Among the more important changes in the diet of the Canadian people during the past decade has been the decline in the per capita consumption of meats and the increasing consumption of fruits and vegetables both fresh and canned. In 1923, according to estimates of the Bureau, the per capita consumption of meats in Canada was 161 lbs.; by 1930 it had dropped to 146 lbs. On the other hand, we find that the production of the Fruit and Vegetable Preparations Industry rose from $21 millions in 1923 to $43 millions in 1930. During this period there were also increased purchases of fresh products and, while it is impossible to estimate the per capita consumption of domestic products, there is some indication of the increasing emphasis in this direction in the imports of fresh fruits and vegetables. The value of imports of fresh vegetables, which is affected by the prevailing prices, rose from approximately $4 millions in the fiscal year 1923-1924 to almost $7 millions in 1930-1931. In a few instances it is possible to secure figures for actual quantities imported. Thus we find that the number of bunches or stems of bananas increased from 2 million bunches in 1923-1924 to almost 4 million in 1930-1931. Imports of grapefruit rose from 19 million pounds in the earlier year to 28 million pounds in 1930-1931. The quantity of tomatoes imported was 314,000 bushels in 1923-1924 and 632,000 in the fiscal year 1929-1930. These changes in the purchasing of foods have affected greatly the types of outlets which are used to distribute the commodities. The emphasis on pre-packaged and canned foods has revolutionized the grocery store during the past decade. The development of self-service stores, both chains and independents, and the increasing number of combination stores selling groceries, fruits, vegetables and meats may be largely traced to the changes in the buying habits of the housewife.

Country General Stores.--This classification, for census purposes, is restricted to communities of less than 10,000 population. The sales of country general stores are largely sales to rural dwellers and, consequently, tend to be influenced by the level of agricultural income. The general trend in agricultural income in each province was given by the estimates of gross agricultural revenue prepared by the Bureau. These figures were used to check against the indexes of sales calculated for country general stores. Considerable assistance was derived from the results of the Census of Trading Establishments, 1923. In spite of the fact that the coverage for this census was not complete, a fuller return for country general stores appears to have been secured than for some other kinds of business. It was also thought that the trend of mail order sales, which are also largely to rural dwellers, would conform generally to the trend for country general stores. It was found that, in several provinces, the trend of mail order sales closely followed the trend in amount of money orders paid. The latter series was therefore employed as a check on the calculation of sales of country general stores. The use of these methods gave the following results for 1923:

Table 12.--Sales of Country General Stores in 1923 and 1930, by Provinces and Changes in Rural Population

	Sales 1923 $	Sales 1930 $	Percentage Increase or Decrease in Rural Population, 1921 - 1931
CANADA	204,879,000	228,805,000	+ 9.5
Prince Edward Island	3,087,000	3,253,000	- 2.7
Nova Scotia	13,309,000	14,514,000	- 5.3
New Brunswick	11,441,000	12,236,000	+ 6.0
Quebec	44,545,000	50,390,000	+ 2.2
Ontario	42,394,000	48,066,000	+ 8.9
Manitoba	14,983,000	15,543,000	+10.2
Saskatchewan	38,879,000	37,710,000	+17.1
Alberta	20,590,000	28,757,000	+24.0
British Columbia ...	15,041,000	17,654,000	+29.7
Yukon and Northwest Territories	610,000	682,000	+16.2

The sum of the annual sales calculated for each province gives the results indicated below for each year:

Table 13.--Sales of Country General Stores, 1923 - 1933

Year	Sales $	Index (1926 - 100)
1923	204,879,000	84.5
1924	209,689,000	86.5
1925	229,053,000	94.5
1926	242,409,000	100.0
1927	255,070,000	105.3
1928	261,155,000	107.7
1929	259,384,000	107.1
1930	228,805,000	94.4
1931	185,400,000	76.5
1932	158,635,000	65.4
1933	151,233,000	62.4

The number of country general stores has probably not changed much during the past decade. According to figures published in Heaton's Annual, which are not based on the same classifications as used in the Census, there were 14,175 general stores in Canada in 1923 and 14,610 in 1930. Whatever increases there have been in number of stores have probably taken place in the newer farming and mining districts.

General Merchandise Group.--This group of stores embodies three major subclasses. First are the department stores and mail order houses; secondly, general merchandise stores: and, thirdly, variety, 5-and-10 cent stores. The department stores are the most important section of the group and occupy one of the leading positions in the retail field. Fortunately, for the purposes of this survey, there were available in the evidence of the Mass Buying Committee sales figures for the period 1925 to 1933 for a large part of the departmental trade and also figures for some of the stores as far back as 1923. For the year 1930 the census reports show sales of $353,412,000 for department stores in Canada. The department store firms investigated by the Mass Buying Committee had sales of $327,328,000 in the same year. It will be seen, therefore, that a very substantial basis was available for the calculation of sales of department stores and mail order houses. These two kinds of business are treated together in the census reports as practically all the mail order business is handled by mail order departments of department store companies. The trend of department store and mail order sales in Canada, as calculated, is shown below.

