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CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

**THE MARKETING STRUCTURE
OF THE
WHOLESALE HARDWARE TRADE
IN CANADA**



OTTAWA
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INTERNAL TRADE BRANCH
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Dominion Statistician:	R. H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Internal Trade Branch:	Herbert Marshall, B.A., F.S.S.
Statistician:	A. C. Steedman, B.A.

CENSUS OF MERCHANLISING AND SERVICE ESTABLISHMENTS.

THE MARKETING STRUCTURE OF THE WHOLESALE HARDWARE TRADE IN CANADA

INTRODUCTION

Although changes have been taking place in the whole field of merchandising, the criticism is frequently made that methods of distribution have not kept pace with improving methods of production. A number of factors are said to contribute to the high level of marketing costs. In the first place, industry is organized mainly from the point of view of production rather than distribution costs. Again, consumers demand much more in the way of services than formerly, such as a wide range of goods from which to choose, commodious and attractive shops, delivery, expensive packaging, credit, time-payment terms and numerous other advantages. Consequently, improved production methods have not been always reflected in lower costs of distribution. At times it has been claimed that the links in the present distributive chain might well be dropped. In an effort to "short-cut" the distributive system by eliminating the middle man or wholesaler, manufacturers in certain lines have established direct contact with retailers or even consumers while at the same time chain store systems have tended to establish direct contact with manufacturers and producers. Because of these developments, wholesalers and the services they perform are of particular and timely interest.

The Census of Merchandising and Service Establishments, 1931, for the first time collected comprehensive statistics concerning the volume of Canada's wholesale and retail trade by commodities and outlets. Annual surveys since that date, while less comprehensive in scope than the complete census, serve to show the trend in sales during recent years. A partial survey of trading establishments was also taken for 1923. The present bulletin brings together all information available dealing with the wholesale hardware trade as derived from the results of the census and annual surveys. Summary figures on hardware retailing are also included.

I---The Nature of Wholesaling

The place of the wholesaler in the modern marketing structure has been vague, if not actually misunderstood. Popular attention has been fixed on the more spectacular operations of production and on the closer and seemingly more vital problems of the retailer. The wholesaler, himself, has done little to stimulate interest in his activities or to further any understanding of the complexities of his business. A proper understanding of his services, therefore,

must be founded upon a clear conception of the nature of wholesaling.

Wholesaling, as distinguished from retailing, has been defined broadly as being any transaction in which the purchaser is actuated solely by motives of profit rather than a desire to satisfy his personal wants. Wholesale transactions are not necessarily restricted to wholesalers selling only to retailers, or wholesale merchants buying for their own account, but embrace all places of business operating in a wholesale manner. This involves the idea of selling in large quantities and the idea that the goods sold are for resale rather than use (although in the hardware field particularly wholesalers often sell direct to industry for use.) At the same time the census view of wholesaling for practical purposes does not include such operations as sales by farmers or mine operators or sales by manufacturers through branches maintained for that purpose.

Historical Background— It has been said that the function of wholesaling is as old as commerce itself, having developed from the caravans and market places of the ancient world. While the term "wholesaling" is not used, there are numerous references to trading in the accounts of Egypt, Babylonia, China, India and Phoenicia. It was in the era of Greek supremacy and later the Roman that the first differentiation of wholesaling from retailing appeared, the wholesaler as a man of larger affairs being more esteemed than the retail dealer or "huckster." During the early Middle Ages, wholesaling in Europe was international in character, the business being largely concerned with importing and exporting. Such internal trade as was done by wholesale was usually carried on by itinerant merchants or at annual fairs. The growth of Guilds or trading alliances such as the Hanseatic League was followed in the 17th and 18th centuries by the establishment of such wholesaling institutions as exchanges, auctions, markets and market halls. The merchant became a capitalist of no little importance in the economic life of the nation, often organizing and financing production as well as assuming control of distribution. With the development of improved methods of transportation by canal, railroad and steamship, the discovery of new methods of communication such as the telephone and telegraph, and the general forward industrial movement of the 19th century, wholesaling institutions grew in number and diversity until by the end of the century the pattern as we know it today was fairly well established.

The Modern Hardware Wholesaler— The Hardware wholesaler has become an important link in the chain of hardware distribution in Canada. In the complete census for 1930, there was a wholesaler for approximately every twelve retail hardware stores, although it must be remembered that hardware articles are sold in many other stores in addition to hardware stores. In view of their importance then, it is of interest to inquire into the nature and necessity of the services of hardware wholesalers.

The Hardware wholesaler is an assembler and distributor. From hundreds of foreign and domestic manufacturers, agents, importers and other wholesalers, he gathers thousands of articles which he buys in bulk for distribution in small lots among retailers. He, therefore, adds a time and place value to his wares. This function alone requires a high degree of knowledge and skill. His buyers study the requirements and capacity of their local market and from the offerings of the world's industry select their stock. In this respect the wholesaler may be regarded as acting in a dual capacity. He is the purchasing agent of a number of **retailers** on the one hand while he is the sales agent of a number of manufacturers on the other. His dominance of the field would indicate that these functions are being economically and adequately fulfilled. In any event, the fact remains that it is a highly specialized work which, in the majority of cases, neither the manufacturer nor the retailer, in hardware lines at least, can do for themselves. If the hardware retailer tried to buy the 4,000 to 5,000 articles he handles direct from the factory, whether by catalogue, agent or personal visit, he would have little time for the conduct of his retail business. In the same way, it would be impractical for the

average manufacturer to maintain salesmen on the road selling a limited line of products in small quantities to widely scattered retailers. Even in the matter of deliveries, it would be uneconomical for the factory to make frequent shipments of small lots. By buying in large quantities the wholesaler makes an appreciable saving. He receives lower prices because the quantity is large and because he is known to the manufacturer as a good credit risk. By shipping in carlots he economizes on transportation costs. It is not unreasonable to assume that a part of this saving is passed along to the retailer and ultimate consumer.

The Hardware wholesaler assists the retailer in many ways. He extends credit, sometimes giving assistance in time of financial distress. He advises the retailer in details of business such as merchandising practices, stock lines, selling ideas, stock arrangement, window displays, accounting methods and other phases of retail trade. With his storage facilities and proximity, he enables the retailer to maintain stock by placing small orders frequently, thereby tying up little capital and saving interest on capital, premiums on insurance and storage space. The relationship between the two is close and conducive to mutual confidence and respect. No manufacturer could possibly extend the same credit, give the same service or take the same interest in several hundred small accounts scattered across the Dominion which the wholesaler can take in his compact little clientele.

The retailer is not the only one to benefit from the presence of the wholesaler. In him, the manufacturer finds a ready distributor with a highly organized sales force familiar with the peculiarities of his particular territory and its requirements as regards quantities, qualities, sizes, styles, packages, brands, etc. Neither the manufacturer nor the retailer has such knowledge of the territory. The manufacturer is too far removed from the consumer, his interests absorbed by production problems, while the retailer is too close, his viewpoint coloured by local and perhaps unimportant conditions. The wholesaler, on the contrary, is sufficiently removed from the consumer to interpret the reports of his salesmen without bias while at the same time no problems of manufacture becloud his vision. By carrying many items, the wholesaler is able to maintain a large sales force, spreading the cost among several manufacturers. The wholesaler is of further assistance in supplying the storage space which is so necessary to the manufacturer if he is to maintain a steady and constant production instead of closing down in slack times and working overtime when business is good. To some extent he organizes his rate of production on the wholesaler's information as to probable demand. Even from the standpoint of keeping accounts, it is an advantage to the manufacturer to deal with wholesalers who are limited in number and well known to him rather than with a widely scattered group of unknown retailers.

In so far as wholesaling is concerned, competitive conditions will continue to eliminate waste effort and useless steps in the process of distribution. The manufacturer uses the hardware wholesaler because he usually finds in him the most convenient, economical and effective outlet. The retailer buys from the wholesaler because he usually finds in him the most convenient, economical and reliable source of supply. The wholesaler will continue to function only so long and to the extent that this continues to be the case. The extent to which the hardware wholesaler appears in the Canadian picture is shown in the following statistics.

II. Wholesale Distribution.

Summary - According to the census taken in 1931 and covering the year 1930, there were 13,140 wholesale trading establishments in Canada reporting sales totalling \$3,325,210,300. Among these were 240 firms dealing principally in hardware products (builders' hardware, shelf or light hardware, tools and outlery and heavy hardware) and consequently classified for census purposes as "hardware wholesalers."

