



CANADA

DOMINION BUREAU OF STATISTICS

CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

OPERATING RESULTS
MISCELLANEOUS KINDS
OF RETAIL TRADE

1938

Coal and Wood Yards
Lumber and Building Materials Dealers
Furniture Stores
Jewellery Stores
Restaurants
Tobacco Stores

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CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

Operating Results, Miscellaneous Kinds of Retail Trade
in Canada, 1938

Introduction

This report is the last of a series presenting average operating results for various lines of retail trade in Canada in 1938. Separate bulletins have already been published for the following trades: hardware, drug, food (including grocery stores, combination stores and meat markets), clothing, apparel stores, and shoe stores, country general stores, filling stations and garages. The present report gives the results for the remaining lines of trade for which figures are available.

The basic data from which the series of reports on operating results was prepared were secured in connection with the annual survey of retail trade for 1938. Only a limited number of retail firms maintain detailed records of their operating expenses. In view of the lack of uniformity among business houses in methods of recording and classifying expense items the figures given in this report must be considered as being indicative of general relationships rather than as material the absolute accuracy of which can be guaranteed.

Coal and Wood Yards

Operating statements submitted by 187 retail coal and wood yards indicated that these establishments operated on an average gross margin ratio of 21.1 per cent of sales in 1938 while their total operating expenses amounted to 20.5 per cent of sales resulting in a net profit of 0.6 per cent of sales. Included in the operating expense figure is an imputed value for services of those proprietors who devoted most of their time to their retail business. The operating expense figures do not include any allowance for interest on own capital investment.

Of the 187 establishments covered, 105 or 56 per cent operated at a profit while the remaining 82 or 44 per cent operated at a loss. Gross margins as percentages of sales were similar for profitable and unprofitable firms but operating expenses were considerably higher for the unprofitable group. The 105 profitable firms operated on a gross margin ratio of 21.3 per cent of sales, had operating expenses of 19.1 per cent and a net operating profit of 2.2 per cent of sales. The 82 unprofitable firms operated on a gross margin of 20.9 per cent, and had operating expenses of 22.7 per cent with a consequent net loss of 1.8 per cent.

Annual sales averaged \$53,461 per establishment for all firms reporting and ranged from \$59,149 for the group of 105 profitable firms to \$46,177 for the group of unprofitable firms.

Lumber and Building Material Dealers

Retail lumber and building material dealers operated on an average gross margin of 23.4 per cent of sales in 1938 according to statements secured from 124 firms. Operating expenses amounted to 22.1 per cent of sales leaving an average net profit of 1.3 per cent of sales. Stocks were turned an average of 3.7 times during the year.

The 124 firms reporting included 76 firms which secured a profit on the year's operations and 48 firms which operated at a loss. The 76 profitable firms secured a gross margin of 24.2 per cent of sales, had total expenses of 21.3 per cent of sales, yielding a net profit of 2.9 per cent of sales. The 48 unprofitable firms operated on an average gross margin ratio of 21.9 per cent of sales, and had operating expenses of 23.8 per cent, resulting in a net loss of 1.9 per cent of sales.

Annual sales averaged \$67,689 for the 124 firms, and varied from \$74,324 for the group of profitable firms to \$57,184 for the group of unprofitable firms.

Furniture Stores

Retail furniture stores in Canada secured a net profit of 2.2 per cent of annual sales in 1938 and turned their stocks on an average of 2.7 times during the year according to detailed statements submitted by 92 stores whose sales averaged \$72,923 each. Gross margin averaged 33.5 per cent of sales while operating expenses amounted to 31.3 per cent of sales.

Two-thirds of the 92 stores reporting secured a profit on the year's operations, while the other third operated at a loss. Gross margin as a percentage of net sales was almost identical for profitable and unprofitable stores but the profitable stores operated on a lower expense ratio than did the unprofitable group. There were 62 profitable stores whose sales averaged \$82,463 each. These operated on a gross margin of 33.5 per cent of sales, and had total operating expenses of 29.9 per cent resulting in a net profit of 3.6 per cent of sales. These stores turned their stocks an average of 3.0 times during the year. There were 30 unprofitable stores whose annual sales averaged \$53,207 and these operated on a gross margin of 33.4 per cent of sales and had total operating expenses of 35.4 per cent, resulting in a net loss of 2.0 per cent. These stores turned their stocks on an average of 2.1 times during the year.

Jewellery Stores

There were 102 jewellery stores which submitted statements of their operating results for 1938. These had average sales per store of \$29,248, operated on an average gross margin of 40.2 per cent of sales and had total operating expenses of 37.6 per cent of sales yielding a net profit of 2.6 per cent of sales. Stocks were turned an average of 1.1 times during the year.

All the jewellery stores included in the survey occupied rented premises. There were 72 stores which operated at a profit. These had average sales per store of \$31,207, secured an average gross margin of 40.7 per cent, had total operating expenses of 36.4 per cent resulting in a net profit of 4.3 per cent of sales. These stores turned their stocks an average of 1.2 times during the year. There were 30 unprofitable stores included in the survey. Annual sales for these averaged \$24,548 per store; they operated on a gross margin ratio of 38.6 per cent and had total expenses of 41.2 per cent resulting in a net loss of 2.6 per cent of sales. Rate of stock-turnover was slightly lower at 0.9 times per year for unprofitable stores compared with the 1.2 times for the profitable group.

