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RESILIENT FLOORING TORONTO

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RESTRICTIVE TRADE PRACTICES COMMISSION

RESILIENT FLOORING
TORONTO

Report in the Matter of an Inquiry Relating to the
Supply and Installation of Resilient Flooring
and Related Products in Metropolitan Toronto

Ottawa
1968

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RESTRICTIVE TRADE PRACTICES COMMISSION

OTTAWA

June 19, 1968.

The Honourable John N. Turner, P.C.,
Minister of Consumer and Corporate Affairs,
Ottawa, Ontario.

Sir:

I have the honour to transmit to you the French and English texts of a report by the Restrictive Trade Practices Commission entitled: "Resilient Flooring - Toronto".

This report follows from an inquiry carried out under the Combines Investigation Act relating to the supply and installation of resilient flooring and related products in Metropolitan Toronto.

Yours very truly,



Robert S. MacLellan
Chairman

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CHAPTER I

THE INDUSTRIAL MARKET FOR THE LAYING OF RESILIENT FLOORING IN TORONTO AND VICINITY

This report is concerned with the activities of a group of firms which were engaged as contractors, during the years 1960 to 1963 inclusive, in the laying of resilient flooring in what has been termed the "industrial market" in Metropolitan Toronto. The "industrial market" may be described generally as the market for installations in industrial buildings, commercial buildings, office buildings, public buildings, schools and churches, but the term excludes installations in private homes and certain other installations. In a practical sense, the industrial market of Metropolitan Toronto for resilient floor laying, can be considered as consisting of those operations for which labour is supplied by Local 2965, the Resilient Floor Workers Section of the Toronto and District Council of Carpenters and Millmen, United Brotherhood of Carpenters and Joiners of America, A.F.L.-C.I.O. (herein referred to as Local 2965), in so far as the laying of resilient floor coverings, other than carpets and rugs, is concerned.

Resilient flooring, as the term is used in this report, includes all types of hard-surfaced floor coverings in the form of tiles or sheets of rubber, vinyl, vinyl asbestos, asphalt, linoleum, or cork, as well as certain related materials such as rubber and vinyl cove base. Vinyl asbestos is by far the most important material. Hard-surfaced floor coverings are available in various thicknesses in tiles nine inches or twelve inches square and in sheets six feet wide. Tiles are far more important in dollar volume than sheet materials.

The resilient flooring products which were used in the Toronto area were almost entirely of Canadian manufacture. Certain specialty materials were imported from the United States but imports were apparently unimportant.

Resilient flooring contractors did not make purchases directly from manufacturers but secured supplies through distributors who filled orders either from warehouse stocks or, if the quantities required on a single contract were large enough, by direct shipment in van loads from the factory. In the Toronto market there were a few sub-distributors who secured supplies from the factory

distributors and re-sold to flooring contractors or retail dealers. Factory distributors followed list prices issued by manufacturers of tile. A distributor who gave evidence before the Commission said that he did not attempt to offer more attractive prices or terms than his competitors. The prices of this distributor were based on the size of the order, the lowest price being for an order of a van load of 24,000 pounds for a particular job, the second lowest for orders of 100 cartons and the highest for smaller orders. The distributor also said that he had a strict policy of not selling resilient flooring materials to persons other than tile dealers and flooring contractors.

As will be shown more fully later in this report, the jurisdiction exercised by Local 2965 is a prime factor in defining the industrial market for resilient floor laying. The following is a list of firms which had labour agreements with Local 2965 at some time in the period 1960-1963, and in addition were engaged in the industrial market some time during those years.* After each firm name is appended in parentheses the shortened name or abbreviation by which that firm will be designated in this report.

Aldershot Flooring (Aldershot)
Bemac Protective Coatings Limited (Bemac)
Berkley Contracting Limited (Berkley)
R.S.C. Bothwell Associates Limited (Bothwell)
Brooks Marble & Tile Company Limited (Brooks)
A. Buchanan Floor Coverings Limited (Buchanan)
Commercial Tile Limited (Commercial)
Connolly Marble, Mosaic and Tile Company Limited
(Connolly)
CresTILE Limited (Crestile)
Duguid and Barnett Limited (Duguid and Barnett)
Franco Bros. (Franco)
Knight Bros. Sales & Service Limited (Knight Bros.)
R. Knight Floor Covering (R. Knight)
Linocraft Company (Linocraft)
Maple Leaf Floor Covering Limited (Maple Leaf)
Mohawk Floor Coverings Limited (Mohawk)

* Two other firms had agreements with Local 2965 but do not appear to have been engaged in the industrial market.

Montflex Incorporated (Montflex)
Permanent Floor Laying Company Limited (Permanent)
Regal Chrome and Tile Limited (Regal)
Reid & Sons Resilient Flooring Contractors (Reid & Sons)
Semple-Gooder & Company Limited (Semple-Gooder)
Terrazzo, Mosaic & Tile Company Limited (Terrazzo)
Trend Tile & Acoustic Limited (Trend)
Tri-Tile Limited (Tri-Tile)
Versa-Tile Limited (Versa-Tile)
Vulcan Asphalt & Supply Company Limited (Vulcan)

The function of the resilient flooring firm is to supply the resilient floor coverings and to lay them in place in a building. In the industrial market of Toronto the resilient flooring firm generally is in the position of a sub-contractor to the general contractor in charge of a particular building project. At the time when tenders are called on a building project the resilient flooring firms prepare and present bids to one or more of the general contractors who are bidding on the general contract. The contractor who is successful in securing the general contract for the job then awards the resilient flooring contract to one of those firms which bid to him. This may or may not be the flooring firm which submitted the lowest price and some negotiations, including price negotiations, may occur before the resilient flooring sub-contract is finally awarded. The successful resilient flooring firm then proceeds with the job as a sub-contractor to the main contractor.

The above describes generally the manner in which resilient flooring contracts were entered into in the Toronto industrial market. However, the evidence of several witnesses and the written returns of information obtained from the flooring contractors establish that a great many jobs did not involve formal tenders but were secured because of the relationships between particular flooring contractors and individual general contractors or as a result of informal offers by flooring contractors to do particular jobs.

In carrying out its tasks, the resilient flooring firm generally supplied both the flooring materials and the labour required to place it in position on the job site. Occasions on which a resilient flooring firm supplied labour only, when the firm laid materials supplied by a customer or other person, were very rare, although they did occur. One factor leading to this result may have been the clause in the contracts which all of the firms under inquiry had with Local 2965 which forbids the signatory firms from entering into a contract to supply labour only.

Some firms which were in business as resilient floor laying sub-contractors in the Toronto industrial market also engaged in what is termed the retail or residential market.

Many of the firms which had union agreements with Local 2965 engaged in other businesses or trades and in some cases the laying of resilient flooring formed less than half the total value of sales. Among the other classes of business which were engaged in, were the supply and laying of carpets, supply and laying of ceramic and mosaic tiles, lathing, plastering and the laying of acoustical tiles, roofing and sheet metal work.