These reported sales amounting to \$78,509,400. Firms dealing primarily in plumbing and heating equipment are included in a separate category and not in the hardware trade. The total sales of hardware wholesalers are not the same as the total sales of hardware goods. Hardware, to some extent, is also sold by dealers specializing in other than hardware commodities and therefore included under other trade groups. In the same way the 240 establishments reporting in the hardware group were not confined exclusively to the sale of hardware products. While hardware formed the bulk of their business, nevertheless a certain proportion of their business was in other commodities. An analysis of their sales by commodities shows that these firms, although classified as "hardware wholesalers," also sold substantial quantities of automotive equipment, plumbing and heating supplies, iron and steel products, radios, paint and varnishes, sporting goods, machinery and building materials.

Geographical Distribution—A classification of the 240 wholesale hardware firms on the basis of geographical location shows that Ontario had the largest number of establishments while Quebec had the largest percentage of sales. In Ontario there were 71 establishments or 29.6 per cent of the total and their sales amounted to 23.1 per cent of the sales of all hardware wholesalers. In Quebec, 59 establishments, or 24.6 per cent of the total number had 25.4 per cent of Canada's total sales. British Columbia followed with 30 establishments or 12.5 per cent of the total, and 14.9 per cent of the sales. There were 27 wholesale hardware houses in the Maritimes and 53 in the Prairie Provinces. Those in the Maritimes made 11.2 per cent of Canada's total sales, while those located in the Prairie Provinces obtained 25.4 per cent.

It might be expected that distribution of sales would coincide in a general way with the distribution of population. From Table 1 it will be seen that this is not the case. To begin with, the classification of geographical distribution of sales is made on the basis of location of establishments and not on the basis of the destination of the goods sold. The province in which a firm is located is, therefore, credited with the sales of that firm although these may have been distributed over a number of other provinces. Consequently, although British Columbia had only 6.7 per cent of Canada's population, the sales of wholesale hardware houses located in that province amounted to 14.9 per cent of Canada's total wholesale hardware sales. The percentage of sales for the Maritime provinces and Manitoba also exceeded their percentages of the Dominion population. On the other hand, Ontario with 33.1 per cent of Canada's population recorded only 23.1 per cent of the total sales of hardware wholesalers.

Types of Establishment—The wholesale hardware establishments registered in the course of the 1930 census have been classified by "Type of Establishment" according to the nature of their services.

The field has been divided into two broad divisions. The first, called "Wholesalers Proper" embraces all those hardware establishments carrying on a regular wholesale business. Of the 240 establishments, there were 153 falling within the limits of this classification. The sales of this group amounted to \$65,942,600, or 83.9 per cent of the total. Wholesalers Proper have been subdivided into two types; viz., "Wholesale Merchants" with 132 establishments and 79.5 per cent of total sales, and "Other Wholesalers Proper" with 21 establishments and 4.4 per cent of total sales. The wholesale merchants, as a rule, perform the complete function of wholesalers such as buying in bulk and selling in broken lots, extending credit, providing warehousing and delivery facilities, soliciting orders through salesmen, furnishing market information and assisting retailers with advertising and financial advice.

The second main division of the hardware wholesaling field is known as "Other Wholesalers." In this class fall those wholesalers who act as middlemen

but who do not undertake the complete functions of the wholesaler proper, such as warehousing, maintaining a large distributive staff and financing the retail trade. This has been subdivided into several types; such as, district and general sales offices, manufacturers' sales branches, brokers, commission merchants, import agents, manufacturers' agents, selling agents, and "all other." In this category there were 87 establishments recording 16.1 per cent of the total sales. The various types of brokers and agents accounted for 54 establishments and 7.9 per cent of the sales, while manufacturers' sales branches ranked next in importance with 31 establishments and 6.5 per cent of the total sales. Table 2 shows the number of establishments with sales volume for each of these types of hardware wholesalers.

Multiple Types of Wholesaling--Although for census purposes it was necessary to assign each return to one type of operation, it must not be assumed that all wholesalers restricted their activities to one mode of operation. Of the 240 hardware wholesaling establishments in Canada in 1930, there were 31 with \$7,325,700 sales which reported that they acted in the capacity of more than one type. Doubtless, there were others operating in a dual or multiple capacity which did not so report themselves. Most important among multiple wholesalers were the wholesale merchants (including jobbers and semi-jobbers) who also acted as importers and manufacturers' agents, and recorded sales of \$5,149,000. Manufacturers' agents acting as importers is another combination frequently found.

Size of Business--A striking feature which the wholesale hardware trade shares with wholesale trade in general is the large number of establishments with limited sales volume. Out of the 240 establishments in the trade, as shown in Table 3, there were 35, or 14.6 per cent, whose annual sales for 1930 were less than \$25,000. Another 30 establishments, or 12.5 per cent of the total, had sales ranging from \$25,000 to \$50,000. Altogether, there were 109 establishments, or 45.4 per cent of the total, with sales less than \$100,000. In fact, 46.5 per cent of the sales volume of the trade was in the hands of 22 establishments, whose individual sales exceeded \$1,000,000. This may furnish a distorted picture of the situation unless it is remembered that the census was based on establishments and not on companies. A separate report was required for each sales establishment, large firms operating branches in different parts of the country being required to furnish a separate report for each. It should also be noted at this point that all firms reporting were classified either as wholesale or retail. Some firms stated that they engaged in both wholesale and retail activity. In such cases, they were classified according to the basis on which the bulk of their sales was made. While this method of classification resulted in the inclusion among wholesale firms of a number with a certain volume of retail business, it also allotted to the retail division a number of firms doing a certain amount of wholesaling.

Number of Marketing Units--The same forces, which have given rise to the chain store type of operation in the retail field, have also made their influence felt in the wholesale field. Large firms, in order to widen their market or cultivate existing markets more extensively have established in many cases branch-houses, each operating more or less independently in its own district but controlled and supplied by the parent company. At the same time, as a measure of defence against the rapid strides of the retail chains there has been a tendency for a number of independent wholesalers to amalgamate with a view to improving their competitive position. Many manufacturers also have yielded to these influences and in an endeavour to get close to their consuming markets have opened sales branches in various sections of the territory they want to cover.

Despite this tendency toward chain operation, out of the 240 establishments reporting in 1930, there were 168 or 70.0 per cent operating as single units. This group accounted for 52.5 per cent of the total business. There were 26 establishments belonging to two-unit firms, 35 belonging to companies with from 3 to 5 units and

11 belonging to companies with from 6 to 25 units. Table 4 shows this classification for both Wholesalers Proper and Other Wholesalers.

Extent of Sales Territory--The extent of the territory which wholesale houses serve is bound to vary according to many factors such as the product they handle, their financial resources, their organization and connection with the trade. Some are equipped to cater to the requirements of the whole Dominion, while the activities of others are confined to the city in which they are located. The census schedule for 1930 requested each wholesale establishment to state in a general way the extent of its sales territory. Not all of the 240 firms reporting gave this information, but the answers of 202 establishments have been tabulated and are shown in Table 5. Their answers have been grouped as follows: (1) City, (2) Within a radius of 25 miles, (3) Within 75 mile radius, (4) Part of a province, (5) Entire province, (6) Two provinces, (7) Region (i.e., Prairie Provinces or Maritime Provinces), (8) Dominion, (9) Canada and foreign.

Only 12, or 5.9 per cent, of the 202 firms reporting indicated that their activities were confined to a single town or city. Another 8, or 4.0 per cent of the total, reported that they covered a 25 mile radius while 22, or 10.9 per cent, operated within a 75 mile radius. It was to be expected perhaps that wholesalers of hardware, because of the very nature of their product, would be enabled to cover a wider area than many other lines of business. It is not surprising to find, therefore, that 45 establishments, or 22.3 per cent of the total reporting, extended their activities over a whole region, while 43 firms, or 21.3 per cent, covered a whole province. These two groups alone effected 43.6 per cent of the total sales.

In common with the practice throughout this report, the analysis of firms according to sales territory is based on establishments and not on companies. Thus sales of companies with branches in several provinces would not appear as inter-provincial trade except to the extent that individual sales territories overlapped more than one province.

Operating Expenses--In the Census of Merchandising covering the year 1930, each firm was asked to report its operating expenses under the headings: salaries and wages, commissions to salesmen, travelling expenses, interest on borrowed money, rent and "all other expenses."