Restaurants

Detailed profit and loss statements for 1938 were received from 181 restaurants whose annual sales aggregated \$5,924,296 or an average of \$32,731 each. Gross margin averaged 40.2 per cent of sales; that is to say, out of every dollar spent by the customer in restaurants approximately 60 cents went towards paying for the goods consumed, while 40 cents was used in preparing the food, serving it, paying overhead expenses and providing a profit on the year's operations. Total expenses for the 181 establishments averaged 38.6 per cent of sales resulting in a net profit of 1.6 per cent.

The 181 establishments were divided in the ratio 57 per cent profitable and 43 per cent unprofitable firms. There were 104 restaurants which reported a profit and these had average annual sales amounting to \$32,529. They operated on a gross margin ratio of 41.2 per cent, and had total operating expenses of 36.6 per cent resulting in a net profit of 4.6 per cent of sales. There were 77 unprofitable units whose annual turnover averaged \$33,004. These operated on a gross margin ratio of 38.9 per cent and had total expenses of 41.2 per cent resulting in a net loss of 2.3 per cent of sales.

Tobacco Stores

The number of tobacco stores reporting detailed statements of profit and loss for 1938 was relatively small. The 55 stores for which figures are available had average annual sales of \$21,316, operated on a gross margin ratio of 21.5 per cent, had total operating expenses of 20.6 per cent and secured an average net profit of 0.9 per cent of sales. Stocks were turned an average of 5.6 times during the year.

Three-fifths of the stores included in the survey secured a profit on the year's operations while two-fifths operated at a loss. The 33 profitable stores had average sales per store of \$22,159, had a gross margin ratio of 22.0 per cent, total expense ratio of 19.2 per cent and secured a net profit of 2.8 per cent of sales. Stocks were turned 6.0 times during the year.

Average sales were lower at \$20,051 for the unprofitable stores, gross margin ratio was also lower at 20.7 per cent while total expenses were higher at 23.1 per cent of sales. Rate of stockturn was also lower at 5.1 times per year for the unprofitable compared with the 6.0 times for the profitable stores.

Explanation of Terms

Proprietors' Earnings

Included in the payroll data are salaries and wages of employees and an estimated value for services of those proprietors who devoted the major proportion of their time to the operation of the business. The amounts attributed to those proprietors were determined in the following way: The expense schedules asked that the number and salaries of proprietors receiving a stated salary be reported. It also asked for the number of proprietors who did not receive a stated salary but whose remuneration consisted only of profits secured from the year's operations. The returns of those firms reporting proprietors' salaries were used in arriving at an average salary per proprietor for stores in different sizes of business. These averages were then assigned to all proprietors in each size class irrespective of whether or not stated salaries were reported. This practice leads to the classification as unprofitable of some returns whose actual figures may have shown a profit due to a very small amount being reported for proprietors' services. On the other hand, it transferred to the profitable classification some returns on which the appearance of an unduly large item for proprietors' salaries would have assigned to the unprofitable group had the figures been used as reported.

Average values of proprietors services for various size classes, and for the lines of business included in this report are as follows:

Annual Sales	Coal & Wood Yards	Lumber & Building Materials	Furniture	Jewellery	Restaurants	Tobacco Stores
5,000- 9,999	800	700	900	1,200	-	-
10,000-19,999	900	1,100	1,300	1,600	700	800
20,000-29,999	1,400	1,400	1,600	2,000	1,100	1,200
30,000-39,999	1,700	1,700	1,900	2,300	1,400	1,500
40,000-49,999	1,800	1,900	2,200	2,600	1,400	1,500
50,000-59,999	1,900	2,100	2,400	2,800	1,500	1,600
60,000-69,999	2,000	2,200	2,600	3,000	1,500	1,600
70,000-79,999	2,100	2,300	2,800	3,200	1,600	1,700
80,000-89,999	2,200	2,400	3,000	3,400	1,600	1,700
90,000-99,999	2,300	2,500	3,200	3,600	1,600	1,700
100,000 +	3,000	2,600	3,600	4,000	1,700	1,800

Gross Margin

Gross margin represents the difference between net sales and the cost of goods sold which amount is obtained by adjusting purchases of goods during the year for differences between year-end inventories. That is to say, cost of goods sold equals the value of inventory at the beginning of the year, increased by the value of goods purchased and decreased by the inventory at the end of the year. Value of purchases includes the invoice value of goods bought less any returns, allowances or discounts received from manufacturers or wholesalers. The cost of goods also includes duty and inward freight, express or truckage. Outward delivery costs and other store expenses are not included.

Payroll

Payroll includes salaries, wages and commissions paid to all employees including amounts paid to members of proprietors' families who serve in the capacity of employees. It also includes an imputed value for the services of proprietors who devote the major portion of their time to the business in question.