In the years 1960 to 1963, both union and non-union workers were engaged in laying resilient floor tiles in the Toronto area. Those flooring contractors who wished to participate continuously and successfully in the Toronto industrial market, however, entered into collective agreements which required them to use union labour only. The source of union labour was Local 2965. Local 2965's full time business representative was Mr. Michael Scanlon, who had held this position since December 1959. The membership of Local 2965 consisted of: resilient floor laying mechanics who laid linoleum, asphalt, vinyl, rubber, cork, plastic and other tile or sheet floor coverings; men who laid the plywood underlayment for such floorings; men who installed laminated counter tops, draperies, venetian blinds and shade hangers; and men who laid linoleum on walls, floors, ceilings and counters. The Local also included men who laid carpets and hardwood floors. On December 1, 1963, Local 2965 had a total of 210 members of whom 140 were resilient flooring mechanics and apprentices, the remainder being carpet installers and hardwood floor layers.

Local 2965 apparently came into existence in the mid-1950's. Local 2965's agreements with employers stipulated that the geographical area covered by the agreement extended to a radius of 25 miles from the Toronto City Hall. Local 2965 included after March 1961, some resilient floor workers in Hamilton who were formerly members of a bricklayers' and masons' union. Mr. Scanlon testified that the union's jurisdiction in some instances extended beyond the 25-mile radius from Toronto's City Hall. Oakville was included in this Local's territory.

The power of Local 2965 to make and enforce the details of its agreements appears to have been based not only on that union's own strength but also on the power it derived from being affiliated with the Building and Construction Trades Council of Toronto and Vicinity. Certain classes of construction in the City of Toronto were bid largely by union contractors who were under agreement to use only union sub-contractors. Jobs for which public tenders were called, according to one witness, were normally considered as union work.

The agreements which general contractors signed with the Building and Construction Trades Council of Toronto and Vicinity contained provisions to ensure that only union workers would be employed on contracts which the contractors accepted. The following clauses in one such agreement indicate the scope of the undertaking with respect to union labour:

"2. The Company recognizes the Council and its affiliated unions as the collective bargaining agency for all its employees.

3. The Company agrees that it will employ only members of the unions affiliated with the Council and will let contracts or sub-contracts only to individuals or companies whose employees are members in good standing in the unions affiliated with the Council and will do all things necessary to insure that only members of the unions affiliated with the Council are employed in construction work in which the Company is engaged."

Mr. Scanlon said that in practice these provisions meant that general contractors who signed this agreement would not hire a sub-contractor to lay resilient flooring in the Toronto area unless the sub-contractor had an agreement with Local 2965, with very few exceptions.

The need to have a union agreement in order to secure sub-contracts from general contractors under agreement to employ union labour either directly or through sub-contractors made it necessary for those resilient floor laying firms interested in the industrial market to secure an agreement with Local 2965. General contractors were reluctant to give a sub-contract to resilient flooring firms which did not have agreements with Local 2965 because of the possibility of strikes. The overwhelming testimony of the

resilient flooring contractors was that for all practical purposes a contract agreement with Local 2965 was an indispensable necessity to those firms which wished to participate in the industrial market in Metropolitan Toronto.

Local 2965 from time to time made up lists of resilient flooring contractors, which lists bore the words: "The following fair contractors have agreements with the Resilient Floor Workers Local 2965. . .". These lists were sent not only to the resilient flooring contractors but, more importantly, to the general contractors who were thereby more easily apprised of the names of those firms which had agreements with Local 2965. A list of resilient flooring contractors in the form of a letter from Mr. Scanlon, which was dated December 6, 1961, contained the following words:

"Dear Sir:

We are listing below the names of companies engaged in the business of Resilient Flooring, who have signed the current working agreement with the Resilient Floor Workers Section of the Toronto and District Council of Carpenters.

Any others engaged in this business, not herein listed cannot be recognized as Union shops.

. . ."

The Resilient Flooring Contractors' Association of Ontario (generally referred to in this report as the R.F.C.A.) had been in existence since 1954. The R.F.C.A. included in its membership not only resilient flooring contractors, but also manufacturers and distributors of resilient flooring materials. Thus the firms with which this inquiry is concerned, all (with the exception of Berkley and Permanent after December 1961) being members of the R.F.C.A., did not comprise the entire membership of the Association and the activities of the particular group of firms under investigation in this report were not activities of the R.F.C.A.

There were some twelve firms active to a greater or lesser degree in the Toronto industrial market for resilient floor laying which were not members of the R.F.C.A., namely, Prestile, Linotile, Crestile, Linocraft, Bruce's Industrial Flooring, Berkley, Reid & Sons, Regal, Mohawk, Versa-Tile, Bemac, and Franco. However, only Berkley,

Crestile, Versa-Tile and Reid & Sons undertook a substantial amount of work in the industrial market.

The main significance of the R.F.C.A. lay in its role in labour negotiations. The Labour Relations Committee of the Toronto Section of the R.F.C.A. undertook negotiations on labour agreements with Local 2965 periodically on behalf of its members.

Throughout the period 1960-63 the usual procedure was for the R.F.C.A. committee and the union committee to negotiate and sign a master contract and then for a representative of each firm which was a member of the R.F.C.A. to sign on behalf of his firm. Those firms which were not members of the R.F.C.A. signed similar agreements to those signed by the R.F.C.A. members after the master contract had been negotiated by the union and the R.F.C.A. Berkley and Permanent normally accepted the master agreement. But on two occasions, once in 1961 and again in 1963, negotiations with Permanent and Berkley were completed before the R.F.C.A. and Local 2965 had finished negotiations. These two companies' contracts were later set aside and replaced by agreements following the pattern set by the R.F.C.A. Other contractors also from time to time bargained separately and signed temporary agreements with Local 2965, before the R.F.C.A. signed the master agreement, on the understanding that the companies would sign new agreements with Local 2965 as soon as the latter agreed on rates with the bulk of the city's resilient flooring contractors.

CHAPTER II

THE ORGANIZATION AND MEMBERSHIP OF "THE GROUP"

1. Membership and Meetings

This inquiry is concerned with the activities of a number of firms and one individual, who met from time to time to discuss bids on contracts for the laying of resilient flooring in the industrial market of Toronto, to fix selling prices, to allocate contracts among themselves, and to protect each other's bids. The firms which carried on these activities had no formal or informal collective title, but for convenience will be referred to in this report as "the group". The period of the activities of the group to which the allegations made by the Director of Investigation and Research refer extends from January 1, 1960 to September 30, 1963.