Table 14.--Sales of Department Stores and Mail Order Houses, 1923 - 1933

Year	Value of Sales $	Index (1926 = 100)
1923	275,681,000	84.1
1924	284,562,000	86.8
1925	305,167,000	93.1
1926	327,904,000	100.0
1927	353,838,000	107.9
1928	381,903,000	116.5
1929	387,943,000	118.3
1930	355,259,000	108.3
1931	312,739,000	95.4
1932	253,832,000	77.4
1933	241,665,000	73.7

The use of combined sales figures for department stores and mail order houses tends to reduce, to some extent, the rise in department store sales during the period 1923 to 1930. In a census report on mail order business an index of sales is shown for the period 1924 to 1933. Converted to a 1926 base, the following trend is shown:

Table 15.--Index of Mail Order Sales, 1924 - 1933

(1926 = 100)

1924	90.9
1925	98.2
1926	100.0
1927	99.1
1928	96.4
1929	83.6
1930	68.2
1931	59.1
1932	50.0
1933	50.9

It will be seen that in the post-war period mail order sales reached a peak in 1926 and thereafter declined. Some of the forces which were at work to increase the trade of the department stores adversely affected the mail order business. The greater use of the automobile and the expanding network of highways enabled rural dwellers to shop at first hand rather than by mail. The extension of the system of branch stores into smaller towns has probably speeded up the change in buying habits which was already under way.

Among the factors which have contributed to the growth of department stores are the increased range of services and merchandise which are offered by such establishments and the improvement in transportation facilities during the past decade. The grouping of a large number of departments with considerable buying volume under the one roof has enabled the department store to offer its patrons a very large selection of goods for which a wide appeal could be made through the advertising columns of the press. The result has been a considerable expansion of this form of retailing in the first part of the period under review. The sales of general merchandise stores, which amounted to some $20 millions in 1930, have been calculated from the index for department stores, while the sales of variety and 5-and-10 cent stores have been worked out on the basis of the figures for the variety chains given in the evidence of the Price Spreads Commission. The sales of dry goods stores were derived in the same manner as the sales for the clothing group, to which reference is made below.

The total sales of the general merchandise group as calculated by the above methods are as follow:

Table 16.--Sales of General Merchandise Group, 1923 - 1933

Year	Value of Sales $	Index (1926 = 100)
1923	344,063,000	83.8
1924	354,411,000	86.4
1925	379,663,000	92.5
1926	410,363,000	100.0
1927	444,268,000	108.2
1928	482,278,000	117.5
1929	495,182,000	120.7
1930	451,543,000	110.0
1931	400,947,000	97.7
1932	330,599,000	80.5
1933	313,259,000	76.3

Automotive Group.--Sales of the establishments in the automotive group show the largest increase for any group from 1923 to 1929. The trade for stores in this group may be divided roughly into two parts. First is the trade in new and used motor vehicles and, secondly, there is the business of providing the supplies and services for the operation of the motor vehicles. After a large number of motor vehicles are in operation, the business of providing supplies, equipment and services tends to be more stable than the selling of new motor vehicles as the purchase of automobiles and trucks is subject to much wider fluctuations. It was first thought that the apparent consumption of new motor vehicles as derived from production, import and export figures, would serve as a guide to the sales of new motor vehicles in each year. This series was discarded in favour of available data on registrations of new motor vehicles when it was found that there was a tendency for stocks to accumulate in the hands of manufacturers and dealers when sales fell off. As an indication of the supply business of the automotive group the available figures for apparent

consumption of gasoline were used. The supply business amounts to 30 to 40 per cent of the total sales of the automotive group, and it was thought that sales of gasoline would conform to the general movement for this class. An index was then constructed for the automotive group and applied to the sales figures for 1930, giving the value of sales for the period from 1923 to 1930. The apportionment of sales of the automotive group between the provinces was made on the basis of automobile registrations in each province. The significant movements in registrations of motor vehicles and apparent consumption of gasoline are shown in the following figures. The last column gives the number of inspections of gasoline pumps made each fiscal year by the Weights and Measures Inspection Service. While this is not an entirely accurate measure of the increase in number of outlets for gasoline, it serves as a good guide to the growth in number of filling stations and other retail establishments selling gasoline.