Advertising

Included in this item are all amounts paid for various types of advertising, newspaper, handbill, radio, etc.

Supplies

The amount reported under this heading includes expenditures for all supplies used in connection with the business such as wrapping paper, bags, twine, office supplies and in addition supplies such as gas and oil for the firm's own delivery equipment.

Communication

Telephone, telegraph and postage were to be reported under this heading.

Taxes

All licenses and taxes including both property and business taxes but exclusive of Dominion income taxes were to be reported here.

Insurance

Amount of premiums paid for insurance of all types carried in connection with the business was to be reported; fire, theft, plate glass, insurance on delivery equipment, etc.

Rent

Only rentals paid for premises actually used in connection with the business were to be reported.

Heat, Light and Power

Water rates, if paid separately from taxes, were to be included here in addition to all amounts paid for fuel, light and power.

Bad Debt Losses

Each firm was asked to report the amount actually written off as bad debts during the year less bad debts written off in previous years and recovered in the year in question. In some instances amounts transferred to bad debt reserves may have been reported rather than the amount actually written off.

Repairs and Maintenance

This item includes amounts paid for repairs and maintenance to buildings, furniture, fixtures and store or delivery equipment. Labour costs coming through the store's own payroll were to be included in the payroll item and not in this category.

Interest

Only interest paid on borrowed money, bank, mortgage, etc., was to be reported. No allowance was made for interest on own capital investment.

Depreciation

Each firm was asked to report what it considered to be a fair charge for annual depreciation on owned buildings, furniture and store or delivery equipment. From two to five per cent is generally allowed on the cost or purchase price of buildings depending upon the type of construction. Five per cent of cost is frequently allowed on store furniture and fixtures and twenty per cent on the cost of delivery equipment.

Sundry Expenses

This includes all expenses not otherwise allocated. No separate provision was made for amounts paid outside agencies for delivery to purchasers. Such amounts would normally be assigned to the sundry expense item.

Stock-turn Rate

Rate of stock-turn was obtained by dividing the average of the year-end stock figures into the cost of goods sold. By this means the numerator and denominator in the ratio were brought to the same value basis. But no information is available to indicate the extent to which the average of the year-end figures may be representative of the average stock carried throughout the twelve-month period. Thus while the ratios shown in the tables may be used as a basis for comparisons with individual results, their accuracy as a measure of the number of times that stock was turned over during the year cannot be guaranteed.

Table 1.--Operating Results of Coal and Wood Yards Classified by Sales Volume
and Net Profit or Loss, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			\$10,000 - \$30,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	187	105	82	66	35	31
Total Sales	\$9,997,179	6,210,659	3,786,520	1,292,026	686,139	605,887
Average Sales per Store	\$ 53,461	59,149	46,177	19,576	19,604	19,545
PROFIT AND LOSS-(In percentages of sales)						
Gross Margin or Profit	21.1	21.3	20.9	22.6	23.7	21.3
<u>Expenses</u>						
Proprietor's salaries	2.9	3.1	2.7	6.1	5.7	6.4
Employee's salaries and wages	8.9	8.1	10.2	7.0	6.7	7.4
Advertising	0.5	0.5	0.5	0.5	0.5	0.4
Supplies	2.1	2.0	2.3	1.9	1.9	2.0
Communication	0.3	0.3	0.4	0.5	0.5	0.6
Rent	0.5	0.4	0.6	0.8	0.8	0.7
Taxes	0.8	0.7	0.7	0.7	0.8	1.1
Insurance	0.5	0.4	0.5	0.4	0.4	0.4
Light, heat and power	0.2	0.2	0.3	0.3	0.3	0.3
Repairs	0.9	0.8	1.0	0.7	0.6	0.9
Depreciation	1.2	1.1	1.3	1.3	1.0	1.6
Total occupancy costs(1)	4.1	3.6	4.6	4.4	3.9	5.0
Bad debts	0.6	0.6	0.6	0.7	0.6	0.9
Interest on borrowed money ..	0.5	0.4	0.6	0.4	0.4	0.4
Sundry expense	0.6	0.5	0.8	1.0	0.7	1.3
Total Expense	20.5	19.1	22.7	22.5	20.9	24.4
Net Profit or Loss	+0.6	+2.2	-1.8	+0.1	+2.8	-3.1