Membership in the group did not remain constant for the period named in the Director's allegations and there is evidence that similar activities by some firms were carried on at various times prior to 1960. Mr. J.D. Foster of Brooks testified the group was meeting prior to 1956, and Mr. J.A. Buchanan of Buchanan testified that he was approached in 1954 by a representative of Brooks and asked to attend meetings of the group. He attended meetings from time to time between 1954 and 1963. In early 1960 six firms belonged to the group, but recruiting increased the number of member firms to fifteen by September of 1962. The last meetings of the group occurred in September 1963 when the activities of the group ceased upon the commencement of the inquiry. The meetings of the group as a whole were not held regularly between these two dates, nor even during the period regarding which the Director has made allegations (January 1, 1960 to September 30, 1963). From time to time the group as a whole broke up in disagreement and for periods of several months there were no meetings attended by the full membership. Such periods were: February to April 1962; July to September 1962; and December 1962 to April 1963. During these periods, however, four firms, Duguid and Barnett, Brooks, Buchanan, and Knight Bros., continued to meet weekly, allocated prospective jobs equally among themselves, worked out selling prices, communicated those prices to each other, and protected each other's bids.

It was the practice of the group to identify each participating firm by a number and these numbers were used in indicating the particular firm to which each prospective contract was allocated at the meetings. The four firms mentioned in the preceding paragraph, which were the first members of the group, had numbers from 1 to 4. As the membership of the group had increased to fifteen by the fall of 1962, the numbers to identify the firms also ran from 1 to 15. The number by which a firm was identified indicated, roughly, the order in which it became a member of the group.

In his Statement of Evidence, the Director alleged that Berkley Contracting Limited, a subsidiary of The T. Eaton Company Limited, had been a member of the group. After evidence was given to the Commission that a representative of Berkley had been invited to one meeting only and had left before any jobs were discussed and that the firm had not participated in the group's activities, the allegation was withdrawn and is not a matter for examination in this report. The group evidently had hoped that Berkley would participate in the arrangements as some witnesses identified a number as having reference to Berkley at one time.

The group was loosely organized and did not have any regular officers. Meetings were held generally once a week in an hotel room rented for the purpose and the expense was shared by the participants. At one period the chairmanship of meetings was rotated among members on an eight to ten weeks basis but toward the end of the period, Mr. J.D. Foster of Brooks acted as chairman and continued to do so after he left the employ of Brooks in May 1963. However, after May 1963, Mr. Foster took no part in making the group's policy.

No formal minutes of proceedings were kept by the group but a record was made of all the jobs discussed, as well as the average costs of each job; the designated selling price, the name or number of the firm to which each job was allocated, the cumulative value of all allocations made to each member firm, and whether or not the firm to which a job had been allocated was successful in securing the job. Each job discussed at a meeting was given a number. At one time the task of keeping such records was rotated, each member assuming the responsibility for a month, but at some point this task was taken over by Mr. J.D. Foster who thenceforth acted as both chairman and secretary of the group. Some members of the group kept their own records

about jobs discussed at meetings, similar to the entries in the record book, and some of these records are contained in the documentary evidence.

2. Evidence Relating to Permanent and Mr. A. Mitchell

Permanent Floor Laying Company Limited is a subsidiary of The Robert Simpson Company Limited. Mr. R.A. Savage, President of Permanent since 1959 and General Manager for Canada of the contract division of The Robert Simpson Company Limited, gave evidence to the Commission. He stated that Permanent had been incorporated in 1955 to provide a company which would be able to enter into agreements with Local 2965. Permanent was a member of the Resilient Flooring Contractors' Association until December 1961. Permanent left R.F.C.A. so that it could bargain independently with Local 2965. Permanent employed union labour and installed the tile on contracts which were obtained by Simpson's contract division in its own name, or in the name of Permanent.

Mr. A. Mitchell had the title "Sales Manager" of Permanent. He received requests from general contractors to submit bids on tile flooring and suggested to Simpson's contract division that bids should be submitted on particular jobs. When told what tile jobs Simpson's contract division was interested in Mr. Mitchell would prepare an estimate of the quantities of material together with an estimate of the cost of labour for installation. He would include in the latter a percentage markup to cover Permanent's overhead. This markup was established by the President of Permanent. Mr. Mitchell would furnish the estimates of quantities of material and installation cost to Simpson's contract division which would prepare the bid. Although the final price was prepared by Simpson's contract division, the quotation could be submitted on the letterhead of Permanent. The tile installed by Permanent was supplied by Simpson's and all payments on contracts went directly to Simpson's without being entered in Permanent's books. Mr. Mitchell gave evidence that he often saw the quotations on tile contracts prepared by Simpson's contract division but he did not review them and had no authority to alter them. If a tile contract was secured by Simpson's contract division, he supervised the installation by union workers.

Mr. Mitchell did not recall definitely when he first began to attend meetings of the group but thought that it might have been in 1961. The documentary evidence shows

that the group had assigned a number to Permanent in 1960. Mr. Mitchell said that he ceased to attend meetings of the group regularly in December 1961, but had attended meetings occasionally in 1962 and 1963. Mr. R.A. Savage, President of Permanent, testified before the Commission that he had been unaware of Mr. Mitchell's attendance at meetings of the group until the latter part of 1961. Mr. Savage said that, upon learning of such meetings, he instructed Mr. Mitchell to cease attending and not to participate in the group's activities.

When Mr. Mitchell ceased to attend regularly at group meetings he arranged that Mr. C.J. Duguid of Duguid and Barnett would act in his stead in connection with matters in which he thought Permanent might be interested. Mr. Duguid would call Mr. Mitchell by telephone before a group meeting, if he thought he would be interested in a particular job, and secure his cost estimates. After the meeting, he would inform him of what went on, including information about any jobs which were allocated to Permanent. Mr. Duguid would also give Mr. Mitchell details of the average costs worked out at the meeting and the selling price which had been set. The President of Permanent told the Commission that he had no knowledge at the time that Mr. Duguid was representing Permanent at any meetings.

Mr. Mitchell said that when he attended meetings of the group he would take with him his estimates of the quantities of tile for the jobs in which Permanent was interested and would work out cost figures at the meeting. As already indicated, Mr. Mitchell did not work out the quotation for jobs bid on by Permanent. This was done by a salesman in Simpson's contract division. Mr. Mitchell explained his actions at the meetings of the group and the actual preparation of a bid by a Simpson's salesman in the following way:

"Yes, I can explain that. After the job was allocated to me at one of these meetings of the group, I would still give the quantities to the salesman and what I considered the cost of installation, and he would still make out his own cost sheet, price the job and bid on it, regardless of what I did at the meeting, because I would just tell the group it is 15 or 20 per cent above the estimated cost of the job."

Mr. Mitchell said that on jobs which were allocated to Permanent he understood that other members would bid higher than the estimates he gave at the meeting. On jobs allocated to other members, Mr. Mitchell said that the members would have to take their chances with Permanent because he did not control the price prepared by Simpson's contract division.