Table 17.--Number of Motor Vehicles Registered, Apparent Consumption of Gasoline and Number of Inspections of Gasoline Pumps, Canada, 1923 - 1933

Year	Number of Registrations	Apparent Consumption of Gasoline(1) (Thousands of gallons)	Number of Inspections of Gasoline Pumps(2)
1923	586,850	172,890	22,450
1924	652,121	232,324	23,924
1925	728,005	246,986	29,189
1926	836,794	300,949	30,997
1927	945,672	363,927	34,662
1928	1,070,664	483,799	38,849
1929	1,188,929	606,935	45,706
1930	1,232,486	601,737	52,920
1931	1,200,907	565,266	54,138
1932	1,114,503	505,232	50,377
1933	1,082,957	463,176	50,847

(1) Production plus imports less exports.

(2) Fiscal years, 1923-1924 = 1923.

Between 1923 and 1929 the number of motor vehicles registered in Canada more than doubled and the apparent consumption of gasoline in 1929 was more than 3 times as large as in 1923 and more than twice as large as in 1924. The number of outlets for the sale of gasoline also increased greatly during this period as the figures for inspections of pumps indicate.

The sales for establishments in the automotive group show a rise from $204,583,000 in 1924 to a peak of $487,765,000 in 1929 and a decrease to $218,484,000 by 1933.

Table 18.--Sales of Automotive Group, 1923 - 1933

Year	Value of Sales $	Index (1926 = 100)
1923	221,532,000	66.6
1924	204,583,000	61.5
1925	240,666,000	72.3
1926 ...	332,833,000	100.0
1927	365,721,000	109.9
1928	420,387,000	126.3
1929	487,765,000	146.5
1930	381,961,000	114.8
1931	298,040,000	89.6
1932	235,252,000	70.7
1933	218,484,000	65.7

Apparel Group.--This group of stores embraces all specialty stores selling men's and women's clothing and furnishings including shoe stores. Clothing, however, is not sold entirely through specialty stores. Country general stores and establishments in the general merchandise group handle a considerable part of the clothing trade. During the period under review, the trend toward factory-made clothing and furnishings and the use of lighter fabrics and articles was greatly accentuated. The rapid increase in women's ready-to-wear stores and the relative decline in dry goods stores handling yardage goods were reflections of the changing buying habits of the public. Throughout this period clothing prices tended to decline probably as a result of the use of cheaper textiles and the greater efficiency of factory methods of production.

As no data were available to show the trend in sales of apparel stores, it was necessary to rely again on figures for apparent consumption derived from the figures for value of production in Canada and for imports and exports. An index derived in this manner was applied to the total for 1930 and the resulting figures were then transferred to the 1926 base.

Table 19.--Sales of Apparel Group and Index of Retail Prices of Clothing, 1923 - 1933

Year	Value of Sales $	Index of Sales (1926 = 100)	Index of Retail Prices (1926 = 100)
1923 ...	202,803,000	88.9	104.4
1924 ...	195,543,000	85.7	101.9
1925 ...	205,441,000	90.1	101.9
1926 ...	228,087,000	100.0	100.0
1927 ...	244,156,000	107.0	97.5
1928 ...	266,151,000	116.7	97.4
1929 ...	267,689,000	117.4	96.9
1930 ...	219,968,000	96.4	93.9
1931 ...	189,230,000	83.0	82.2
1932 ...	155,929,000	68.4	72.8
1933 ...	147,085,000	64.5	67.9

Building Materials Group.--The two main classes of stores in this group are the hardware stores and establishments selling lumber and building materials. Sales of the former amounted to $70,891,700 in 1930 out of a total of $162,237,100 for the Building Materials Group, while sales of lumber and building material dealers totalled $75 796 900. Minor classifications in this group are electrical and plumbing shops and paint and glass stores. Such information as was available tended to show that the sales of establishments in the building materials group in 1923 were approximately the same as in 1930. The trend of sales between 1923 and 1930 was calculated separately for hardware stores and for the remainder of the building materials group. For the former, available indexes of sales of hardware stores in trade journals were employed and, for the latter, figures for revenue freight of lumber unloaded in each province were used. The sales of establishments in the building materials group do not represent the entire sales of hardware and builders' supplies to ultimate consumers. Similar products are sold by other retailers and, in addition, large sales of building materials are made to contractors, etc., by wholesale firms and by manufacturers or producers. In those provinces where local supplies of building materials are available, sales are made to consumers directly from sawmills and planing mills. For this reason the sales of the building materials group in the Prairie Provinces form a considerable part of the total sales for this group as the large part of the lumber sold in the Prairie Provinces is brought into the area and distributed through retail lumber yards. The value of retail sales for the building materials group, as calculated, and the trend in wholesale prices of Building and Construction Materials are given below.