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 1.--Operating Results of Coal and Wood Yards Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES					
	\$30,000 - \$50,000			\$50,000 - \$100,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	48	23	25	49	30	19
Total Sales	1,843,992	869,833	974,159	3,344,194	2,162,244	1,181,950
Average Sales per Store	38,417	37,819	38,966	68,249	72,075	62,208
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	22.8	23.5	22.1	21.2	21.4	20.8
Expenses						
Proprietor's salaries	4.1	5.2	3.2	2.9	3.1	2.6
Employee's salaries and wages	9.2	7.7	10.5	8.7	7.8	10.3
Advertising	0.5	0.5	0.5	0.5	0.6	0.4
Supplies	2.1	2.0	2.2	2.4	2.1	3.0
Communication	0.4	0.4	0.4	0.3	0.3	0.4
Rent	0.7	0.7	0.7	0.4	0.3	0.5
Taxes	0.9	0.8	1.0	0.7	0.7	0.8
Insurance	0.6	0.6	0.7	0.4	0.4	0.4
Light, heat and power	0.3	0.3	0.3	0.3	0.3	0.3
Repairs	1.2	0.9	1.4	0.8	0.8	0.8
Depreciation	1.4	1.1	1.6	1.2	1.2	1.2
Total occupancy costs(1)	5.1	4.4	5.7	3.8	3.7	4.0
Bad debts	0.4	0.3	0.5	0.6	0.7	0.4
Interest on borrowed money ..	0.3	0.2	0.4	0.5	0.3	0.8
Sundry expense	0.4	0.3	0.5	0.5	0.3	0.8
Total Expense	22.5	21.0	23.9	20.2	18.9	22.7
Net Profit or Loss	+0.3	+2.5	-1.8	+1.0	+2.5	-1.9

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 1.--Operating Results of Coal and Wood Yards Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES		
	100,000 and over		
	Total	Profitable	Unprofitable
GENERAL INFORMATION			
Number of Stores Reporting	24	17	7
Total Sales	\$3,516,967	2,492,443	1,024,524
Average Sales per Store	\$ 146,540	146,614	146,361
PROFIT AND LOSS--(In percentages of sales)			
Gross Margin or Profit	19.7	19.7	19.6
<u>Expenses</u>			
Proprietor's salaries	1.2	1.6	0.3
Employee's salaries and wages	9.5	8.8	11.4
Advertising	0.5	0.5	0.6
Supplies	1.9	1.9	1.8
Communication	0.3	0.2	0.4
Rent	0.4	0.4	0.5
Taxes	0.7	0.5	0.9
Insurance	0.5	0.4	0.5
Light, heat and power	0.2	0.2	0.1
Repairs	0.9	0.9	0.9
Depreciation	1.0	1.0	0.8
Total occupancy costs(1)	3.7	3.4	3.7
Bad debts	0.6	0.6	0.7
Interest on borrowed money	0.5	0.5	0.7
Sundry expense	0.7	0.6	1.0
Total Expense	18.9	18.1	20.6
Net Profit or Loss	+0.8	+1.6	-1.0

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 2.--Operating Results of Lumber and Building Materials Dealers Classified by Sales Volume
and Net Profit or Loss, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Firms, Total			\$10,000 - \$30,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Firms Reporting	124	76	48	32	18	14
Total Sales	\$8,393,471	5,648,657	2,744,814	683,787	387,218	296,569
Average Sales per Firm	\$ 67,689	74,324	57,184	21,368	21,512	21,184
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	23.4	24.2	21.9	25.2	27.0	22.8
<u>Expenses</u>						
Proprietor's salaries	1.8	1.6	2.2	4.2	4.7	3.5
Employee's salaries and wages	11.2	10.8	12.1	10.1	8.6	12.0
Advertising	0.5	0.5	0.4	0.3	0.4	0.3
Supplies	1.7	1.6	2.0	1.4	1.3	1.6
Communication	0.4	0.4	0.4	0.5	0.6	0.5
Rent	0.5	0.6	0.3	0.4	0.5	0.2
Taxes	0.9	0.8	1.0	1.2	1.0	1.5
Insurance	0.5	0.5	0.6	0.6	0.4	0.8
Light, heat and power	0.4	0.4	0.3	0.5	0.6	0.4
Repairs	0.6	0.6	0.7	0.7	0.5	0.9
Depreciation	1.0	1.0	1.1	1.4	1.0	2.0
Total occupancy costs(1)	3.9	3.9	4.0	3.8	4.0	5.8
Bad debts	1.2	1.1	1.3	1.1	1.1	1.1
Interest on borrowed money	0.7	0.6	0.7	1.0	0.9	1.0
Sundry expense	0.7	0.8	0.7	0.7	0.6	0.8
Total Expense	22.1	21.3	23.8	24.1	22.2	26.6
Net Profit or Loss	+1.3	+2.9	-1.9	+1.1	+4.8	-3.8
OTHER INFORMATION						
Stock Turnover (times per year)	3.7	3.4	4.2	3.2	2.8	3.9