3. Evidence Relating to Montflex and Mr. W.J. Reid

Montflex, whose head office is in Montreal, established a branch office in Toronto about April 1955, and Mr. W.J. Reid was put in charge of the Toronto office. Mr. Reid's duties were to deal with requests from general contractors for tenders, to arrange for the supply of workmen by Local 2965 and to prepare estimates for prospective jobs. In preparing estimates, Mr. Reid would use figures given to him by the Montreal office for unit costs of materials and labour as well as for the markup to be applied to such costs. Estimates prepared by Mr. Reid were submitted to the Montreal office for approval or modification. Tenders were prepared in Montreal and were sent to Mr. Reid to be signed by him and sent out to contractors. Mr. Reid had no authority to deal with any contractor without consulting Montreal and securing the authorization of head office.

Mr. Reid began to attend meetings of the group in 1960 or 1961. He said that at the meetings he would disclose the selling price which he had worked out for prospective jobs but he did not mention the cost figures on which his estimate was based or the fact that the estimated selling price had to be approved by the head office of Montflex before it could be submitted to contractors.

The President of Montflex testified that he had not known of Mr. Reid's attendance at meetings of the group and that he would not have approved of such activity. He said that no authorization had been given Mr. Reid to attend such meetings.

CHAPTER III

THE SYSTEM OF ALLOCATION

According to the testimony of witnesses in the inquiry, the system of job allocation was introduced as a means of reducing or eliminating the practice of "price shopping" or "bid peddling" on the part of general contractors to whom flooring contractors submitted bids. "Bid peddling" was described as the actions of a general contractor who, after receiving bids from individual flooring contractors, sought out one or more firms among the latter in an effort to find one who would undercut the lowest bid which had been submitted in the regular course of tendering. It was alleged that "bid peddling" became widespread at times and resulted in the margins of flooring contractors becoming depressed. The evidence in the inquiry does not permit any assessment to be made of the extent to which "bid peddling" was engaged in by general contractors at particular times. The evidence indicates that a considerable amount of work came to flooring contractors because of well-established relationships with general contractors. In the inquiry returns of information were secured from a number of flooring contractors. Included in these returns was information about flooring contracts entered into in 1963. Of 440 contracts, shown in the returns of information, it was found that 356, or about 80 per cent, were awarded at the price quoted by the flooring contractor and 75 were awarded at a price lower than that first tendered by the flooring contractor. A lower price may have resulted from a change in specifications and may not have been produced by "bid peddling".

The group sought to prevent changes in prices tendered to general contractors by securing agreement amongst themselves as to which flooring contractor would be given a preferred position with respect to a particular job and the price which would be protected. From one or two to as many as ten or more prospective jobs might be discussed at any meeting.

Members of the group would indicate their interest in particular jobs open for tender and there would be a discussion of their estimates of the costs of materials

and labour for each job. On the basis of these estimates the meeting then proceeded to calculate an "average cost" for each job. Although this was usually the arithmetic mean of the members' estimates, on occasion particularly high or low estimates would not be included in arriving at the average.

The next step in the proceedings was to allocate the job under discussion to one of the members of the group. This was done on a basis which involved consideration of the cumulative total of allocations which had been previously given to individual firms and whether the member had been classed as an "A" or "B" firm. The "A" category of firms comprised Semple-Gooder, Buchanan, Brooks, Connolly, and Knight Bros. which were regarded as the larger firms capable of handling a larger amount of business and, particularly, large individual contracts. The division of members into "A" and "B" classes was intended to give the "A" firms more chances at jobs and more chances at the bigger jobs, for there was no guarantee that jobs allotted to a firm would in fact be done by that firm.

In April 1963 the group adopted the use of coloured tickets as part of the system of allocations. The tickets were of four different colours, red, blue, green and yellow, and were numbered to avoid forgery and to assist in checking their use. The purpose of adopting the ticket system of keeping track of job allocations appears to have been to provide a ready method of determining each member's position rather than using cumulative totals of jobs assigned or done.

The job value given to each colour of ticket and the numbers given out to each contractor in "A" and "B" classes are shown in the evidence as follows:

<u>Ticket</u>	<u>Value (Job Cost)</u>	<u>Number of Tickets Issued</u>	
		<u>To Class "A" Contractors</u>	<u>To Class "B" Contractors*</u>
Yellow	0 to \$ 2,000.	5	6
Green	over \$ 2,000. to \$ 5,000.	5	6
Blue	over \$ 5,000. to \$15,000.	5	2
Red	over \$15,000.	3	1
Red Jobs Only	over \$25,000.	2 tickets	
	over \$50,000.	3 tickets	

* Handwritten notations on one document show the figures in this column increased by 1 in each case, that is, in order, 7, 7, 3 and 2.

The job values were based on the average costs as determined by the group and not on the selling prices. Once the group had calculated the average cost of a job it was designated as a yellow, green, blue or red job, and the member to whom a job was allocated surrendered the appropriate coloured ticket or tickets. The surrendered tickets were to be destroyed. Rules were adopted to provide for the exchange of tickets among members when a job assigned to one member was actually done by another, to provide for the rotation of job opportunities and for other features of the operation of the system including penalties for non-observance of the rules. The evidence indicates, however, that the penalty procedure was not put into practice. The testimony of witnesses indicates that the practice followed was for the member who took a job allocated to another member to give the latter a ticket or tickets equal to those he had surrendered when the job was assigned to him. But the transfer of tickets was not made in all such circumstances.

A second set of coloured tickets was issued in September 1963 and was in use at the time the inquiry was undertaken.

When a job was allocated to a member at a meeting and the appropriate ticket surrendered, the member would indicate the price which he intended to bid to the general contractor. Most members appear to have calculated their selling prices at the meeting. Some members made a practice of using the average cost worked out at the meeting as a basis for their calculation of selling price, but some others used their own figures of costs and still others used one method at one time and the other method at another time. After setting his selling price the representative of the firm to which the job had been allocated would announce it to the meeting on the understanding that the others would bid prices higher than his. The margins used by the individual firms varied with such factors as the size of the job and their estimates of the potential competition from outside the group. Testimony indicated the range of markups was from 15 to 40 per cent. It should be added that in some cases the firm which secured an allocation actually bid to the general contractor a price lower than the one which he had announced to the meeting. Furthermore, although the other members were supposed to protect his bid by bidding prices higher than his (sometimes the margin of protection was indicated by percentages) they did not always do so. In many cases, therefore, the firm to which a job had been

allocated did not get it, but lost it to a competitor from inside the group or from outside it. Nevertheless the intended functioning of the system is clear and the evidence shows that in many cases it did in fact work in the intended way.