Table 20.--Sales of Building Materials Group and Index of Wholesale Prices of Building Materials, 1923 - 1933

Year	Value of Sales $	Index of Sales (1926 = 100)	Index of Wholesale Prices (1926 = 100)
1923	167,881,000	87.4	111.9
1924	158,280,000	82.4	106.6
1925	176,933,000	92.1	102.9
1926	192,117,000	100.0	100.0
1927	207,182,000	107.8	96.1
1928	219,843,000	114.4	97.4
1929	206,512,000	107.5	99.0
1930	162,238,000	84.4	90.8
1931	128,991,000	67.1	81.9
1932	95,855,000	49.9	77.2
1933	82,797,000	43.1	78.3

Furniture and Household Group.--There are three main types of stores in this group. First are establishments dealing in furniture and house furnishings; secondly, there are household appliance stores; and, thirdly, there are radio and music stores. The household appliance stores and radio stores have had a very rapid growth in the first half of the period under review. The radio was just beginning to meet with popular demand in 1923, but from then on sales were made on an increasing scale until the depression set in. The demand for household appliances, particularly electric goods of various kinds, grew considerably in the period from 1923 to 1929. Some indication of this is given by the figures for number of domestic customers for electricity which has continued to increase even during the depression years.

Table 21.--Number of Radio Licenses Issued and Number of Domestic Customers for Electricity, 1923 - 1929

Year		Number of Radio Licenses Issued(1)	Number of Domestic Customers for Electricity
1923	....	9,954	920,223
1924	....	31,609	989,510
1925	....	91,996	1,063,530
1926	....	134,486	1,110,637
1927	....	215,650	1,142,512
1928	....	268,420	1,207,457
1929	....	297,398	1,292,481

(1) Figures for fiscal years, 1923-1924 = 1923.

While the number of radio licenses issued probably does not cover all sets in operation in each year, it does give an indication of the increase in number of radios in use. The series shows a rise from approximately 10,000 licenses in 1923 to almost 300,000 in 1929. It should be noted, however, that the increasing sales of radios was probably accompanied by a falling off in the sales of musical instruments and supplies.

The sales of furniture and house furnishings stores did not show the same rapid growth from 1923 to 1929 as has been indicated for household appliance stores and radio dealers. According to Heaton's Annual, the number of furniture and house furnishings stores remained relatively constant during the period under review. The tendency during the period was probably toward cheaper and lighter lines of furniture. While there was a considerable increase in the quantity of furniture and household goods purchased, the growth in sales was shared between furniture stores and department stores.

Again, in constructing an index of sales for the furniture group, reliance had to be placed principally upon figures for apparent consumption. Separate indexes were calculated for the furniture and house furnishings stores and for household appliance and radio and music stores. As it was impossible to secure any basis on which to allocate the sales between the provinces, the index derived was used for all provinces for the period 1923 to 1930. As the increase in sales for household appliance stores and radio stores was large in the period from 1926 to 1929, the use of the base year 1926 tends to accentuate the rise in the index of sales in a similar manner to that already shown for the automotive group.

Table 22.--Sales of Furniture and Household Group, 1923 - 1933

Year	Value of Sales $	Index (1926 = 100)
1923	70,8[illegible]7,000	85.1
1924	68,8[illegible]0,000	82.6
1925	73,096,000	87.7
1926	83,3[illegible]0,000	100.0
1927	92,15[illegible],000	110.5
1928	105,420,000	126.5
1929	120,365,000	144.4
1930	101,667,000	122.0
1931	82,247,000	98.7
1932	58,856,000	70.6
1933	50,634,000	60.8

Restaurant Group.--This group includes not only regular restaurants and cafeterias but also other eating places, such as lunch rooms, tea rooms, sandwich shops, etc. Restaurants and other eating places were not included in the census of 1924 and little information is available for this group from other sources. There is considerable overlapping between confectionery stores and those establishments selling light lunches. The provision of meals is also undertaken by the dining rooms in hotels and the restaurants and lunch counters maintained by department stores so that it is difficult to estimate the actual trend of sales for establishments in the restaurant group. In the absence of any data or information for the restaurant, it was decided to use the index calculated for the food group. This was applied to the 1930 total for the sales of the restaurant group in each province and values secured for the years 1923 to 1930. From 1930 to 1933 the figures derived for the annual Census of Merchandising and Service Establishments were used. The resulting figures are as follow:

Table 23.--Sales of Restaurant Group, 1923 - 1933

Year	Value of Sales $	Index (1926 = 100)
1923	61,771,000	89.2
1924	60,706,000	87.7
1925	63,517,000	91.8
1926	69,215,000	100.0
1927	75,217,000	108.7
1928	79,092,000	114.3
1929	82,511,000	119.2
1930	75,977,000	109.8
1931	62,040,000	89.6
1932	47,673,000	68.9
1933	41,666,000	60.2

Other Retail Stores.--This group contains all stores which cannot be classified in any of the preceding groups. Among the more important kinds of business included in this miscellaneous group are farm implement and farm supply dealers, coal and wood yards, drug stores, jewellery stores, news dealers and tobacco stands, office appliance dealers, Government liquor stores and other liquor stores. As figures were available for the sales of liquor stores and sales of farm implements, separate

calculations were made for the sales of stores handling these products in each province. For part of the period and for some provinces figures for the quantity of coal used for domestic purposes were available; a separate calculation was made, therefore, for the value of sales by coal and wood yards. Apparent consumption figures were obtained for tobacco, jewellery, and books and stationery, and an index derived from these figures was applied to the 1930 total for the sales of the group less the sales of farm implement dealers, liquor stores and coal and wood yards, to which reference has already been made. The gross sales of Liquor Control Boards, as shown in the report by the Dominion Bureau of Statistics entitled "The Control and Sale of Liquor in Canada", are given below. In only three provinces were Liquor Control Boards operating in each year of the period under review.