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 2.--Operating Results of Lumber and Building Materials Dealers Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES					
	\$30,000 - \$50,000			\$50,000 - \$100,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Firms Reporting	33	18	15	32	21	11
Total Sales	\$1,330,471	702,470	628,001	2,397,544	1,580,404	817,140
Average Sales per Firm	\$ 40,317	39,026	41,867	74,923	75,257	74,285
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	22.6	24.1	21.0	23.2	24.3	21.0
<u>Expenses</u>						
Proprietor's salaries	3.3	2.8	3.9	1.3	1.3	1.1
Employee's salaries and wages	9.7	9.7	9.7	11.6	10.6	13.4
Advertising	0.4	0.5	0.4	0.6	0.7	0.4
Supplies	1.8	1.4	2.2	1.5	1.5	1.6
Communication	0.4	0.3	0.5	0.3	0.4	0.3
Rent	0.6	0.6	0.5	0.4	0.6	-
Taxes	1.0	0.8	1.1	0.9	0.9	1.1
Insurance	0.5	0.5	0.4	0.7	0.6	0.9
Light, heat and power	0.2	0.3	0.2	0.4	0.3	0.4
Repairs	0.6	0.7	0.5	0.8	0.8	0.8
Depreciation	1.0	1.1	1.0	1.1	1.1	1.1
Total occupancy costs(1)	3.9	4.0	3.7	4.3	4.3	4.3
Bad debts	1.0	0.9	1.2	0.9	1.0	0.7
Interest on borrowed money ..	0.5	0.5	0.6	0.7	0.7	0.7
Sundry expense	0.8	0.6	1.0	0.7	0.8	0.6
Total Expense	21.8	20.7	23.2	21.9	21.3	23.1
Net Profit or Loss	+0.8	+3.4	-2.2	+1.3	+3.0	-2.1
OTHER INFORMATION						
Stock Turnover (times per year)	4.0	3.5	4.6	3.0	2.6	4.1

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 2.--Operating Results of Lumber and Building Materials Dealers Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES		
	\$100,000 and over		
	Total	Profitable	Unprofitable
GENERAL INFORMATION			
Number of Firms Reporting	27	19	8
Total Sales	\$3,981,669	2,978,565	1,003,104
Average Sales per Firm	147,469	156,767	125,388
PROFIT AND LOSS--(In percentages of sales)			
Gross Margin or Profit	23.6	23.7	23.1
<u>Expenses</u>			
Proprietor's salaries	1.2	1.1	1.5
Employee's salaries and wages	11.8	11.5	12.7
Advertising	0.4	0.4	0.5
Supplies	1.8	1.7	2.3
Communication	0.3	0.3	0.3
Rent	0.6	0.6	0.6
Taxes	0.8	0.8	0.8
Insurance	0.5	0.5	0.4
Light, heat and power	0.4	0.5	0.1
Repairs	0.5	0.5	0.6
Depreciation	0.9	0.8	1.1
Total occupancy costs(1)	3.7	3.7	3.6
Bad debts	1.4	1.2	1.9
Interest on borrowed money	0.6	0.6	0.7
Sundry expense	0.8	0.8	0.6
Total Expense	22.0	21.3	24.1
Net Profit or Loss	+1.6	+2.4	-1.0
OTHER INFORMATION			
Stock Turnover (times per year)	4.2	4.2	4.2

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 2. -- Operating Results of Furniture Stores Classified by Sales Volume and Occupancy Basis, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			Less than \$50,000		
	Total	Owned	Rented	Total	Owned	Rented
GENERAL INFORMATION						
Number of Stores Reporting	92	25	67	43	13	30
Total Sales	\$6,708,900	1,532,116	5,176,784	1,209,576	293,400	916,176
Average Sales per Store	\$ 72,923	61,285	77,265	28,130	22,569	30,539
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	33.5	34.5	33.2	32.1	30.5	32.7
Expenses						
Payroll	16.1	18.0	15.5	16.5	16.6	16.5
Advertising	2.3	2.3	2.4	1.3	1.1	1.3
Supplies	1.9	1.9	2.0	2.1	2.0	2.2
Communication	0.4	0.4	0.4	0.6	0.6	0.6
Rent	2.9	-	3.7	3.7	-	4.8
Taxes	0.9	1.7	0.7	1.0	2.0	0.7
Insurance	0.6	0.8	0.5	0.7	1.2	0.6
Light, heat and power	1.0	1.1	0.9	1.0	1.0	1.1
Repairs	0.7	1.0	0.6	0.3	0.4	0.3
Depreciation	0.7	1.2	0.6	1.1	1.9	0.8
Bad debts	1.7	1.6	1.7	1.1	1.0	1.1
Interest on borrowed money ..	1.0	1.1	0.9	1.1	1.3	1.0
Sundry expense	1.1	0.9	1.1	1.2	0.4	1.4
Total Expense	31.3	32.0	31.0	31.7	29.5	32.4
Net Profit or Loss	+2.2	+2.5	+2.2	+0.4	+1.0	+0.3
OTHER INFORMATION						
Stock Turnover (times per year)	2.7	2.2	2.9	1.9	1.6	2.1

Table 3.--Operating Results of Furniture Stores Classified by Sales Volume and Occupancy Basis, Canada, 1938 - (Cont.)