CHAPTER IV

THE POSITION IN THE MARKET HELD BY THE GROUP OF RESILIENT FLOORING CONTRACTORS

1. Activities of Non-Unionized Sub-Contractors

Flooring tiles are used in a wide variety of buildings. In the Metropolitan Toronto market, only those types of structures which are considered as industrial or commercial are involved in this inquiry. As previously indicated, the industrial market in Metropolitan Toronto, for the purposes of this report, is that over which jurisdiction is claimed by Local 2965 in so far as the employment of union members is concerned. The business representative of Local 2965 said in his evidence that generally speaking the Union sought to embrace all flooring work done in factories, office buildings, hotels, schools and churches. Residential work, which included new private homes, renovation work and apartment houses, is in a different category. It would appear, however, that a question might arise where apartment construction was undertaken by a general contractor who had labour agreements with the building trades.

In Metropolitan Toronto non-unionized general contractors could employ non-unionized sub-contractors or might, on occasion, employ unionized sub-contractors of resilient flooring. Local 2965 endeavoured to have all work which was considered to be within its jurisdiction, done by members of the Union and several instances are cited in the evidence in which a unionized general contractor hired a non-union sub-contractor of resilient flooring and was subsequently forced to give the remainder of the contract to a union sub-contractor.

There was some overlapping in the activities of union and non-union sub-contractors of resilient flooring in regard to the industrial market in Metropolitan Toronto, and witnesses testified that in some cases a group member to whom a job had been allocated found that it had been awarded to a non-unionized firm. In some of these cases, however, the general contractor was not unionized. The evidence, as a whole, indicates that the large majority of the jobs

which were considered at meetings of the group required union labour. One witness put the proportion at 80 per cent while another said that not many of the jobs discussed were non-union jobs.

2. Unionized Sub-Contractors Not Participating
in Group Activities

Not all firms engaged in the laying of resilient floor tiles which had agreements with Local 2965 participated in the meetings of the group. The position of Berkley, which employed the largest number of union members in 1962 and 1963, has been described earlier in this report. In addition to Berkley, other firms which did not participate in meetings of the group are listed below with the approximate number of their employees in 1962 and 1963 and the periods in which they held agreements with Local 2965.

	<u>Approximate Number of Employees</u>		<u>Period of Agreement</u>	
	<u>1962</u>	<u>1963</u>	<u>From</u>	<u>To</u>
Berkley	20	20	Jan. 1958	Apr. 1966
Aldershot	4	-	Jan. 1958 Jan. 1961	Apr. 1960 Jan. 1962
Bemac	1	1	Dec. 1962	Apr. 1966
Crestile	3	6	Jan. 1961	Apr. 1966
Franco	-	-	Jan. 1958	Apr. 1966
Linocraft	2	3	May 1961	Apr. 1966
Mohawk	5	8	July 1962	Apr. 1966
Regal Chrome	1	2	June 1961	Apr. 1966
Reid & Sons	-	2	Feb. 1963	Apr. 1966
Schweitzer	-	-	Jan. 1958	- 1960
State Tile	-	-	Jan. 1958	- 1960

	<u>Approximate Number of Employees</u>		<u>Period of Agreement</u>	
	<u>1962</u>	<u>1963</u>	<u>From</u>	<u>To</u>
Versa-Tile	2	4	Sept. 1960	Apr. 1966
Vulcan	1	1	Jan. 1958 June 1962	- 1959 Apr. 1966

Of the foregoing thirteen firms, two (Schweitzer and State Tile) ceased to have union agreements some time in 1960. Aldershot was engaged largely in apartment work outside of Toronto and ceased to have an agreement with Local 2965 early in 1962. Bemac and Vulcan were principally interested in work in connection with specialized floor treatments to which their resilient floor laying work was incidental. Franco was engaged in carpet laying and had no employees engaged in resilient floor laying in 1962 or 1963. Linocraft was engaged principally in residential and renovation work and undertook only one commercial or industrial job in 1963. Activities of Regal Chrome in connection with resilient floor laying were also almost entirely in the residential field. Mohawk was a Hamilton firm which on some occasions sought to secure contracts in Metropolitan Toronto but with very limited success. Mohawk secured no jobs in Toronto during the period when the group was using the coloured tickets. Some witnesses indicated that members of the group attempted to take action which would prevent outside firms from securing contracts by matching or undercutting their bids.

It thus appears that there were four unionized sub-contractors outside the group, Berkley, Crestile, Versa-Tile and Reid & Sons, who were actively seeking and securing contracts in the same areas of business with which the group was concerned at the weekly meetings.

The oral evidence contains many references to the influence of these outsiders on the group's arrangements. Several witnesses cited the outsiders' competition as among the factors contributing to the failure of the allocation system, to a downward pressure on the margins obtained by the members of the group and to the break-up of the group which occurred on several occasions.

3. Market Position Held by Members of the Group

At the beginning of 1960 the group included representatives of six firms. This number eventually increased to fifteen. The evidence indicates that firms outside the group were approached to become members after the outsiders had taken jobs which the group had been interested in securing for one of its members. In approaching an outside firm, spokesmen for the group outlined as the objectives of joint activity the raising of prices, the maintenance of margins and the combating of price cutting and bid peddling. On occasion the invitation to join the group was coupled with a forecast that failure of the prospective new member to participate in the joint activities of the group would be followed by dissolution of the group with deleterious effects upon the firm's business. Mr. D. Reid of Tri-Tile* testified that when that company started to estimate and bid on jobs in the industrial field, contractors telephoned to advise Tri-Tile that its prices were very low and that the firm had obviously missed something. After being awarded two or three contracts Tri-Tile received a visit from several of the resilient flooring contractors who indicated that they were trying to raise prices in the Toronto area and who invited Tri-Tile to join the group. Mr. D. Reid also said that the prices he computed while Tri-Tile was a member of the group were definitely higher than he would have computed if the group had not existed. Mr. W.J. Reid of Montflex said that prior to joining the group his firm secured contracts in competition with members of the group because his company's prices were lower. Mr. T. Warrington of Connolly said that at one period, before his firm began to participate in the group's activities, the company's resilient flooring business was secured from regular customers. However, every month or two Connolly would submit a bid on a job open for tenders only to find, after the tenders closed, that the price bid was considerably above that of the successful bidder. Later, after the group had been in operation for some time, Connolly found that one of its bids on open tenders was accepted. Mr. T. Warrington said he first thought that an error had been made in tendering but when none was found he "suspected that there might be

* Mr. D. Reid was employed by Tri-Tile until April 1962.

something going on" in regard to other firms' tenders. Connolly then began to tender on all jobs which were open and secured a number of contracts. Not long afterwards Connolly was asked to send a representative to a meeting and to join as a member in the group's activities.

Versa-Tile, which did not become a member of the group, found that when it first began to submit bids to general contractors for jobs in the industrial market that some general contractors would not accept the bids because they believed there were errors in Versa-Tile's quotations because of the low prices. Subsequently Versa-Tile increased its prices by 20 to 25 per cent and was more successful on that basis than at the lower level.