The analysis of the information received regarding operating expenses is shown in Table 6. As the information given by some firms was not considered sufficiently clear, the reports of only 218 were used. Operating expenses in the Maritime Provinces amounted to 15.4 per cent of sales; Quebec, 15.5 per cent; Ontario, 18.4 per cent; Prairie Provinces, 18.7 per cent; and British Columbia, 18.5 per cent. It is difficult to account for the low expense ratios in the Maritimes and Quebec. They may be due, in part, to a difference in the type of commodity handled by hardware wholesalers. Undoubtedly, the compactness of the territory itself is an important factor and considerable saving must be effected in salesmen's salaries and travelling expenses.

Table 6 also shows the operating expenses of "wholesalers proper" as distinguished from "other wholesalers." Wholesalers Proper maintain fairly extensive establishments and render trade services both to the customers they serve as well as to the manufacturers they represent. Their expense ratio naturally is increased by these factors. On the other hand, the group of "Other Wholesalers" contains firms operating as brokers, commission agents, selling agents and organizations, the nature of whose services do not require warehouses or facilities for actually handling the commodities they sell.

An analysis of operating expenses by size of business for 84 wholesalers proper carrying a general line of hardware is shown below. As may be expected, the ratio of operating expenses to sales decreases as the size of business increases up to a certain point beyond which there is but little change.

Wholesalers Proper—General Line Hardware—Analysis of
Operating Expense by Size of Business, 1930.

Annual Sales	Number of Estab- lishments	Sales	Operating Expenses	
			Amount	Per Cent of Sales
CANADA	84	\$ 36,494,000	\$ 6,551,500	18.0
Less than \$25,000 ...	11	179,200	44,500	24.8
25,000 -- 50,000 ...	7	256,100	73,100	28.5
50,000 -- 100,000 ...	8	603,900	137,900	22.8
100,000 -- 200,000 ...	9	1,328,500	255,500	19.2
200,000 -- 300,000 ...	13	3,060,500	571,100	18.7
300,000 -- 400,000 ...	11	3,757,500	614,500	16.4
400,000 -- 500,000 ...	4	1,749,300	313,100	17.9
500,000 -- 1,000,000 ...	8	5,541,600	1,040,100	18.8
1,000,000 and over	13	20,017,400	3,501,700	17.5

The difficulty in comparing the operating expenses of 1930 with those of 1923 lies in the fact that only a partial census was taken in 1923. It is possible, however, to compare the figures for a limited number of establishments.

It will be seen from the following table that operating expenses for the Dominion averaged 16.6 per cent of sales in 1930 compared with 14.1 per cent of sales in the earlier year. Ratios for the several economic divisions for 1930 (with 1923 figures in brackets) were as follows: Maritime Provinces, 14.0 (18.6); Quebec, 15.1 (11.3); Ontario, 19.6 (14.5); Prairie Provinces and British Columbia, 13.8 (14.6). It will be noticed that the proportion which expenses formed of sales remained relatively constant for the two periods in the Prairie Provinces and British Columbia, while a considerable decrease in the Maritime Provinces and increases in Ontario and Quebec were recorded.

Wholesalers Proper—General Line Hardware—Comparison of
Operating Expenses for Firms Reporting in 1923
and 1930, by Economic Divisions.

Economic Division	Number of Estab- lishments Reporting	1923		Number of Estab- lishments Reporting	1930	
		Average Sales per Estab- lishment \$	Expenses, Per Cent of Sales		Average Sales per Estab- lishment \$	Expenses, Per Cent of Sales
CANADA	49	552,400	14.1	54	531,400	16.6
Maritime Provinces ...	8	296,200	18.6	8	365,600	14.0
Quebec	9	745,500	11.3	11	696,400	15.1
Ontario	24	559,500	14.5	27	443,400	19.6
Prairie Provinces) British Columbia) ...	8	570,200	14.6	8	767,400	13.8

Commodity Sales--All the larger wholesale firms were asked to break down their total sales by commodity classes. The breakdown of sales for those firms reporting commodity data has been used to estimate amounts for those unable to supply this information. In this way estimates of total sales by commodity groups have been built up. Total sales of hardware products by all wholesale trades are estimated at \$46,942,000 for 1930. The amounts and proportions attributable to the several trades in which hardware is of some importance are shown below:

Wholesale Sales of Hardware, by Kinds of Business,
Canada, 1930.

Kinds of Business	Hardware Sales	
	Amount \$	% of Total
All Trades, Total	46,942,000	100.0
Furniture and house furnishings	275,000	0.6
General merchandise	2,144,000	4.5
Groceries and food specialties	781,000	1.7
Hardware	41,204,000	87.8
Lumber and building materials	226,000	0.5
Machinery, equipment and supplies	696,000	1.5
Plumbing and heating equipment	679,000	1.4
All other trades	937,000	2.0

Current Trends in Sales-- The 1930 figures used in this report were taken from the results of the complete Census of Merchandising and Service Establishments of 1931. In that census, returns were received from all hardware wholesalers regarding business transacted in 1930. Since 1931 a census or survey has been taken annually. This is more limited in its scope, returns being secured only from wholesalers proper whose sales in 1930 were \$100,000 or more, together with some large firms which have commenced operations since that year. The reports received for this annual survey are used in determining the trend in the wholesale hardware business from year to year. The trend value is then applied to the total sales for all wholesalers proper for the base year 1930 in order to determine the probable value of the total business for later periods. It should, therefore, be clearly understood that the figures shown for years subsequent to 1930 are estimates of the total sales of all wholesalers proper in the hardware trade, including both contributing and non-contributing firms. The method makes no allowance for contraction or expansion in the total number of firms operating in the wholesale hardware field. Thus, while the figures shown are believed to approximate actual conditions, it must be remembered that the disappearance of old firms and the rise of new ones are not fully reflected in the indexes.

Current trends in sales obtained in the manner described is shown in Table 7. It is interesting to note from this table that in the economic areas in which sales fell the lowest in 1933; viz., British Columbia and the Prairie Provinces, recovery, particularly in 1936, has been the most marked.

The total sales for wholesalers proper in the hardware field amounted to \$65,943,000 in 1930. Estimated total sales, computed from indexes derived from the returns of the reporting companies, fell rapidly to \$38,025,000 in 1933, giving an

index for that year of 57.7 (1930=100). The 1936 sales for Canada were estimated similarly at \$56,075,000, or 85.0 per cent of 1930. Recovery in all the economic areas followed the low sales registered in 1932 and 1933.

Trends in Value of Sales and Prices Compared--In the period 1930 to 1936, the dollar value of wholesale sales was affected not only by changes in the volume of goods distributed but also by changes in their price. Comparable price indexes are not available to measure the influence of these two factors, but the general trends in hardware wholesale prices and dollar volume of sales are indicative of the relative movements in the volume of goods handled. Total sales of wholesalers proper together with indexes of sales and prices for the period 1930 - 1936 are shown below:

Comparison of Trend in Sales for Wholesalers Proper in the Hardware Trade and Indexes of Wholesale Hardware Prices, 1930-1936.

Year	Sales of Wholesalers Proper, Hardware Trade		Index of Wholesale Hardware Prices 1930=100
	Amount	Index 1930=100	
	\$		
1930	65,943,000	100.0	100.0
1931	50,450,000	76.5	97.9
1932	39,195,000	59.4	96.0
1933	38,025,000	57.7	94.2
1934	46,209,000	70.1	94.9
1935	49,260,000	74.7	95.1
1936	56,075,000	85.0	93.8

Gross Margin--Data relating to gross margins were secured in connection with the annual surveys of the wholesale hardware trade in 1934, 1935 and 1936. Gross margin is taken to mean the difference between net sales and cost of goods sold, and represents the amount available to cover all operating expenses and to provide a profit on the year's operations. Gross margin is less than operating costs in the case of firms operating at a loss.

Gross margin for wholesale hardware firms in Canada averaged 20.3 per cent of net sales in 1934, 20.5 per cent in 1935 and 20.2 per cent in 1936. There was less than 2 per cent variation in gross margin for firms operating in the various economic sections of Canada. The reports of 81 firms were used in 1934, 82 firms in 1935 and 83 firms in 1936. Table 8 shows the comparison of gross margin percentages by economic divisions.

In the partial survey made in 1923, information was secured covering gross margins for 41 firms roughly identical with that secured from 45 firms in 1935. From these figures a comparison may be made of the gross margins of the wholesale hardware trade for the years 1923 and 1935.