	AMOUNT OF ANNUAL SALES		
	Total	Owned	Rented
	\$50,000 and over		
GENERAL INFORMATION			
Number of Stores Reporting	49	12	37
Total Sales	\$5,499,324	1,238,716	4,260,608
Average Sales per Store	\$ 112,231	103,226	115,152
PROFIT AND LOSS--(In percentages of sales)			
Gross Margin or Profit	33.8	35.4	33.3
<u>Expenses</u>			
Payroll	16.1	18.3	15.3
Advertising	2.6	2.6	2.6
Supplies	1.9	1.9	1.9
Communication	0.4	0.4	0.4
Rent	2.7	-	3.5
Taxes	0.9	1.6	0.7
Insurance	0.5	0.7	0.5
Light, heat and power	1.0	1.1	0.9
Repairs	0.7	1.2	0.6
Depreciation	0.6	1.0	0.5
Bad debts	1.8	1.7	1.8
Interest on borrowed money ..	0.9	1.1	0.9
Sundry expense	1.0	1.0	1.1
Total Expense	31.1	32.6	30.7
Net Profit or Loss	+2.7	+2.8	+2.6
OTHER INFORMATION			
Stock Turnover (times per year)	3.0	2.5	3.1

Table 4.--Operating Results of Furniture Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			Less than \$50,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	92	62	30	43	22	21
Total Sales	\$6,708,900	5,112,680	1,596,220	1,209,576	616,682	592,894
Average Sales per Store	\$ 72,923	82,463	53,207	28,130	28,031	28,233
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	33.5	33.5	33.4	32.1	32.4	31.8
Expenses						
Payroll	16.1	15.6	17.9	16.5	15.0	18.1
Advertising	2.3	2.5	1.8	1.3	1.1	1.4
Supplies	1.9	1.8	2.3	2.1	2.1	2.2
Communication	0.4	0.4	0.6	0.6	0.5	0.7
Rent	2.9	2.6	3.7	3.7	3.2	4.1
Taxes	0.9	0.8	1.1	1.0	0.8	1.2
Insurance	0.6	0.5	0.7	0.7	0.8	0.7
Light, heat and power	1.0	1.0	1.1	1.0	0.9	1.2
Repairs	0.7	0.7	0.6	0.3	0.3	0.4
Depreciation	0.7	0.7	0.7	1.1	1.1	1.0
Total occupancy costs(1)	6.8	6.3	7.9	7.8	7.1	8.6
Bad debts	1.7	1.5	2.1	1.1	1.0	1.1
Interest on borrowed money	1.0	0.8	1.5	1.1	1.0	1.2
Sundry expense	1.1	1.0	1.3	1.2	0.7	1.7
Total Expense	31.3	29.9	35.4	31.7	28.5	35.0
Net Profit or Loss	+2.2	+3.6	-2.0	+0.4	+3.9	-3.2
OTHER INFORMATION						
Stock Turnover (times per year) .	2.7	3.0	2.1	1.9	2.1	1.7

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 4.--Operating Results of Furniture Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES		
	\$50,000 and over		
	Total	Profitable	Unprofitable
GENERAL INFORMATION			
Number of Stores Reporting	49	40	9
Total Sales	\$5,499,324	4,495,998	1,003,326
Average Sales per Store	\$ 112,231	112,400	111,481
PROFIT AND LOSS--(In percentages of sales)			
Gross Margin or Profit	33.8	33.7	34.3
<u>Expenses</u>			
Payroll	16.1	15.5	17.8
Advertising	2.6	2.7	2.0
Supplies	1.9	1.8	2.3
Communication	0.4	0.4	0.5
Rent	2.7	2.5	3.6
Taxes	0.9	0.8	1.1
Insurance	0.5	0.5	0.8
Light, heat and power	1.0	1.0	1.0
Repairs	0.7	0.8	0.7
Depreciation	0.6	0.7	0.5
Total occupancy costs(1)	6.4	6.3	7.7
Bad debts	1.8	1.6	2.6
Interest on borrowed money	0.9	0.8	1.7
Sundry expense	1.0	1.0	1.1
Total Expense	31.1	30.1	35.7
Net Profit or Loss	+2.7	+3.6	-1.4
OTHER INFORMATION			
Stock Turnover (times per year) ...	3.0	3.1	2.4

(1) Sum of six preceding items including some expenses not strictly applicable to occupancy costs.

Table 5.--Operating Results of Jewellery Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			Less than \$30,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	102	72	30	71	48	23
Total Sales	\$2,983,299	2,246,873	736,426	1,082,113	707,729	374,384
Average Sales per Store	\$ 29,248	31,207	24,548	15,241	14,744	16,278
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	40.2	40.7	38.6	42.7	45.1	38.2
Expenses						
Payroll	20.6	19.7	23.2	22.0	21.2	23.4
Advertising	2.5	2.8	1.9	1.5	1.6	1.3
Supplies	1.6	1.5	1.9	1.3	1.4	1.2
Communication	0.6	0.6	0.7	0.8	0.7	0.8
Rent(1)	5.6	5.5	5.9	6.7	6.6	7.0
Taxes	1.0	0.8	1.4	1.0	0.8	1.2
Insurance	0.8	0.8	1.0	0.8	0.7	1.0
Light, heat and power	0.9	0.8	0.9	1.1	1.1	1.0
Repairs	0.6	0.6	0.4	0.5	0.6	0.4
Depreciation	1.3	1.2	1.9	1.3	1.3	1.4
Bad debts	0.6	0.6	0.6	0.6	0.6	0.6
Interest on borrowed money	0.6	0.5	0.7	0.6	0.5	0.9
Sundry expense	0.9	1.0	0.7	0.8	0.7	0.9
Total Expense	37.6	36.4	41.2	39.0	37.8	41.1
Net Profit or Loss	+2.6	+4.3	-2.6	+3.7	+7.3	-2.9
OTHER INFORMATION						
Stock Turnover (times per year) ..	1.1	1.2	0.9	0.8	0.9	0.8

(1) All the 102 stores reporting occupied rented premises.