The testimony which has been referred to above and other evidence of the same nature which is contained in the record of the inquiry clearly indicates that prices in the industrial market were raised by the activities of the group, particularly when the larger membership was participating. This does not mean that members of the group were always successful in obtaining contracts at the prices established at group meetings. In many cases bids were made at lower prices by members of the group. It may be that the anticipated or potential competition of outsiders led members of the group to modify their prices in the actual tenders. Nevertheless the evidence indicates that prices were higher than they would have been in the absence of the joint efforts of the group to raise and maintain prices. Of course, the opportunities for firms not participating in the group arrangements to secure contracts would tend to grow as the activities of the group resulted in higher prices being quoted by its members. Such opportunities would be most fully realized when the outsiders bid just under the levels which members of the group were endeavouring to maintain. This is a situation quite different from that which would have existed if all sub-contractors and not just a minority were preparing their bids without consultation with their competitors. The evidence clearly establishes that as non-member firms became active in seeking jobs which were dealt with at meetings of the group, efforts were made by the group to have the outside firms participate in the group arrangements. Such efforts were successful in most instances, and the number of participants increased from six to fifteen.

The fact that the types of jobs which the group attempted to allocate among its members cannot be segregated in an exact manner from all classes of work requiring the laying of resilient floor tiles makes it impossible to determine statistically the relative proportion of the trade which the group attempted to influence. At the same time it is possible to arrive at reasonable approximations which will serve as indicators of the part of the industrial market which the members of the group occupied.

Inasmuch as any figures used have to be approximations there is no point in attempting to derive figures for the entire period in which the group was in existence. The objectives of the group are clearly established in the record of the inquiry and the fact that such objectives were pursued with greater success at some time than others or that there were more participants at some time than others does not alter the design of the arrangements, which had the same basic objectives throughout the period. For this purpose, therefore, it is sufficient to give attention to the period prior to the break-up of the arrangement upon the commencement of the inquiry in September 1963. This may be taken as the period from April to September 1963 for which all firms having union agreements with Local 2965 were asked to submit information about the jobs which were sought and secured in that period.

The value of contracts and number of jobs secured by all unionized contractors in this period are shown in the following table:

	Contracts Secured in the Period Apr. 1 to Sept. 23, 1963		Number
	<u>Value</u>		
<u>Firms Within the Group</u>			
Brooks	\$	26,523	18
Buchanan		63,151	25
Duguid		62,777	23
Knight Bros.		26,470	9
Permanent		85,772	6
Semple-Gooder		82,362	35
Montflex		20,087	11

	Contracts Secured in the Period Apr. 1 to Sept. 23, 1963	Number
	<u>Value</u>	
<u>Firms Within the Group</u>		
Trend	\$ 508	1
Connolly	60,248	23
Tri-Tile	79,171	26
Commercial	4,000	1
Terrazzo	98,235	7
R. Knight	73,647	17
Maple Leaf	64,618	18
Bothwell	<u>47,800</u>	<u>16</u>
Sub-Totals	<u>\$ 795,369</u>	<u>236</u>
<u>Firms Outside the Group</u>		
Berkley	\$ 166,929	2
Bemac	6,349	2
Crestile	57,792	31
Linocraft	5,000	1
Regal	Nil	-
Versa-Tile	55,239	9
Vulcan	4,762	3
Franco	N.A.	-
Mohawk	Nil	-
Reid & Sons	17,338	9
Trend*	<u>3,901</u>	<u>4</u>
Sub-Totals	<u>\$ 317,310</u>	<u>61</u>
Grand Totals	<u>\$1,112,679</u>	<u>297</u>

* Trend appears to have left the group in May 1963.

N.A. = Not available.

If attention is directed to the jobs which were awarded to the reporting firms during that period it is found that there were 297 such contracts. Of this total, 236 or almost 80 per cent, were awarded to firms which were represented at meetings of the group. The contracts embraced in these totals ranged from jobs of a few hundred dollars each to individual contracts exceeding \$25,000. In view of the wide range in the value of

individual contracts it may not be immediately apparent that a valid basis of comparison has been selected. It is as important to protect the interests of persons seeking competitive prices on small jobs as it is to protect the interests of those engaged in very large undertakings, so that it would not be appropriate to confine the examination to cumulative totals of values in which the number of instances in which competitive pricing could play a part cannot be shown.

When the prices of contracts awarded to the reporting firms in the period April to September 1963 are totalled, it is found that the combined value of contracts secured by firms represented at meetings of the group constituted about 70 per cent of the total.

It will be noted that Berkley, whose sales were the largest of all unionized contractors for the period, performed only two relatively large contracts. The chief active unionized competitors who were not members of the group were Crestile, Versa-Tile and Reid & Sons.

Many of the jobs which were done by resilient floor laying contractors were not secured on open invitations to tender but were the result of private negotiations between an individual floor laying firm and an individual general contractor. In many cases floor laying firms had relationships of long standing with customers and secured jobs whenever the laying of resilient floor tiles was required by such customers. In other cases, the laying of floor tiles might be part of what is termed "a package" in which several pieces of construction work are included in an overall contract. These comments reinforce the point which has been mentioned several times in this report that the group of flooring contractors were not attempting to deal at the meetings with all the jobs of floor laying which might be undertaken but, particularly, with those jobs for which there were open invitations to tender and for which competition would be most active in the absence of arrangements among prospective competitors to attempt to allocate the business and determine the level of pricing. At the same time it is evident that the level of prices resulting from open competition would have its effect not only on prices quoted in tenders but on the general level of prices in

the resilient floor laying industry, and thus attempts to control prices on public tenders would have a pervasive influence.

Reference has already been made to the evidence that while specific jobs were allocated to individual members of the group at meetings and that prices to be bid on such jobs were announced, the member assigned a particular job was not always successful in securing it, and that members might use a lower price than that announced at a meeting in their actual quotations to general contractors. In some cases, the job assigned to one member of the group might be done by another group member. In some cases this outcome was the result of established relationships between a general contractor and a particular firm. In other cases, the job might go to a firm outside the group or the particular job for which bids had been invited might not have been proceeded with at all.

In the period from April to September 1963 jobs numbered consecutively from 1 to 240 were dealt with at meetings of the group and each numbered job was assigned to a particular member of the group. The Director examined the information obtained in this inquiry in regard to these jobs and presented the following statistical analysis in the Statement of Evidence:

"139. Evidence . . . shows the job allocations made during the period April to September, 1963, when the coloured card scheme was in use. This was immediately before the inquiry began. The documents in question cover a group of jobs numbered consecutively from 1 to 240, inclusive. While these documents show to what members of the group each job was allocated they do not show whether the jobs were carried out by the firms to which they were allocated. Further data on this aspect of the matter was obtained by return of information and, to a limited extent, in the oral evidence.