Table 24.--Gross Sales of Liquor Control Boards(1), 1923 - 1930

(Thousands of dollars)

Year	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
	$	$	$	$	$	$	$	$
1923 ...			19,813		3,639			11,664
1924 ...			17,888		2,963(2)		2,633(2)	11,410
1925 ...			19,018		3,745	7,813	3,734	13,434
1926 ...			22,425		3,794	10,305	4,269	13,805
1927 ...			24,230	17,534(2)	3,985	11,709	4,859	13,957
1928 ...		3,562	27,007	48,996	7,373	14,068	6,552	15,133
1929 ...		4,511	27,540	55,361	7,620	12,381	6,284	16,499
1930 ...	622(2)	4,810	22,712	52,283	6,507	9,158	4,678	14,735

(1) The figures for the fiscal year most closely conforming to the calendar year have been used.

(2) Part year.

The results used by employing the composite index of sales for the group "Other Retail Stores" are given below. While it is possible that there may be inaccuracies in the component parts of the index, it is thought that the composite figure may give a fairly good indication of the trend in sales for this group.

Table 25.--Sales of Other Retail Stores, 1923 - 1933

Year	Value of Sales $	Index (1926 = 100)
1923	405,412,000	90.2
1924	395,386,000	88.0
1925	420,865,000	93.7
1926	449,370,000	100.0
1927	490,311,000	109.1
1928	561,124,000	124.9
1929	570,271,000	126.9
1930	517,939,000	115.3
1931	444,414,000	98.9
1932	373,850,000	83.2
1933	340,561,000	75.8

In view of the lack of detailed information on the trend of sales for many kinds of business included in the group "Other Retail Stores", no attempt has been made to estimate the value of sales for particular kinds of business in each year. However, it is possible to make an estimate of the value of sales in 1923 for a few kinds of business by using the figures for the census in that year after providing for the stores which were not included. On this basis the estimates given below for five kinds of business were prepared.

Table 26.--Estimated Value of Sales in 1923 for Selected Kinds of Business Compared with Census Figures for 1930

	Sales		Per Cent of 1930
	1923 (Estimated)	1930 (Actual)	
	$	$	
Coal and wood yards	75,721,000	86,047,000	88
Drug stores	59,942,000	76,849,000	78
Flour and feed stores (including farmers' supply stores and grain elevators)	37,675,000	43,808,000	86
Farm implement agents and dealers	16,825,000	21,571,000	78
Jewellery stores	22,664,000	26,663,000	85

The tobacco stores and stands are an important group of stores but, as the very small establishment is characteristic of this group, it is difficult to trace the developments from year to year. During the decade under review, the quantities of tobacco and cigars purchased by the public remained fairly constant, but the purchases of cigarettes increased considerably. The record of tobacco taken out of bond shows the following trends in consumption.

Table 27.--Quantities of Tobacco Taken Out of Bond for Consumption in the Fiscal Years ended 1924 - 1934

Fiscal Years	Cigars (Thousands)	Cigarettes (Thousands)	Tobacco (Thousands of pounds)
1923-24	198,043	2,420,053	21,172
1924-25	168,097	2,531,693	20,871
1925-26	174,363	2,883,448	21,595
1926-27	175,336	3,334,000	21,590
1927-28	181,731	3,927,022	21,908
1928-29	190,981	4,607,500	21,973
1929-30	196,252	5,035,879	22,195
1930-31	177,842	5,082,315	22,520
1931-32	152,159	4,401,629	22,801
1932-33	122,665	3,728,832	22,816
1933-34	115,988	4,342,729	22,315

Conclusion

The decade which has been surveyed in this study of retail trades embraces a complete cycle of economic activity as exhibited in the general phases of revival, prosperity and depression. During the periods of revival and prosperity the sales of staple products, such as food and clothing, maintained a fairly uniform rate of growth. The trade in semi-durable goods - such as automobiles, furniture, radios, etc. - increased much more rapidly as the purchasing power of consumers was enlarged both through rising incomes and the extension of instalment credit. During the depression the movements in retail sales show similar differences in rates of change. Sales of automobiles, furniture, radios and building materials declined to the greatest extent, while the value of food sales dropped, roughly, to the same extent as retail prices declined.