Table 5.--Operating Results of Jewellery Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES		
	\$30,000 and over		
	Total	Profitable	Unprofitable
GENERAL INFORMATION			
Number of Stores Reporting	31	24	7
Total Sales	\$1,901,186	1,539,144	362,042
Average Sales per Store	\$ 61,329	64,131	51,720
PROFIT AND LOSS--(In percentages of sales)			
Gross Margin or Profit	38.8	38.7	39.1
<u>Expenses</u>			
Payroll	19.8	19.0	22.9
Advertising	3.1	3.3	2.4
Supplies	1.8	1.6	2.6
Communication	0.6	0.6	0.6
Rent(1)	4.9	4.9	4.9
Taxes	1.0	0.8	1.7
Insurance	0.8	0.8	1.0
Light, heat and power	0.8	0.7	0.8
Repairs	0.6	0.7	0.3
Depreciation	1.3	1.1	2.4
Bad debts	0.6	0.6	0.7
Interest on borrowed money	0.5	0.5	0.4
Sundry expense	1.0	1.1	0.5
Total Expense	36.8	35.7	41.2
Net Profit or Loss	+2.0	+3.0	-2.1
OTHER INFORMATION			
Stock Turnover (times per year) ..	1.3	1.4	1.0

(1) All the 102 stores reporting occupied rented premises.

Table 6.--Operating Results of Restaurants Classified by Sales Volume
and Net Profit or Loss, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			\$10,000-\$19,999		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	181	104	77	56	32	24
Total Sales	\$5,924,296	3,383,024	2,541,272	836,717	482,521	354,196
Average Sales per Store	\$ 32,731	32,529	33,004	14,941	15,079	14,758
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	40.2	41.2	38.9	37.8	40.0	34.9
<u>Expenses</u>						
Proprietor's Salaries	3.0	3.2	2.6	5.0	5.3	4.6
Employee's Salaries and Wages ..	20.2	18.8	22.2	15.2	13.8	17.0
Advertising	0.5	0.4	0.7	0.4	0.4	0.3
Communication	0.2	0.2	0.2	0.2	0.1	0.3
Rent(1)	5.2	4.9	5.7	6.8	6.3	7.5
Taxes	0.7	0.7	0.6	0.9	0.8	1.0
Insurance	0.3	0.3	0.3	0.2	0.3	0.2
Light, Heat and Power	3.9	3.6	4.3	4.4	4.5	4.2
Repairs	1.2	1.2	1.3	1.2	1.5	0.9
Depreciation	1.9	1.9	1.7	1.7	1.7	1.8
Bad debts	0.1	0.1	0.1	0.1	0.2	0.1
Interest on Borrowed Money	0.1	0.1	0.1	0.1	-	0.1
Sundry Expense	1.3	1.2	1.4	0.7	0.7	0.7
Total Expense	38.6	36.6	41.2	36.9	35.6	38.7
Net Profit or Loss	+1.6	+4.6	-2.3	+0.9	+4.4	-3.8

(1) All the 181 firms reporting occupied rented premises.

Note:- The category of expense items listed above does not include supplies. In this line of business, supplies are included in cost of goods sold.

Table 6.--Operating Results of Restaurants Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES					
	\$20,000-\$29,999			\$30,000-\$49,999		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	44	27	17	53	30	23
Total Sales	\$1,139,542	711,619	427,923	2,034,188	1,164,447	869,741
Average Sales per Store	\$ 25,899	26,356	25,172	38,381	38,815	37,815
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	39.2	41.1	36.1	40.2	41.0	39.0
<u>Expenses</u>						
Proprietor's Salaries	4.0	3.1	5.4	2.6	3.2	1.9
Employee's Salaries and Wages ..	17.8	18.2	17.1	21.2	19.5	23.6
Advertising	0.4	0.4	0.4	0.5	0.4	0.5
Communication	0.2	0.1	0.3	0.2	0.2	0.2
Rent (1).....	4.9	4.9	4.8	4.9	4.6	5.3
Taxes	0.6	0.7	0.4	0.5	0.5	0.6
Insurance	0.3	0.3	0.4	0.3	0.3	0.3
Light, heat and power	4.3	3.8	5.1	3.8	3.5	4.2
Repairs	1.4	1.1	1.9	1.0	1.0	1.0
Depreciation	1.9	2.0	1.7	2.1	2.2	1.9
Bad debts	0.1	0.2	0.1	0.1	0.1	0.1
Interest on borrowed money	0.1	0.1	0.1	0.1	0.2	0.1
Sundry expense	1.2	1.1	1.4	1.6	1.5	1.6
Total Expense	37.2	36.0	39.1	38.9	37.2	41.3
Net Profit or Loss	+2.0	+5.1	-3.0	+1.3	+3.8	-2.3

(1) All the 181 firms reporting occupied rented premises.