140. Even after being supplemented in this way, however, the available evidence fails to establish how many of the 240 jobs were actually carried out.

141. Information was available to allow the conclusion that 140 of the 240 jobs had been done by members of the group. Of these 140 jobs only 83 were done by the member to whom the job was allocated. For these 83 jobs the aggregate calculated costs totalled \$476,734 and the agreed selling prices totalled approximately \$639,000. Thus the average job in this group had an agreed selling value of about \$7,600 and the average rate of mark-up was about 34 per cent. As to the remaining 57 jobs, the agreed costs totalled \$256,460 and the agreed selling prices totalled \$342,242. Thus the average agreed selling price for these 57 jobs was about \$6,000 and the average rate of mark-up, at the time the job was bid was about 33.4 per cent."

The foregoing analysis must be viewed in the light of the information given earlier as to the large proportion of jobs and of the value of contracts in the Metropolitan Toronto area which were included in the business of firms represented at meetings of the group. It must also be appraised in the light of the evidence, referred to earlier, that the pricing practices established by the group influenced not only the actions of participants but those of non-participants as well.

CHAPTER V

CONCLUSIONS

The following allegations were made by the Director of Investigation and Research in his Statement of Evidence submitted to the Commission and to the parties named therein:

"152. It is my allegation that the following firms and persons were, between January 1, 1960 and September 30, 1963, parties to a continuing agreement, contrary to section 32 of the Combines Investigation Act, to lessen competition unduly in the supply and installation of resilient flooring materials within the area of Metropolitan Toronto:

R.S.C. Bothwell Associates Limited

Barnett Floor Coverings Limited
formerly known as Duguid & Barnett Limited

Berkley Contracting Limited

Brooks Marble and Tile Company Limited

A. Buchanan Floor Coverings Limited

Commercial Tile Limited

Connolly Marble, Mosaic and Tile Company Limited

Knight Bros. Sales and Service Limited

R. Knight

Maple Leaf Floor Covering Limited

A. Mitchell

Montflex Inc.

Permanent Floor Laying Company Limited

Semple-Gooder & Company Limited

Terrazzo, Mosaic & Tile Company Limited

Trend Tile & Acoustic Limited

Tri-Tile Limited"

At the hearing held by the Commission the allegation against Berkley Contracting Limited was withdrawn by Counsel acting for the Director.

The evidence in the inquiry leaves no question as to the nature of the arrangements among resilient floor laying contractors who constituted "the group". The particular features and conduct of the arrangements varied to some extent over the period to which the inquiry relates, that is, from January 1960 to September 1963, but the design of the arrangements remained the same throughout the period. The objectives were the raising of prices of contracts for the laying of resilient floor tiles in the Metropolitan Toronto area, by the allocation of jobs among participating firms, and the protection of bids made by the firms to which jobs were assigned on account of most favourable tenders.

The purpose of the arrangements was the elimination of competition among the members of the group and, to the extent that they supplied the industrial market in Metropolitan Toronto, to eliminate competition in this market. The objectives of the arrangements clearly involved an undue restriction of competition and a detriment to the public interest in free competition.

In preceding chapters of this report it has been pointed out that the industrial market in the Metropolitan Toronto area for the supply and installation of resilient floor tiles is not capable of being exactly delineated so as to segregate the business done in this market from the business of supplying and installing resilient floor tiles for other classes of construction or repair work. This is not to say, however, that the supply and installation of resilient floor tiles on construction work which is described as industrial or commercial is not distinguishable from other types of projects in which such materials and installation work are required.

The members of the group are, after all, most knowledgeable about their own business affairs. The persistence with which they sought their objectives and revised their agreements when various factors tended to

diminish the continuing operations of the group clearly shows that they recognized the existence of the industrial market in which they sought to apply their arrangements.

The principal distinguishing feature of the industrial market was that it included those operations over which jurisdiction was claimed by Local 2965 of the Resilient Floor Workers Section of the Toronto and District Council of Carpenters and Millmen, United Brotherhood of Carpenters and Joiners of America, A.F.L.-C.I.O.

The limits of the industrial market were largely determined by the power of Local 2965 to require the employment of its members and by the actions of general contractors holding union agreements to insist that sub-contractors employed by them also were parties to union agreements. It is true that there were some construction jobs where the situation was indeterminate -- that is, the laying of resilient floor tiles might be undertaken by a non-union or union sub-contractor. The existence of such borderline cases did not detract from the fact that a very large number of jobs, particularly those involving substantial costs, could only be completed by sub-contractors employing members of Local 2965. If this had not been the situation the formation and activities of the group of flooring contractors would have been meaningless. Clearly there existed a market area in which agreements upon prices, the protection of bids and the allocation of preferred positions to tender could restrain competition, raise prices and produce a sharing of business among members on an agreed basis. That such expectations were not fully realized during the period when the arrangements were in effect does not make the purposes of the arrangements any less objectionable from the viewpoint of their intended effect. The persistence with which activities were pursued shows that participants felt that results were being secured in the raising of prices and the securing of business. One indication of this is the frequency with which meetings were held when schemes of allocation were being most actively applied. Another is the efforts which were made to have outside firms join the group when their bidding created difficulties in the application of the allocation system.

The amount of business which was secured by firms having agreements with Local 2965 was of substantial proportions. In the period from April to September 1963, contracts for the laying of resilient floor tiles in the Metropolitan Toronto area amounting to over one million dollars were awarded to firms with union agreements. Of this total, over 70 per cent represented contracts secured by members of the group and less than 30 per cent by union firms not members of the group. As indicated in an earlier section of this report, the number of jobs awarded to members of the group constituted almost 80 per cent of the total.

For all firms represented in the group, except Montflex and Permanent, the nature of participation in the pricing and business sharing arrangements has nothing which requires individual examination and appraisal. It is necessary to give further attention to the positions of Montflex and Permanent because of the relationship between the representatives at meetings of the group and the senior management of the respective companies.

In the case of Montflex, Mr. W.J. Reid, who represented the company at group meetings, was not an officer of the company and quotations which he prepared were subject to approval by the head office in Montreal. The same situation existed with respect to other decisions made on behalf of the company by Mr. Reid. At the same time Mr. Reid was established by the company as its Ontario representative and the person who dealt with contractors and others in bidding for jobs and in carrying out contracts. Mr. Reid testified that his participation in the activities of the group was done without the knowledge of the company's head office, and the President of Montflex testified that had he known of Mr. Reid's activities in this connection he would not have approved of them. There can be no question that the fact that Montflex was represented at group meetings made the arrangements more effective than they would have been otherwise, and in view of the position of Mr. Reid in representing the company in Ontario, his actions must be taken to have involved Montflex.