From the following table it will be seen that gross margin percentages for the Dominion averaged 21.3 per cent of net sales in 1935 compared with 18.8 per cent in 1923. Ratios for the several economic divisions for 1935 (with 1923 figures in brackets) are as follows: Maritime Provinces, 17.3 (19.7), Quebec,

22.4 (17.9), Ontario, 20.4 (18.1), Prairie Provinces and British Columbia, 22.6 (21.6). It will be noted that the gross margin percentage of net sales remained relatively constant for the two periods in the Prairie Provinces and British Columbia, while a considerable decrease in the Maritime Provinces and increases in Ontario and Quebec were recorded.

Wholesale Hardware Trade - Comparison of Gross Margin
Percentages of Net Sales, 1923 and 1935

	1923			1935		
	No. of Estab. Report- ing	Average Sales Per Estab- listment	Gross Margin Per Cent of Net Sales	No. of Estab. Report- ing	Average Sales Per Estab- listment	Gross Margin Per Cent of Net Sales
CANADA	41	\$ 590,600	18.8	45	\$ 434,600	21.3
Maritime Provinces ...	7	319,900	19.7	7	297,800	17.3
Quebec	8	765,500	17.9	8	617,500	22.4
Ontario	19	594,900	18.1	22	352,200	20.4
Prairie Provinces) British Columbia) ...	7	649,600	21.6	8	599,100	22.6

III - Retail Distribution

Summary - It has been explained that the sales of wholesale hardware establishments do not necessarily represent total wholesale sales of hardware. The same may be said for the sales of retail hardware stores. Hardware is retailed through a number of outlets not classified as hardware stores, while, on the other hand, a variety of commodities other than hardware are included in the sales of hardware retailers. It must be understood, therefore, that hardware retail distribution resembles wholesale in that sales of hardware stores are not synonymous with sales of hardware.

Results of the complete Census of Merchandising for 1930 show that there were 3,001 retail hardware stores in Canada reporting sales of \$70,891,700. These were divided into 2,780 establishments classified as "Hardware" and 221 classified as "Hardware and Farm Implements," with sales of \$66,174,200 and \$4,717,500 respectively. There were 2,346 proprietors not on the payroll and 1,116 proprietors receiving salaries. Salaries for the latter were reported as amounting to \$1,991,000. There were 4,680 male and 597 female full-time employees to whom \$5,766,900 was paid in salaries and wages. Part-time employees numbering 474 male and 38 female received \$147,200 in salaries and wages. Table 9 gives this information separately for hardware stores and hardware and farm implement stores.

Distribution of Stores and Sales - Of the total of 3,001 retail hardware establishments in Canada, 1,135 were located in Ontario, 500 in Quebec, 134 in the Maritime Provinces, 1,044 in the Prairie Provinces, and 184 in British Columbia.

Table 10 shows the provincial distribution of hardware stores as distinguished from hardware and farm implement stores, together with their sales. Hardware and farm implement stores were located principally in the Prairie Provinces. Alberta and Saskatchewan alone recorded 68.4 per cent of the total sales of this group.

Distribution by Size of Locality—There were 742 retail hardware stores in 1930 located in cities having a population of 30,000 or over, 208 stores in places of from 10,000 to 30,000, 713 stores in places of from 1,000 to 10,000 and 1,338 stores located in places of less than 1,000 population. Provincial sales and the Dominion totals on this basis of distribution of population are shown in Table II. From this table it will be seen that the 742 stores in cities of 30,000 or over recorded sales of \$21,188,600 or \$28,550 per store. The 208 stores in places of from 10,000 to 30,000 recorded sales of \$9,829,900 or \$47,259 per store. The 713 stores in places of from 1,000 to 10,000 recorded sales of \$20,605,300 or \$28,899 per store, while the 1,338 stores located in places of less than 1,000 population recorded sales of \$19,267,900 or \$14,400 per store. The average sales per store for Canada amounted to \$23,622.

Distribution According to Size of Business—The distribution of retail hardware stores by size of business is shown in Table 12. According to this classification, 31.24 per cent of the stores in Canada recorded individual sales of from \$10,000 to \$19,999 in 1930, the group accounting for 19.0 per cent of the total sales. Individual sales of from \$20,000 to \$29,999 were made by 16.17 per cent of the total number of stores, accounting for 16.39 per cent of total sales. Over 90 per cent of all stores recorded individual sales of less than \$50,000.

Distribution According to Proportion of Cash and Credit Sales—There were 2,032 stores with \$49,355,000 sales which could be classified according to their proportion of cash and credit business. Of these, 203 were operating on a strictly cash basis. This number, representing approximately 10 per cent of the stores reporting this information, obtained only 5.3 per cent of the total sales. There were 202 stores which reported that from 1 to 10 per cent of their business was credit. These stores, representing approximately 10 per cent of the group, obtained 6.11 per cent of the total sales. Table 13 shows that the proportion of credit extended was greater for large than for small stores.

Operating Expenses, by Kinds of Business—In the census for 1930, each store was asked to report certain information regarding operating expenses. In Table 14 this information is compiled separately for Hardware and Hardware and Farm Implement stores. Of the 2,328 stores reporting, representing sales of \$61,379,900, there were 2,153 in the former group and 175 in the latter.

The salaries and wages paid to employees of both kinds of stores amounted to \$5,209,300 or 8.48 per cent of the total sales. From Table 14 it will be seen that salaries and wages paid to employees in hardware stores amounted to 8.71 per cent of sales, whereas salaries and wages paid to employees in hardware and farm implement stores amounted to 5.30 per cent of sales.

Due to the fact that many proprietors do not appear on the payroll, but take their remuneration from the profits of the business, it was necessary to estimate the value of proprietors' services. To this end, the remuneration of those who did not appear on the payroll was estimated at the same rate as the average salary per full-time employee in the same kind of business and in the same province. The estimated value of all proprietors' services arrived at in this way amounted to \$3,695,900 or 6.02 per cent of total sales. The remuneration of proprietors in the hardware stores was 5.99 per cent as compared with 6.41 per cent in hardware and farm implements. It will be noted that the total wage cost of hardware stores amounted to 14.70 per cent of sales as compared with 11.71 per cent in hardware and

farm implements.

All other operating expenses of hardware stores, including rent, amounted to 9.39 per cent of sales as compared with 7.40 per cent of hardware and farm implements, the total operating expenses of the former amounting to 24.09 per cent as compared with 19.11 per cent in the case of the latter.

Of the 2,328 stores reporting, 1,382 occupied leased premises. Of this number 1,330 were classified as hardware stores while 52 were classified as hardware and farm implements. The former paid rentals amounting to \$1,234,500 or 3.71 per cent of sales as compared with \$32,600 or 2.72 per cent of sales paid by the latter.

Operating Expenses by Size of Business--It is to be expected that the size of a business will to some extent be reflected in its cost of operation. In Table 15, therefore, the 2,328 stores reporting expense data were classified according to their size. There were 596 stores with individual annual sales of less than \$10,000. The average annual sales for this group amounted to \$6,066, and total operating expenses were 39.7 per cent of sales. The sales of the remaining 1,732 stores amounted to \$57,764,400 or an average of \$33,351 per store. The total operating expenses of the stores in this larger group amounted to 24.0 per cent of sales. From Table 15 it will be seen that as stores increase in size (measured in terms of annual sales) the cost of operation (expressed as a percentage of sales) decreases. This is particularly true of such cost items as wages and rent.

It will be noted that Table 15 shows total wage costs amounting to 15.7 per cent of sales, whereas in Table 14 they are shown as amounting to 14.5 per cent of sales. The difference is due to the method of estimating the salaries of proprietors not appearing on the payroll. In Table 14 these were computed at the same rate as the average salary per full-time employee. In Table 15 the value of the services of those proprietors not appearing on the payroll was computed at the same rate as the average amount per proprietor for those reporting their earnings in the same size class.

Operating Expenses by Type of Operation--Of the 2,328 establishments reporting details of their operating expenses, there were 2,258 independents as compared with 70 chain stores. The average annual sales of the independent stores amounted to \$25,342 as compared with \$59,391 for the chains. The total operating expenses of the chain stores amounted to 24.2 per cent of sales as compared with 25.0 per cent for the independents. The wage cost of chains amounted to 12.1 per cent of sales as compared with 15.9 per cent for independents.