Note:- The category of expense items listed above does not include supplies. In this line of business, supplies are included in cost of goods sold.

Table 6.--Operating Results of Restaurants Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES		
	Total	Profitable	Unprofitable
		\$50,000-99,999	
GENERAL INFORMATION			
Number of Stores Reporting	28	15	13
Total Sales	\$1,913,849	1,024,437	889,412
Average Sales per Store	68,352	68,296	68,416
PROFIT AND LOSS--(In percentages of sales)			
Gross Margin or Profit	41.8	42.1	41.6
<u>Expenses</u>			
Proprietor's salaries	1.8	2.4	1.2
Employee's salaries and wages ..	22.9	20.8	25.3
Advertising	0.8	0.5	1.1
Communication	0.2	0.2	0.2
Rent(1)	5.1	4.4	5.8
Taxes	0.7	0.9	0.5
Insurance	0.3	0.3	0.4
Light, heat and power	3.6	3.3	4.0
Repairs	1.4	1.2	1.6
Depreciation	1.7	1.7	1.6
Bad debts	-	-	-
Interest on borrowed money	0.1	0.1	0.1
Sundry expense	1.3	1.2	1.4
Total Expense	39.9	37.0	43.2
Net Profit or Loss	+1.9	+5.1	-1.6

(1) All the 181 firms reporting occupied rented premises.

Note:- The category of expense items listed above does not include supplies. In this line of business, supplies are included in cost of goods sold.

Table 7.--Operating Results of Tobacco Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			\$5,000-\$20,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	55	33	22	30	19	11
Total Sales	\$1,172,381	731,255	441,126	402,885	296,063	106,822
Average Sales per Store	\$ 21,316	22,159	20,051	13,430	15,582	9,711
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	21.5	22.0	20.7	21.9	21.6	22.6
<u>Expenses</u>						
Proprietor's salaries	4.8	4.6	5.1	7.4	6.8	9.2
Employee's salaries and wages .	6.4	6.2	6.9	3.7	3.0	5.8
Advertising	0.2	0.3	0.1	0.2	0.2	-
Supplies	0.4	0.5	0.4	0.4	0.4	0.3
Communication	0.2	0.2	0.2	0.2	0.2	0.2
Rent	4.9	4.2	6.0	5.6	5.4	6.2
Taxes	0.7	0.6	0.9	0.6	0.5	0.7
Insurance	0.4	0.3	0.5	0.4	0.3	0.7
Light, heat and power	1.0	0.9	1.1	1.1	0.8	2.0
Repairs	0.3	0.3	0.2	0.1	0.1	0.2
Depreciation	0.7	0.7	0.6	0.5	0.6	0.4
Bad debts	-	-	0.1	0.1	-	0.1
Interest on borrowed money	0.2	0.1	0.4	0.1	0.2	-
Sundry expenses	0.4	0.3	0.6	0.3	0.3	0.1
Total Expense	20.6	19.2	23.1	20.7	18.8	25.9
Net Profit or Loss	+0.9	+2.8	-2.4	+1.2	+2.8	-3.3
OTHER INFORMATION						
Stock Turnover (times per year) .	5.6	6.0	5.1	4.8	5.5	3.4

Table 7.--Operating Results of Tobacco Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938 - (Cont.)

Item	AMOUNT OF ANNUAL SALES		
	\$20,000-\$50,000		
	Total	Profitable	Unprofitable
GENERAL INFORMATION			
Number of Stores Reporting	25	14	11
Total Sales	\$769,496	435,192	334,304
Average Sales per Store	\$ 30,780	31,085	30,391
PROFIT AND LOSS--(In percentages of sales)			
Gross Margin or Profit	21.3	22.2	20.1
<u>Expenses</u>			
Proprietor's salaries	3.5	3.2	3.8
Employee's salaries and wages	7.9	8.3	7.3
Advertising	0.3	0.4	0.2
Supplies	0.5	0.5	0.4
Communication	0.2	0.2	0.2
Rent	4.5	3.5	5.9
Taxes	0.7	0.5	0.9
Insurance	0.3	0.3	0.4
Light, heat and power	0.9	1.0	0.9
Repairs	0.3	0.4	0.2
Depreciation	0.7	0.7	0.7
Bad debts	-	-	-
Interest on borrowed money	0.3	0.1	0.5
Sundry expenses	0.5	0.3	0.8
Total Expense	20.6	19.4	22.2
Net Profit or Loss	+0.7	+2.8	-2.1
OTHER INFORMATION			
Stock Turnover (times per year)	6.2	6.4	5.9



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No.	Date	Description	Debit	Credit
1	1944	Balance forward		100.00
2	1944
3	1944
4	1944
5	1944
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12	1944
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