The development of large-scale retail organizations, particularly food chains, was one of the outstanding features of retail trade during the period. This development was checked by the depression, and it remains to be seen whether it will be re-established on the same scale with the revival of business.

The reduction in volume of trade from 1930 to 1933 resulted in a considerable increase in the number of failures among trading concerns but the proportion appears to have been smaller than in the immediate post-war depression. Figures have been given earlier for the number of failures among trading concerns in Canada and Newfoundland as published in Dun's Review. The maximum number of failures reported was 2,717 in 1922. During the recent depression the number of failures among trading concerns, according to Dun's Review, rose from 1,888 in 1930 to 2,038 in 1932. The liabilities of concerns failing were also lower than in 1922, when $33,000,000 were reported as against $23,700,000 in 1932. While the exact reasons for the differences in the rates of failure during the two depressions cannot be accurately determined, it is probably true that hand-to-mouth buying and the increase in large-scale retail enterprises were partially responsible.

Table 28.--Retail Merchandise Trade, 1923 - 1933

(Sales are shown in thousands of dollars)

(Index, 1926 = 100)

	Year	TOTAL		Food Group		Country General Stores		General Merchandise Group	
		$	Index	$	Index	$	Index	$	Index
1	1923 ...	2,179,398	84.9	500,160	89.2	204,879	84.5	344,063	83.8
2	1924 ...	2,138,977	83.3	491,549	87.7	209,689	86.5	354,411	86.4
3	1925 ...	2,303,598	89.7	514,364	91.8	229,053	94.5	379,663	92.5
4	1926 ...	2,568,185	100.0	560,451	100.0	242,409	100.0	410,363	100.0
5	1927 ...	2,783,189	108.4	609,114	108.7	255,070	105.3	444,268	108.2
6	1928 ...	3,035,878	118.2	640,428	114.3	261,155	107.7	482,278	117.5
7	1929 ...	3,157,927	123.0	668,248	119.2	259,384	107.1	495,182	120.7
8	1930 ...	2,755,577	107.3	615,478	109.8	228,805	94.4	451,543	110.0
9	1931 ...	2,325,732	90.6	534,423	95.4	185,400	76.5	400,947	97.7
10	1932 ...	1,917,219	74.7	460,570	82.1	158,635	65.4	330,599	80.5
11	1933 ...	1,776,884	69.2	431,165	76.9	151,233	62.4	313,259	76.3

Table 29.--Retail Merchandise Trade, 1923 - 1933

(Sales are shown in thousands of dollars)

(Index, 1926 = 100)

	Year	CANADA		Prince Edward Island		Nova Scotia		New Brunswick		Quebec	
		$	Index	$	Index	$	Index	$	Index	$	Index
12	1923 .	2,179,398	84.9	11,521	91.9	80,359	90.5	64,539	87.8	494,824	86.0
13	1924 .	2,138,977	83.3	11,120	88.7	77,820	87.7	64,451	87.7	484,900	84.3
14	1925 .	2,303,598	89.7	11,567	92.3	81,360	91.7	67,255	91.5	515,176	89.5
15	1926 .	2,568,185	100.0	12,535	100.0	88,758	100.0	73,499	100.0	575,530	100.0
16	1927 .	2,783,189	108.4	13,663	109.0	94,058	106.0	77,332	105.2	624,847	108.6
17	1928 .	3,035,878	118.2	14,601	116.5	99,586	112.2	84,740	115.3	674,483	117.2
18	1929 .	3,157,927	123.0	15,392	122.8	108,188	121.9	91,553	124.6	721,986	125.4
19	1930 .	2,755,577	107.3	13,775	109.9	99,520	112.1	84,370	114.8	651,141	113.1
20	1931 .	2,325,732	90.6	11,466	91.5	90,187	101.6	71,692	97.5	562,395	97.7
21	1932 .	1,917,219	74.7	9,141	72.9	74,966	84.5	56,992	77.5	464,963	80.8
22	1933 .	1,776,884	69.2	8,742	69.7	69,349	78.1	52,445	71.4	421,141	73.2

Table 28.--Retail Merchandise Trade, 1923 - 1933

(Sales are shown in thousands of dollars)

(Index, 1926 = 100)