Commodity Sales--In 1930 the total sales of stores classified in the Census of Merchandising as "Retail Hardware" stores amounted to \$70,891,700. Hardware was also sold by stores assigned to other kind-of-business classifications, while retail hardware stores sold many commodities which were not strictly hardware items. The following is a list of some of the commodities sold by retail hardware stores in 1930 showing their percentages of the total sales. Separate figures are shown for hardware and for hardware and farm implement stores.

Hardware Stores

Building Materials	6.0	per cent	
Builders' and Shelf Hardware	22.2	"	"
Carpenters' and Mechanics' Tools	4.3	"	"
Other Hardware	22.7	"	"
Heating and Plumbing Equipment and Supplies	2.5	"	"
Paints, Varnishes, Lacquers, etc.	9.6	"	"
Home Furnishings	3.3	"	"
Radios and Radio Equipment	2.0	"	"
All Other Commodities	27.4	"	"

Hardware and Farm Implement Stores

Builders' and Shelf Hardware	14.8	"	"
Carpenters' and Mechanics' Tools	2.0	"	"
Other Hardware	24.8	"	"
Farm Machinery	12.7	"	"
Tractors	5.7	"	"
Farm and Garden Equipment and Supplies ..	3.1	"	"
Gasoline	8.2	"	"
Second-Hand Merchandise	3.2	"	"
Paints, Varnishes and Lacquers	2.4	"	"
All Other Commodities	23.1	"	"

It has already been mentioned that sales of hardware stores and sales of hardware products are not synonymous. Hardware is sold in many types of retail outlets in addition to the typical hardware store. Country general stores, variety stores, department stores and dealers in lumber and building materials all compete in the sale of these commodities. Commodity analysis shows that hardware items formed 5 per cent of the total business of country general stores, 8.5 per cent of the sales of variety stores, 1.4 per cent of the sales of department stores and 2.8 per cent of the sales of lumber and building material dealers. Total sales of hardware through all types of retail stores are estimated at \$30,489,000 for 1930.

The Trend of Retail Hardware Trade, 1936--The retail hardware trade has participated fully in the steady upward movement which has characterized retail trade as a whole since the spring of 1933. In 1936, the dollar value of the sales of retail hardware stores amounted to \$53,972,000, an increase of 7.8 per cent over the preceding year. This was considerably less than the sales of \$70,891,700 recorded for 1930, the first year for which complete information is available. The three years following 1930 witnessed successive percentage declines, sales in 1933 falling to \$42,732,000.

Trends by Provinces--The decline in hardware store sales was general in Canada following 1930. In 1933 the Dominion index had fallen to 60.3 (1930=100). This rose to 67.6 in 1934, 70.6 in 1935, and 76.1 in 1936. The index for Quebec fell to 57.4 in 1933 or slightly below that for Canada. Nor was recovery as rapid in Quebec as in Canada as a whole. In 1936 the Quebec index had only risen to 66.7 as compared with 76.1 for the Dominion. On the other hand, the decline in Ontario was not as great as that of Canada, the index falling to 62.8 in 1933 and rising to 82.0 in 1936. Of the Prairie Provinces, Manitoba held up favourably while the indexes of Saskatchewan and Alberta fell below the Canadian level in 1933 and, like Quebec, were slow in recovering. In Table 13 the trend since 1930 is shown by

Accounts Outstanding—At the end of 1936, according to the information gathered from the retail hardware annual survey, the accounts outstanding in the trade in Canada amounted to 21.4 per cent of the total sales. The total estimated sales amounted to \$53,972,000, of which amount \$11,533,800 was outstanding. Prince Edward Island recorded the largest outstanding accounts, 35.4 per cent of the sales being "on the books" at the end of the year. Quebec hardware merchants apparently extended the least credit or were most successful in collecting their accounts. At year end only 17.8 per cent of their sales was outstanding.

Gross Margin—The gross margin for 1936 in the retail hardware trade calculated from the reports of the firms covered in the Bureau's survey, amounted to 25.7 per cent of sales as compared with 25.2 in 1935. The following are the provincial gross margins for 1936:

Gross Margin Percentages of Sales, 1936

Prince Edward Island	(a)
Nova Scotia	25.3
New Brunswick	22.6
Quebec	25.3
Ontario	26.2
Manitoba	25.9
Saskatchewan	25.5
Alberta	23.2
British Columbia	27.6

(a) Not available.

Hardware Chain Stores—The development of the chain store type of operation has not been as marked in the hardware trade as it has been in the case of many other types of stores. Chains, for census purposes, are considered as groups of four or more stores, under the same ownership or management and carrying on the same kind of business. There were 13 hardware chains in Canada in 1936 with 69 stores and \$4,768,400 sales, an amount which formed 1.2 per cent of the total chain store business and 8.8 per cent of the total sales of all hardware stores. There has been a slight increase in the proportion of the hardware trade transacted by chain companies during the period, 1930 - 1936. Details are shown below:

Retail Hardware Chain Stores

Retail Hardware Stores	1930	1933	1935	1936
Chains (Number)	13	14	12	13
Chain Stores (Maximum) ..	70	76	65	69
Chain Sales	\$ 4,218,100	\$ 3,024,500	\$ 3,842,900	\$ 4,768,400
Total Sales (All Stores)	\$70,891,700	\$42,732,000	\$50,043,000	\$53,972,000
Per Cent Chain to Total	6.0	7.1	7.7	8.8

Table I--Wholesale Hardware Trade--Distribution of Stores and Sales, by Provinces
and by Types of Establishment, Canada, 1930.

Economic Division	T O T A L				TYPES OF ESTABLISHMENT								Per- centage of total Popu- lation
	Establish- ments		Sales		Wholesalers Proper				Other Wholesalers				
					Establish- ments		Sales		Establish- ments		Sales		
	No.	%	Amount	%									
CANADA: Total	240	100.0	\$ 78,609,400	100.0	153	100.0	\$ 65,942,600	100.0	87	100.0	\$ 12,666,800	100.0	100.0
Maritime Provinces	27	11.2	8,829,300	11.2	22	14.4	8,081,700	12.3	5	5.7	747,600	5.9	9.7
Quebec	59	24.6	19,971,000	25.4	35	22.9	15,213,200	23.1	24	27.6	4,757,800	37.5	27.7
Ontario	71	29.6	18,145,900	23.1	52	34.0	16,261,400	24.6	19	21.9	1,884,500	14.9	33.1
Manitoba	25	10.4	9,276,400	11.8	6	3.9	6,693,500	10.2	19	21.9	2,582,900	20.4	6.7
Saskatchewan	10	4.2	4,022,500	5.1	7	4.6	3,492,300	5.3	3	3.4	530,200	4.2	8.9
Alberta	18	7.5	6,640,700	8.5	14	9.1	5,886,700	8.9	4	4.6	754,000	6.0	7.1
British Columbia	30	12.5	11,723,600	14.9	17	11.1	10,313,800	15.6	13	14.9	1,409,800	11.1	6.7

Table II--Wholesale Hardware Trade, by Types of Establishment, Canada, 1930.

Type of Establishment	Establishments		Sales	
	Number	%	Amount	%
TOTAL:	240	100.0	\$ 78,609,400	100.0
Wholesalers Proper	153	63.8	65,942,600	83.9
Wholesale Merchants	132	55.0	62,473,500	79.5
Other Wholesalers Proper	21	8.8	3,469,100	4.4
Other Wholesalers	87	36.2	12,666,800	16.1
District and General Sales Offices	1	0.4	(x)	(x)
Manufacturers' Sales Branches	31	12.9	5,106,700	6.5
Agents and Brokers: Total	54	22.5	6,219,100	7.9
Brokers	1	0.4	(x)	(x)
Commission Merchants	1	0.4	(x)	(x)
Import Agents	13	5.4	437,700	0.5
Manufacturers' Agents	38	15.9	5,122,400	6.5
Selling Agents	1	0.4	(x)	(x)
All Other	1	0.4	(x)	(x)

(x) Indicates that figures are withheld to avoid disclosing individual operations.

Table 3--Wholesale Trade--By Size of Business, Canada, 1930.