The participation of the representative of Permanent in the activities of the group is similar in

some respects and different in others to that of Montflex. Permanent was set up to be primarily a service company, assisting its parent company, Simpson's and also Simpsons-Sears, in the development of resilient flooring contracts and in their completion. Mr. A. Mitchell, who had the title of Sales Manager of Permanent, had the responsibility of conducting the day-to-day operations of Permanent. Acting on his own initiative, Mr. Mitchell began to attend meetings of the group as a representative of Permanent some time in 1961. Although he was unable at group meetings to give information about the prices which Simpson's or Simpsons-Sears would quote on jobs for which these companies would submit tenders, Mr. Mitchell was able to indicate the jobs in which they were interested. This information enabled the group to pursue the joint arrangements in a much more effective way than would have been possible without the participation of Mr. Mitchell. According to Mr. Mitchell's evidence, in December 1961, when the President of Permanent became aware of Mr. Mitchell's participation in the group's activities, he instructed him not to attend group meetings. However, Mr. Mitchell attended some meetings of the group in 1962 and 1963 and was informed of the actions of the group on other occasions by Mr. Duguid of Duguid and Barnett, who also represented Mr. Mitchell at group meetings. The action taken by the President of Permanent was, therefore, not effective in eliminating Mr. Mitchell's participation in the activities of the group, and Permanent's collaboration in the group arrangements continued to play its part. In the circumstances it cannot be held that this consequence of Mr. Mitchell's actions was affected by the ineffective step taken by the President of Permanent in instructing Mr. Mitchell not to attend meetings of the group.

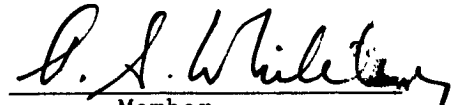
In the opinion of the Commission the firms represented at the meetings of the group had sufficient control of the market to exercise substantial influence upon the market and did, in fact, have a substantial influence upon the market.

The arrangements did not relate only to one or more of the matters specified in subsection (2) of section 32 of the Combines Investigation Act. These

arrangements which the group attempted to carry out involved restraint of competition, raising of prices, and allocation of business in a manner and to an extent which was detrimental to the public interest.


Chairman


Vice-Chairman


Member

Ottawa,
June 19, 1968.

APPENDIX

WITNESSES EXAMINED IN THIS INQUIRY

Pursuant to section 17 of the Combines Investigation Act, the following witnesses were examined upon oath:

October 22 and 23, 1963, at Toronto, Ontario -

Mr. Harold A. Walker	Secretary-Treasurer, Versa-Tile Limited.
Mr. Douglas Reid	Owner and Manager, Reid & Sons Resilient Flooring Contractors.
Mr. Donald H. Campbell	Former Manager, Trend Tile & Acoustic Limited.

January 7-10, 1964, at Toronto, Ontario -

Mr. Arthur L. Weaver	Sales Manager, Terrazzo, Mosaic & Tile Company Limited
Mr. J.A. Buchanan	President, A. Buchanan Floor Coverings Limited.
Mr. Thomas Warrington	Sales Manager, Connolly Marble, Mosaic and Tile Company Limited
Mr. Harold A. Walker	(Recalled)
Mr. Bernard S. Pike	Secretary-Treasurer, Tri-Tile Limited.
Mr. J.W. Babiak	Managing Director and Vice-President, Semple-Gooder & Company Limited.

Mr. J.D. Foster	Former Sales Manager, Brooks Marble & Tile Company Limited.
Mr. J.L. Skuce	Treasurer, R.S.C. Bothwell Associates Limited.
Mr. Royce T. Knight	Proprietor, R. Knight Floor Covering.
Mr. W.J. Reid	Ontario Manager, Montflex Incorporated.

January 13-17, 1964, at Toronto, Ontario -

Mr. Peter T. Underwood	Former Manager, Commercial Tile Limited.
Mr. Charles J. Duguid	President, Duguid and Barnett Limited.
Mr. Joseph Behr	President, Maple Leaf Floor Covering Limited.
Mr. C.C. Knight	President, Knight Bros. Sales & Service Limited.
Mr. W.D. Barnett	Secretary-Treasurer, Duguid and Barnett Limited.
Mr. H.K. Scott	Combines Investigation Officer.
Mr. Andrew Mitchell	Sales Manager, Permanent Floor Laying Company Limited.

Mr. Michael Scanlon	Business Representative, Local 2965, Resilient Floor Workers Section of the Toronto and District Council of Carpenters and Millmen, United Brotherhood of Carpenters and Joiners of America, A.F.L.-C.I.O.
Mr. E.L. Brodey	President, Tri-Tile Limited.

July 21 and 22, 1967, at Toronto, Ontario -

Mr. G. Robert McMurdo	Sales Manager, Berkley Contracting Limited.
Mr. J.C. Stradwick, Sr.	Director, Stradwick's Limited.
Mr. Peter Thorne	Chief Estimator, Brooks Marble & Tile Company Limited.
Mr. Michael Scanlon	(Recalled)

WITNESSES AND APPEARANCES AT THE HEARING
BEFORE THE COMMISSION

October 31, November 1 and 2, 1967, at Toronto, Ontario -

Witnesses

Mr. G. Robert McMurdo	Berkley Contracting Limited
Mr. W.M. Howson	Yolles & Rotenberg Limited
Mr. Walter Walsh	Vice-President of Sales, L. & G. Floor Coverings.

Mr. J.A. Buchanan

A. Buchanan Floor
Coverings Limited.

Mr. R.A. Savage

General Manager for
Canada of the Contract
Division,
The Robert Simpson
Company Limited,
President and General
Manager,
Permanent Floor
Laying Company Limited.

Mr. J.A.E. Montminy

President,
Montflex Incorporated.

Mr. W.J. Reid

Formerly with
Montflex Incorporated
Toronto, Ontario.

Counsel

Representing

Mr. B.J. MacKinnon, Q.C.
Mr. J.P. Terry

Semple-Gooder &
Company Limited

Mr. E.R. Pepper, Q.C.

Tri-Tile Limited
A. Buchanan Floor
Coverings Limited,
Knight Bros. Sales
& Service Limited.

Mr. J.T. Skells, Q.C.

Montflex Incorporated

Mr. R.M. Loudon

R.S.C. Bothwell
Associates Limited,
Terrazzo, Mosaic &
Tile Company Limited.

Mr. F.S. Fisher

Brooks Marble &
Tile Company Limited

Mr. Gordon Tinker

Duguid and Barnett
Limited

Mr. A.M. Austin
Mr. G.J. Smith
Miss E. Burnham

Berkley Contracting
Limited

Mr. D.H. Lissaman

Connolly Marble,
Mosaic and Tile
Company Limited

Mr. H.L. Morphy
Mr. R.W. Torrens

Permanent Floor Laying
Company Limited

The Director of Investigation and Research
was represented by:

Mr. S.F. Sommerfeld
Mr. A.G. Powell
Mr. D.J.T. Graham

DATE DUE

INDUSTRY CANADA/INDUSTRIE CANADA



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