Automotive Group		Apparel Group		Building Materials Group		Furniture and Household Group		Restaurants, Cafeterias & Eating Places		Other Retail Stores		
$	Index	$	Index	$	Index	$	Index	$	Index	$	Index	
221,532	66.6	202,803	88.9	167,881	87.4	70,897	85.1	61,771	89.2	405,412	90.2	1
204,583	61.5	195,543	85.7	158,280	82.4	68,830	82.6	60,706	87.7	395,386	88.0	2
240,666	72.3	205,441	90.1	176,933	92.1	73,096	87.7	63,517	91.8	420,865	93.7	3
332,833	100.0	228,097	100.0	192,117	100.0	83,330	100.0	69,215	100.0	449,370	100.0	4
365,721	109.9	244,156	107.0	207,182	107.8	92,150	110.5	75,217	108.7	490,311	109.1	5
420,387	126.3	266,151	116.7	219,843	114.4	105,420	126.5	79,092	114.3	561,124	124.9	6
487,765	146.5	267,689	117.4	206,512	107.5	120,365	144.4	82,511	119.2	570,271	126.9	7
381,961	114.8	219,969	96.4	162,238	84.4	101,667	122.0	75,977	109.8	517,939	115.3	8
298,040	89.6	189,230	83.0	128,991	67.1	82,247	98.7	62,040	89.6	444,414	98.9	9
235,252	70.7	155,929	68.4	95,855	49.9	58,856	70.6	47,673	68.9	373,850	83.2	10
218,484	65.7	147,085	64.5	82,797	43.1	50,634	60.8	41,666	60.2	340,561	75.8	11

Table 29.--Retail Merchandise Trade, 1923 - 1933

(Sales are shown in thousands of dollars)

(Index, 1926 = 100)

Ontario		Manitoba		Saskatchewan		Alberta		British Columbia		Yukon and Northwest Territories		
$	Index	$	Index	$	Index	$	Index	$	Index	$	Index	
863,091	86.5	164,957	84.1	173,479	76.6	134,347	79.8	189,355	83.8	2,928	91.8	12
850,308	85.2	163,332	83.2	160,489	70.8	135,337	80.3	188,304	83.4	2,916	91.6	13
901,225	90.3	180,318	91.9	193,818	85.6	147,539	87.6	202,314	89.6	3,026	95.0	14
997,558	100.0	196,218	100.0	226,600	100.0	168,441	100.0	225,861	100.0	3,185	100.0	15
1,080,331	108.3	211,137	107.6	245,693	108.4	188,308	111.8	243,986	108.0	3,334	104.7	16
1,186,114	118.9	229,484	117.0	264,613	116.8	215,329	127.8	263,455	116.6	3,473	109.0	17
1,249,833	125.3	227,413	115.9	244,010	107.7	215,750	128.1	280,275	124.1	3,527	110.7	18
1,099,991	110.3	189,244	96.4	189,182	83.5	176,538	104.8	248,598	110.1	3,218	101.0	19
951,288	95.4	154,690	78.8	137,792	60.8	136,505	81.0	206,807	91.6	2,910	91.4	20
786,859	78.9	131,415	67.0	112,929	49.8	115,578	68.6	162,179	71.8	2,197	69.0	21
737,000	73.9	120,322	61.3	104,123	46.0	108,277	64.3	153,719	68.1	1,766	55.4	22

APPENDIX

Some Comparative Figures for Chain Stores

While a complete coverage of all merchandising concerns in Canada was not secured for the Census of Trading Establishments, 1924, reports were obtained from most of the large trading concerns. Some attempt was made in connection with this early census to classify the retail firms according to number of stores operated but, as the returns were believed to be incomplete, the results of the analysis were never published. However, by checking the reports for multiple concerns, secured for 1923, with current directories and also with figures for ages of chain stores operating in 1930, it has been possible to estimate the amount of chain store business in certain lines for the year 1923.

For comparative purposes the same definition of a chain was used for 1923 as for 1930, i.e. a concern with four or more retail stores. One of the interesting aspects of a study of the development of chain stores is the growth and decline of individual concerns. In comparing 1923 with 1930, it was found, in a number of instances, that firms with one, two or three stores in 1923 were operating four or more stores in 1930. Such concerns would be classed as chains in the latter year but not as such in 1923. On the other hand, a good many firms which were operating four or more branches in 1923 had either ceased operations by 1930 or reduced the number of their stores to less than four. The selection of a particular limit, such as four stores, as the minimum number of units to constitute a chain naturally affects the number of firms classified as chain organizations in any year.

The records of the census of 1923 reveal that there were approximately 1,000 retail firms operating two stores in that year and 200 firms operating three stores each. In 1930 there were about 1,200 firms operating two stores and 400 which ran three stores. It is likely, of course, that not all multiple concerns were listed for the Census of Trading Establishments, 1924.

While the exact number of chain organizations, those operating four or more stores, cannot be determined for 1923, Table 30 presents the results of a careful check of available records. No figures are given for the restaurant group as such establishments were not included in the earlier census. Certain other kinds of business have been omitted from the table because of incomplete records for 1923. The totals that are given, therefore, do not cover all chain store organizations.