Size of Business	TOTAL				WHOLESALESAERS PROPER				OTHER WHOLESALESAERS			
	Establish-ments		Sales		Establish-ments		Sales		Establish-ments		Sales	
	No.	%	Amount	%	No.	%	Amount	%	No.	%	Amount	%
CANADA: Total	240	100.0	\$78,609,400	100.0	153	100.0	\$65,942,600	100.0	87	100.0	\$12,666,800	100.0
Less than \$25,000	35	14.6	451,900	0.6	22	14.4	291,300	0.4	13	14.9	160,600	1.3
\$25,000 - \$49,999	30	12.5	1,080,800	1.4	15	9.8	547,500	0.8	15	17.2	533,300	4.2
50,000 - \$99,999	44	18.3	3,186,200	4.0	18	11.8	1,335,900	2.0	26	29.9	1,850,300	14.6
100,000 - \$199,999	32	13.3	4,597,500	5.8	18	11.8	2,675,200	4.1	14	16.1	1,922,300	15.2
200,000 - \$299,999	25	10.4	6,094,600	7.8	16	10.4	3,817,900	5.8	9	10.3	2,276,700	18.0
300,000 - \$399,999	22	9.2	7,545,800	9.6	17	11.1	5,824,800	8.8	5	5.8	1,721,000	13.6
400,000 - \$499,999	9	3.8	4,019,800	5.1	8	5.2	3,557,000	5.4	1	1.2	(x)	(x)
500,000 - \$999,999	21	8.7	15,106,400	19.2	19	12.4	13,681,000	20.8	2	2.3	(x)	(x)
\$1,000,000 and over	22	9.2	36,526,400	46.5	20	13.1	34,212,000	51.9	2	2.3	(x)	(x)

(x) Indicates that figures are withheld to avoid disclosing individual operations.

Table 4.—Wholesale Hardware Trade Classified According to Number of Marketing Units, Canada, 1930.

[illegible]

Table 5--Wholesale Hardware Trade--Establishments Classified According to Sales Radius,
by Economic Divisions, Canada, 1930.

Sales Radius	CANADA				MARITIME PROVINCES				QUEBEC			
	Establish-ments		Sales		Establish-ments		Sales		Establish-ments		Sales	
	No.	%	Amount	%	No.	%	Amount	%	No.	%	Amount	%
Totals	240	-	\$ 31,009,400	-	27	-	\$ 11,229,300	-	59	-	\$ 19,971,000	-
Not Reported	38	-	7,819,100	-	6	-	1,594,100	-	9	-	2,678,900	-
Total Reported ...	202	100.0	73,190,300	100.0	21	100.0	9,635,200	100.0	50	100.0	17,292,100	100.0
City and Local	12	5.9	557,600	0.8	-	-	-	-	3	6.0	(x)	(x)
25 Miles	8	4.0	2,409,500	3.3	-	-	-	-	1	2.0	(x)	(x)
75 Miles	22	10.9	8,678,200	11.8	-	-	-	-	5	10.0	2,491,500	14.4
Part of Province	36	17.8	20,027,800	27.4	4	19.0	1,243,500	12.9	5	10.0	(x)	(x)
Whole Province	43	21.3	16,194,300	22.1	6	28.6	1,405,400	14.6	5	10.0	730,600	4.2
Two Provinces	17	8.4	7,375,800	10.1	4	19.0	4,193,300	43.5	4	8.0	(x)	(x)
Region	45	22.3	15,766,400	21.5	7	33.4	2,793,000	29.0	16	32.0	8,269,900	47.9
Dominion	19	9.4	2,182,700	3.0	-	-	-	-	11	22.0	1,610,000	9.3

(x) Indicates that figures are withheld to avoid disclosing individual operations.

Sales Radius	ONTARIO				PRAIRIE PROVINCES				BRITISH COLUMBIA			
	Establish-ments		Sales		Establish-ments		Sales		Establish-ments		Sales	
	No.	%	Amount	%	No.	%	Amount	%	No.	%	Amount	%
Totals	71	-	\$ 18,145,900	-	53	-	\$ 19,939,600	-	30	-	\$ 11,723,600	-
Not Reported	9	-	2,697,100	-	10	-	627,500	-	4	-	221,500	-
Total Reported ..	62	100.0	15,448,800	100.0	43	100.0	19,312,100	100.0	26	100.0	11,502,100	100.0
City and Local	6	9.7	443,100	2.9	-	-	-	-	3	11.5	(x)	(x)
25 Miles	4	6.5	1,755,600	11.4	1	2.3	(x)	(x)	2	7.7	(x)	(x)
75 Miles	9	14.5	1,605,100	10.4	4	9.3	(x)	(x)	4	15.5	(x)	(x)
Part of Province	14	22.5	6,369,500	41.2	12	27.9	5,645,100	29.2	1	3.8	(x)	(x)
Whole Province	11	17.7	2,312,700	14.9	8	18.6	6,922,600	35.8	13	50.0	4,823,000	41.9
Two Provinces	5	8.1	905,800	5.9	3	7.0	1,188,800	6.2	1	3.8	(x)	(x)
Region	7	11.3	1,581,300	10.2	13	30.2	3,064,000	15.9	2	7.7	58,200	0.5
Dominion	6	9.7	475,700	3.1	2	4.7	97,000	0.5	-	-	-	-

Table 6--Wholesale Hardware Trade--Operating Expenses, by Economic Divisions, Canada, 1930.

Economic Division	ALL FIRMS, TOTAL				WHOLESALERS PROPER			
	No. of Estab- lishments	Sales	Operating Expense		No. of Estab- lishments	Sales	Operating Expense	
			Amount	% of Sales			Amount	% of Sales
CANADA: Total	218	\$ 76,719,600	\$ 13,538,900	17.6	144	\$ 65,001,900	\$ 12,113,100	18.6
Maritime Provinces	25	8,787,600	1,348,900	15.4	20	8,040,000	1,236,500	15.4
Quebec	54	18,904,100	2,925,500	15.5	32	14,535,200	2,388,800	16.4
Ontario	68	17,974,800	3,486,600	19.4	50	16,117,000	3,260,300	20.2
Prairie Provinces	46	19,587,700	3,658,800	18.7	26	15,997,100	3,326,700	20.8
British Columbia	25	11,465,400	2,119,100	18.5	16	10,312,600	1,900,800	18.4

Economic Division	OTHER WHOLESALERS			
	No. of Estab- lishments	Sales	Operating Expense	
			Amount	% of Sales
CANADA: Total	74	\$ 11,717,700	\$ 1,425,800	12.2
Maritime Provinces	5	747,600	112,400	15.0
Quebec	22	4,368,900	536,700	12.3
Ontario	18	1,857,800	226,300	12.2
Prairie Provinces	20	3,590,600	332,100	9.2
British Columbia	9	1,152,800	218,300	18.9

Table 7--Wholesale Hardware Trade--Trend in Sales, by Economic Divisions, 1930 - 1936.

Economic Division	TOTAL NET SALES						
	1930	(Estimated)					
	(Actual)	1931	1932	1933	1934	1935	1936
	\$	\$	\$	\$	\$	\$	\$
CANADA: Total	65,943,000	50,450,000	39,195,000	38,025,000	46,209,000	49,260,000	56,075,000
Maritime Provinces	8,082,000	6,788,000	4,865,000	4,607,000	5,480,000	5,455,000	6,191,000
Quebec	15,213,000	12,323,000	9,356,000	8,687,000	10,147,000	10,649,000	12,055,000
Ontario	16,261,000	12,294,000	9,009,000	8,749,000	10,667,000	11,545,000	13,485,000
Prairie Provinces	16,073,000	11,444,000	10,736,000	10,351,000	12,633,000	13,308,000	14,546,000
British Columbia	10,314,000	7,601,000	5,229,000	5,631,000	7,282,000	8,303,000	9,798,000

Economic Division	Indexes of Sales (1930=100)						
	1930	1931	1932	1933	1934	1935	1936
CANADA: Total ...	100.0	76.5	59.4	57.7	70.1	74.7	85.0
Maritime Provinces	100.0	84.0	60.2	57.0	67.8	67.5	76.6
Quebec	100.0	81.0	61.5	57.1	66.7	70.0	79.2
Ontario	100.0	75.6	55.4	53.8	65.6	71.0	82.9
Prairie Provinces	100.0	71.2	66.8	64.4	78.6	82.8	90.5
British Columbia	100.0	73.7	50.7	54.6	70.6	80.5	95.0

Table 8--Wholesale Hardware Trade--Comparison of Gross Margin Percentages
of Net Sales, by Economic Divisions.

Economic Division	W H O L E S A L E R S P R O P E R							
	1 9 3 4				1 9 3 5			
	No. of Firms Reporting	Net Sales	Gross Margin		No. of Firms Reporting	Net Sales	Gross Margin	
			Amount	% of Sales			Amount	% of Sales
		\$	\$			\$	\$	
CANADA: Total	81	44,080,300	8,949,600	20.3	82	47,303,800	9,685,000	20.5
Maritime Provinces	16	5,456,800	1,076,100	19.7	15	5,291,400	1,059,000	20.0
Quebec	17	8,625,200	1,699,300	19.7	20	9,470,000	2,000,100	21.1
Ontario	30	10,337,500	2,146,600	20.8	28	11,061,200	2,237,100	20.2
Prairie Provinces	11	12,508,000	2,561,300	20.5	12	13,329,300	2,686,500	20.2
British Columbia	7	7,152,800	1,466,300	20.5	7	8,151,900	1,702,300	20.9

Economic Division	W H O L E S A L E R S P R O P E R			
	1 9 3 6			
	No. of Firms Reporting	Net Sales	Gross Margin	
			Amount	% of Sales
		\$	\$	
CANADA: Total	83	53,806,200	10,862,300	20.2
Maritime Provinces	15	5,952,100	1,195,300	20.1
Quebec	20	10,622,200	2,060,700	19.4
Ontario	28	12,944,600	2,653,100	20.5
Prairie Provinces	13	14,664,200	2,947,100	20.1
British Columbia	7	9,623,100	2,006,100	20.8

Table 9--Retail Hardware Trade--Number of Stores, Personnel, Sales and Stocks,
Canada, 1930.

	TOTAL	Hardware Stores	Hardware and Farm Implements
Number of Stores	3,001	2,780	221
Proprietors not on Payroll	2,346	2,143	203
Proprietors receiving salary	1,116	1,037	79
Proprietors Salaries	\$ 1,991,000	\$ 1,873,500	\$ 117,500
Full-Time Employees--			
Male	4,680	4,467	213
Female	597	583	14
Salaries and Wages	\$ 5,766,900	\$ 5,536,100	\$ 230,800
Part-Time Employees--			
Male	474	414	60
Female	38	37	1
Salaries and Wages	\$ 147,200	\$ 131,200	\$ 16,000
Net Sales	\$70,891,700	\$66,174,200	\$4,717,500
Stock on Hand	\$28,151,100	\$26,400,200	\$1,750,900

Table 10--Summary of Retail Hardware Stores and Sales, by Provinces, Canada, 1930.

Province	T O T A L			H A R D W A R E S T O R E S			H A R D W A R E A N D F A R M I M P L E M E N T S		
	Number of Stores	S A L E S		Number of Stores	S A L E S		Number of Stores	S A L E S	
		Amount	% of Total		Amount	% of Total		Amount	% of Total
CANADA: Total ⁽¹⁾	3,001	\$ 70,891,700	100.0	2,780	\$ 66,174,200	100.0	221	\$ 4,717,500	100.0
Prince Edward Island	4	85,300	0.1	4	85,300	0.1	-	-	-
Nova Scotia	83	2,443,500	3.4	83	2,443,500	3.7	-	-	-
New Brunswick	47	1,553,100	2.2	45	1,542,600	2.3	2	10,500	0.2
Quebec	500	14,159,900	20.0	494	14,030,200	21.2	6	129,700	2.7
Ontario	1,135	27,752,300	39.1	1,108	27,185,100	41.1	27	567,200	12.0
Manitoba	186	4,070,500	5.7	168	3,698,800	5.6	18	371,700	7.9
Saskatchewan	526	8,829,000	12.5	427	6,948,000	10.5	99	1,881,000	39.9
Alberta	332	7,501,900	10.6	273	6,160,000	9.3	59	1,341,900	28.5
British Columbia	184	4,425,400	6.3	174	4,009,900	6.1	10	415,500	8.8

(1) Includes Yukon and Northwest Territories.

Table 11--Retail Hardware Trade--Number of Stores and Sales, by Provinces
and by Size of Locality, Canada, 1930.

Province	T O T A L			Cities 30,000 or Over			Places 10,000 - 30,000		
	Number of Stores	TOTAL SALES		Number of Stores	SALES		Number of Stores	SALES	
		Amount	%		Amount	%		Amount	%
CANADA, Total (1)	3,001	\$ 70,891,700	100.0	742	\$ 21,188,600	100.0	208	\$ 9,829,900	100.0
Prince Edward Island	4	85,300	0.1	-	(x)	-	3	81,900	0.8
Nova Scotia	83	2,443,500	3.4	10	203,100	1.0	6	636,300	6.5
New Brunswick	47	1,553,100	2.2	8	237,200	1.1	2	389,700	4.0
Quebec	500	14,159,900	20.0	258	8,965,300	42.3	51	1,946,300	19.8
Ontario	1,135	27,752,300	39.1	309	6,552,100	30.9	122	5,556,000	56.5
Manitoba	186	4,070,500	5.7	26	1,387,100	6.5	6	271,900	2.8
Saskatchewan	526	8,829,000	12.5	19	785,000	3.7	6	215,500	2.2
Alberta	332	7,501,900	10.6	39	1,583,700	7.5	7	580,900	5.9
British Columbia	184	4,425,400	6.3	73	1,475,100	7.0	5	151,400	1.5

(1) Includes Yukon and Northwest Territories

(x) Indicates that figures are withheld to avoid disclosing individual operations.

Province	Places 1,000 - 10,000			Places Under 1,000		
	Number of Stores	SALES		Number of Stores	SALES	
		Amount	%		Amount	%
CANADA, Total (1)	713	\$ 20,605,300	100.0	1,338	\$ 19,267,900	100.0
Prince Edward Island	1	(x)	(x)	-	(x)	(x)
Nova Scotia	56	1,506,500	7.3	11	97,600	0.5
New Brunswick	21	681,000	3.3	16	245,200	1.3
Quebec	103	2,711,500	13.1	88	536,800	2.8
Ontario	339	10,117,200	49.1	365	5,527,000	28.7
Manitoba	28	699,200	3.4	126	1,712,300	8.9
Saskatchewan	59	1,859,500	9.0	442	5,969,000	31.0
Alberta	48	1,260,000	6.1	238	4,077,300	21.1
British Columbia	58	1,737,000	8.6	48	1,031,900	5.3

(1) Includes Yukon and Northwest Territories

(x) Indicates that figures are withheld to avoid disclosing individual operations.

Table 12--Retail Hardware Trade--Number of Stores and Value of Sales for Stores--
Classified According to Size of Business, Canada, 1930.

	T O T A L				H A R D W A R E S T O R E S				H A R D W A R E A N D F A R M I M P L E M E N T S			
	S T O R E S		S A L E S		S T O R E S		S A L E S		S T O R E S		S A L E S	
	No.	%	Amount	%	No.	%	Amount	%	No.	%	Amount	%
			\$				\$				\$	
TOTAL, All Stores	2,923	100.0	70,536,000	100.0	2,774	100.0	65,828,000	100.0	219	100.0	4,708,000	100.0
Less than \$ 5,000	387	12.93	972,000	1.38	368	13.27	922,000	1.40	19	8.67	50,000	1.06
\$ 5,000 - \$ 9,999	534	18.84	4,162,000	5.90	534	19.25	3,944,000	5.99	30	13.70	218,000	4.63
\$ 10,000 - \$ 19,999	935	31.24	13,400,000	19.00	858	30.93	12,256,000	18.62	77	35.16	1,144,000	24.30
\$ 20,000 - \$ 29,999	484	16.17	11,559,000	16.39	440	15.86	10,550,000	16.03	44	20.09	1,009,000	21.43
\$ 30,000 - \$ 49,999	351	11.73	13,310,000	18.87	313	11.39	12,053,000	18.31	35	15.98	1,257,000	26.69
\$ 50,000 - \$ 99,999	190	6.35	12,586,000	17.84	177	6.38	11,704,000	17.78	13	5.94	882,000	18.73
\$ 100,000 - \$199,999	64	2.14	8,930,000	12.66	63	2.27	8,781,000	13.34	1	0.46	149,000	3.16
\$ 200,000 - \$299,999	13	0.43	3,009,000	4.26	13	0.47	3,009,000	4.57	-	-	-	-
\$ 300,000 - \$499,999	3	0.10	(x)	(x)	3	0.11	(x)	(x)	-	-	-	-
\$ 500,000 - \$999,999	2	0.07	(x)	(x)	2	0.07	(x)	(x)	-	-	-	-
\$1,000,000 - and over	-	-	-	-	-	-	-	-	-	-	-	-

(x) Indicates that figures are withheld to avoid disclosing individual operations.