Between 1923 and 1930 the number of chain store companies in the trades covered by Table 30 increased from 192 to 377 and the number of chain units from 2,940 to 6,056. It will be noted that in 1923 the largest number of multiple organizations and the largest number of branches are shown for the lumber and building materials group. Such companies are found in the Prairie Provinces, where they serve rural communities. They are a more or less distinct form of merchandising organization and differ in a great many respects from chain stores in other fields. If the lumber companies are excluded from the total, it is found that the number of chain units increased from 1,928 in 1923 to 5,038 in 1930 and reached 5,175 in 1933.

Among the kinds of business showing a large increase in chain stores are filling stations with 177 units in 1923 and 646 in 1930 and women's apparel and

accessories stores with 37 chain stores in the earlier year and 183 in 1930.

Table 30.—Comparison of Number of Chains and Number of Chain Stores, 1923, 1930 and 1933

Kind of Business	1923		1930		1933	
	Number of Chains	Number of Stores	Number of Chains	Number of Stores	Number of Chains	Number of Stores
Candy and confectionery	6	65	14	163	8	160
Grocery and combination	32	640	66	2,004	75	2,132
Meat market	13	154	21	214	16	169
Dry goods	4	18	10	94	11	92
Variety, 5 and-10, and to a-dollar	3	122	15	313	14	348
Automobile dealers	4	36	10	76	7	65
Filling stations	5	177	28	646	30	738
Men's and boys' clothing and furnishings (including tailors)	8	68	22	176	14	125
Family clothing	1	4	13	55	12	62
Women's apparel and accessories	5	37	28	183	15	144
Shoes	5	35	17	193	22	257
Hardware	8	37	13	70	14	75
Furniture	2	51	8	90	9	84
Radio and music	5	51	7	73	4	25
Drugs	22	193	31	284	29	297
Jewellery	1	6	3	23	3	28
Office equipment	10	75	16	171	11	142
Tobacco	9	159	9	210	9	232
Sub-Total	143	1,928	331	5,038	303	5,175
Lumber and building materials	49	1,012	46	1,018	42	868
TOTAL	192	2,940	377	6,056	345	6,043

It has not been possible to calculate the amount of business handled by all chain store companies in 1923, but for seven kinds of business the value of sales in 1923 has been estimated.

The business of radio and music stores changed considerably between 1923 and 1930. In the earlier year, sales of radio sets and parts were a relatively minor item, but by 1930 the radio business formed the main part of the trade of radio and music chains. Of the kinds of chain stores included in the above table, the business of the food chains shows the greatest increase, both relative and actual, between 1923 and 1930. The dollar value of sales advanced from $37,000,000 to more than $127,000,000, or more than 300 per cent, while the number of units increased from 794 in 1923 to 2,301 in 1930.

Table 31.--Comparison of Chain Stores in 1923, 1930 and 1933 for Selected Kinds of Business

	1923 (Estimated)	1930 (Actual)	1933 (Actual)
Candy and Confectionery Stores:			
Canada --			
Number of chains	6	14	8
Number of stores	65	163	160
Value of sales	$ 3,234,300	$ 5,448,300	$ 3,568,500
Grocery and Combination Stores and Fish and Meat Markets:			
Canada --			
Number of chains	45	87	91
Number of stores	794	2,218	2,301
Value of sales	$37,079,600	$127,582,500	$103,382,900
Ontario --			
Number of chains	21	37	37
Number of stores	462	1,107	1,113
Value of sales	$21,875,300	$ 70,769,300	$ 55,450,700
Quebec --			
Number of chains	14	13	12
Number of stores	128	495	472
Value of sales	$ 5,684,100	$ 23,708,400	$ 20,456,500
Variety Stores:			
Canada --			
Number of chains	3	15	14
Number of stores	122	313	348
Value of sales	$16,517,600	$ 39,383,600	$ 33,348,600
Apparel Stores (Including Shoes):			
Canada --			
Number of chains	19	82	63
Number of stores	144	607	588
Value of sales	$12,137,800	$ 30,900,900	$ 23,271,400
Radio and Music Stores:			
Canada --			
Number of chains	5	7	4
Number of stores	51	73	25
Value of sales	$ 3,939,600	$ 7,104,100	$ 1,070,300

Table 31.--Comparison of Chain Stores in 1923, 1930 and 1933 for Selected Kinds of Business (Cont'd.) -

	1923 (Estimated)	1930 (Actual)	1933 (Actual)
Drug Stores:			
Canada --			
Number of chains	22	31	29
Number of stores	193	284	297
Value of sales	$ 9,707,300	$ 13,971,300	$ 11,001,300
Ontario --			
Number of chains	12	11	13
Number of stores	111	137	156
Value of sales	$ 5,715,900	$ 6,989,200	$ 6,163,800
Tobacco Stores and Stands:			
Canada --			
Number of chains	9	9	9
Number of stores	159	210	232
Value of sales	$ 3,843,100	$ 7,800,700	$ 5,446,200