Table 13--Retail Hardware Trade--Number of Stores and Value of Sales for Stores
Classified According to Proportion of Cash and Credit Business, Canada, 1930.

(Hardware and Hardware and Farm Implements)

Proportion cash and Credit Business	S T O R E S		S A L E S	
	Number	%	Amount (1)	%
			\$	
TOTAL STORES REPORTING	2,032	100.0	49,355,000	100.0
All cash stores	203	9.99	2,617,000	5.30
1 - 10 per cent credit	202	9.94	3,014,000	6.11
11 - 20 " " "	217	10.68	3,537,000	7.23
21 - 30 " " "	234	11.52	3,696,000	7.49
31 - 40 " " "	332	16.34	6,038,000	12.29
41 - 50 " " "	323	15.89	7,839,000	15.88
51 - 60 " " "	225	11.07	7,584,000	15.36
61 - 70 " " "	157	7.73	6,312,000	12.78
71 - 80 " " "	96	4.72	6,000,000	12.16
Over 80 " " "	43	2.12	2,665,000	5.40

(1) Difference between this total and sum of individual figures due to adjustment to nearest thousand of dollars.

Table 14--Retail Hardware Trade--Summary of Operating Expenses for Hardware Stores and for Hardware Stores with Farm Implements, Canada, 1950.

Item	TOTAL		Hardware Stores		Hardware Stores with Farm Implements	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Estimated Value Proprietor Services .	\$ 3,695,900	6.02	\$ 3,441,000	5.99	\$ 254,900	6.41
Salaries and Wages of Employees	\$ 5,209,300	8.48	\$ 4,998,900	8.71	\$ 210,400	5.30
Total Wage Cost	\$ 8,905,200	14.50	\$ 8,439,900	14.70	\$ 465,300	11.71
All Other Expenses	\$ 5,683,900	9.26	\$ 5,390,500	9.39	\$ 293,400	7.40
Total Operating Expenses	\$ 14,589,100	23.76	\$ 13,830,400	24.09	\$ 758,700	19.11
Total Sales	\$ 61,379,900	-	\$ 57,414,600	-	\$ 3,965,300	-
Number of Stores Reporting Expenses .	2,328	-	2,153	-	175	-
<u>Stores in Leased Premises--</u>						
Number	1,382	-	1,330	-	52	-
Rent	\$ 1,267,100	3.68	\$ 1,234,500	3.71	\$ 32,600	2.72
Sales in Leased Premises	\$ 34,471,700	-	\$ 33,272,600	-	\$ 1,199,100	-

Table 15—Retail Hardware Trade--Operating Expenses and Rent of Stores Classified
According to Size of Business, Canada, 1930.

Amount of Annual Sales	Number of Stores	Sales	Average Sales per Store	STORE OPERATING EXPENSES					
				TOTAL	Per \$ 100 Sales	Wage Cost	Per \$ 100 Sales	Other Operating Expenses	Per \$ 100 Sales
		\$	\$	\$		\$		\$	
ALL STORES, TOTAL .	2,328	61,379,900	26,366	15,292,100	24.9	9,608,200	15.7	5,683,900	9.2
Total under \$10,000	596	3,615,500	6,066	1,433,600	39.7	938,900	26.0	494,700	13.7
Total over \$10,000	1,732	57,764,400	32,351	13,858,500	24.0	8,669,300	15.0	5,189,200	9.0
\$ 10,000 - \$ 19,999 ...	765	11,010,500	14,393	3,064,300	27.8	2,005,600	18.2	1,058,700	9.6
\$ 20,000 - \$ 29,999 ...	406	9,744,800	24,002	2,463,500	25.3	1,563,200	16.1	900,300	9.2
\$ 30,000 - \$ 49,999 ...	306	11,649,900	38,072	2,773,800	23.8	1,743,100	15.0	1,025,700	8.8
\$ 50,000 - \$ 99,999 ...	170	11,237,800	66,135	2,562,600	22.8	1,560,800	13.9	1,001,800	8.9
\$100,000 - \$199,999 ...	59	8,171,500	138,500	1,805,500	22.1	1,114,200	13.6	391,300	8.5
\$200,000 - \$299,999 ...	12	2,773,900	231,158	579,900	20.9	347,600	12.5	232,300	8.4
\$300,000 - \$499,999 ...	2	725,400	362,700	134,000	18.5	77,300	10.7	56,400	7.8
Unclassified (1)	12	2,450,600	204,217	474,900	19.4	252,200	10.3	222,700	9.1

(1) Includes chain units for which figures were reported for the group rather than for each store.

Amount of Annual Sales	STORES IN LEASED PREMISES			
	No. of Stores	Sales	Rent	Rent per \$100 Sales
		\$	\$	
ALL STORES, TOTAL .	1,380	34,311,500	1,267,100	3.69
Total under \$10,000	344	2,100,100	158,400	7.54
Total over \$10,000	1,036	32,211,400	1,108,700	3.44
\$ 10,000 - \$ 19,999 ...	433	6,724,200	307,000	4.57
\$ 20,000 - \$ 29,999 ...	252	6,044,700	225,500	3.73
\$ 30,000 - \$ 49,999 ...	182	3,988,500	260,800	3.73
\$ 50,000 - \$ 99,999 ...	93	6,167,600	182,100	2.95
\$100,000 - \$199,999 ...	36	4,836,000	96,400	1.99
\$200,000 - \$299,999 ...	3	725,400	14,500	2.00
\$300,000 - \$499,999 ...	1	368,100	2,500	0.68
Unclassified (1)	6	356,900	19,900	5.58

(1) Includes chain units for which figures were reported for the group rather than for each store.

Table 16--Retail Hardware Trade--Trend in Sales by Provinces,
Canada, 1930 and 1933 - 1936.

Province	S A L E S					INDEXES					% of Change, 1936/5
	Actual	E s t i m a t e d				1930	1933	1934	1935	1936	
	1930	1933	1934	1935	1936						
	\$	\$	\$	\$	\$						
CANADA, TOTAL ..	70,891,700	42,732,000	47,917,000	50,403,000	63,972,000	100.0	60.3	67.6	70.6	76.1	7.8
Prince Edward Island .	85,300	58,000	39,000	38,000	46,000	100.0	44.5	45.7	44.5	53.9	21.1
Nova Scotia	2,443,500	1,428,000	1,703,000	1,785,000	1,958,000	100.0	58.4	69.7	73.1	80.1	9.6
New Brunswick	1,553,100	955,000	1,098,000	1,147,000	1,310,000	100.0	61.5	70.7	73.9	84.3	14.1
Quebec	14,159,900	8,128,000	8,675,000	8,842,000	9,451,000	100.0	57.4	61.3	62.5	66.7	6.7
Ontario	27,752,300	17,428,000	19,860,000	20,384,000	22,752,000	100.0	62.8	71.6	74.5	82.0	10.1
Manitoba	4,070,500	2,520,000	2,943,000	2,952,000	3,247,000	100.0	61.9	72.3	72.5	79.8	10.1
Saskatchewan	8,829,000	4,821,000	5,247,000	5,793,000	6,120,000	100.0	54.6	59.4	65.6	69.3	5.6
Alberta	7,501,900	4,431,000	5,062,000	5,072,000	5,138,000	100.0	59.1	67.5	67.6	68.5	1.3
British Columbia	4,425,400	2,899,000	3,206,000	3,639,000	3,861,000	100.0	65.5	72.4	82.2	87.2	6.1

Table 17--Retail Hardware Trade--Accounts Outstanding on Merchants' Books
at End of 1936, by Provinces, Canada.

Province	Total Sales 1936	ACCOUNTS OUTSTANDING	
		Amount	Per Cent of Sales
	\$	\$	
CANADA, TOTAL	53,972,000	11,553,800	21.4
Prince Edward Island	46,000	30,100	65.4
Nova Scotia	1,958,000	373,600	19.1
New Brunswick	1,310,000	390,400	29.8
Quebec	9,451,000	1,685,200	17.8
Ontario	22,752,000	4,282,800	18.8
Manitoba	3,247,000	630,800	19.4
Saskatchewan	6,120,000	1,933,600	32.6
Alberta	5,138,000	1,272,000	24.8
British Columbia	3,861,000	876,200	22.7

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