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BUSINESS FORMS

RESTRICTIVE TRADE PRACTICES COMMISSION
DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS
CANADA

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no. 50

Canada
RESTRICTIVE TRADE PRACTICES COMMISSION

✓ BUSINESS FORMS

Report in the Matter of an Inquiry
Relating to the Production, Manufacture, Sale or Supply
of Printed Forms and Related Articles

Ottawa
1970

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RESTRICTIVE TRADE PRACTICES COMMISSION

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RESTRICTIVE TRADE PRACTICES COMMISSION

OTTAWA

May 11, 1970.

The Honourable Ron Basford, P.C., M.P.,
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: "Business Forms".

This report follows from an inquiry carried out under the Combines Investigation Act relating to the production, manufacture, sale or supply of printed forms and related articles.

Yours very truly,



Robert S. MacLellan,
Chairman.

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CHAPTER 1

THE BUSINESS FORMS INDUSTRY IN CANADA

1. Description of Business Forms

One of the outstanding features of modern business activity is the importance of written records. Sometimes there is fear that record keeping creates so much "paper" that business will be overwhelmed in time by the amount of "paper work". At the same time it is recognized that better systems of record keeping have greatly facilitated business operations and have permitted activities on a scale which would not be possible without modern means of recording details of all kinds.

The production of business forms has thus become a substantial industry in Canada which continues to adapt its products to the varying and changing needs of its customers.

The largest manufacturer of business forms in North America, Moore Corporation, Limited, had its origins in Canada. In 1882, Samuel J. Moore, of Toronto, secured patent rights for the production and sale of a duplicating type of counter sales book which utilized for the first time a means of making a carbon copy of a sales record.

This inquiry is not concerned with sales books but with other types of manifold business forms which are generally classified as follows:

- (1) Unit set forms
- (2) Continuous forms
- (3) Register forms

The first business machine to use manifold business forms, the autographic register, was introduced in North America before the end of the nineteenth century. However, it did not become an efficient business machine until 1912 when The Standard Register Company of Dayton, Ohio, developed the equipment for efficiently feeding marginally punched continuous forms through business machines. Since that time the development of business forms and the equipment for their production and use have proceeded concurrently.

As long as records were mostly handwritten, emphasis was placed on the development and refinement of the sales book and the autographic register forms. Once the trend toward mechanized office procedures set in the emphasis shifted toward the development and refinement of continuous forms and unit set forms. In the post-war period both types of forms experienced very large increases in demand. The rate of advance was greatest for unit set forms in the period up to 1960 and for continuous forms in the subsequent period. Demand for the latter has been spurred on by the development of computers and electronic data processing which record their results on business forms.

Because of the complex types of business forms a full description would require the elaboration of technical details which will not be given here. In brief, it may be said that a unit set form (sometimes called "snap-out sets") is a multiple part form, plain or printed, made up as an individual set, which may be separated into its components without handling the carbon. In more sophisticated form a unit set may contain a copy that can be used as a direct input into a computer.

Continuous forms, as the name implies, are a continuous strip of forms, in single or multiple arrangement, and may be plain or printed. The sets are usually detachable at cross perforations and are supplied in folded packs. Marginal holes punched on the forms and various fastening techniques permit the high-speed feeding of the forms through automatic equipment. Continuous forms are utilized in many types of machines, including typewriters, tabulating and billing machines and high-speed printers of computers.

Register forms, as has already been indicated, were developed for use in any type of counter or portable autographic register.

Business forms may be manufactured as a custom or stock product. Stock forms are standard forms produced in advance of a particular order. Because of the particular needs of individual business firms manifold forms are largely produced on a custom basis which accounts for more than 70 per cent of the industry's sales volume.

2. Manufacturers of Business Forms

Statistics relating to business forms are published by the Dominion Bureau of Statistics in

its publications on the Commercial Printing Industries. For the year 1965, over 200 establishments reported shipments of continuous forms, register forms and unit set forms. Many commercial printers can manufacture some types of business forms on their equipment but the combined production of business forms by such firms forms a minor part of the total output of such forms in Canada. The major production of manifold business forms is carried on in the plants of firms which specialize in this activity and which use equipment especially designed for the manufacture of such forms.

Prior to 1962, the Dominion Bureau of Statistics did not publish separate statistics for the three classes of business forms (unit set, continuous forms, register forms) which have been described above. Moore Corporation, Limited prepared estimates of the annual sales of various types of manifold business forms in Canada based on information which the company was able to obtain. The table below has been constructed from the statistics compiled by Moore Corporation, Limited for years prior to 1962 and from those of D.B.S. for 1962 and subsequent years.

TABLE 1

Value of Shipments of Register Forms,
Continuous Forms and Unit Set Forms in Canada
1949 - 1967

<u>Year</u>	<u>Register Forms</u>	<u>Continuous Forms</u>	<u>Unit Set Forms</u>	<u>Total</u>
1949	\$ 2,062,000	\$ 3,214,000	\$ 2,740,000	\$ 8,016,000
1950	2,472,000	4,258,000	3,906,000	10,636,000
1951	2,654,000	5,105,000	4,999,000	12,758,000
1952	3,075,000	5,472,000	5,932,000	14,479,000
1953	3,320,000	5,948,000	6,773,000	16,041,000
1954	3,343,000	6,235,000	7,737,000	17,315,000
1955	3,659,000	7,219,000	9,226,000	20,104,000
1956	4,028,000	8,667,000	11,039,000	23,734,000
1957	4,199,000	9,116,000	11,737,000	25,052,000
1958	4,222,000	10,052,000	13,493,000	27,767,000
1959	4,336,000	11,216,000	15,755,000	31,307,000
1960	4,257,000	12,144,000	16,341,000	32,742,000
1961	4,163,000	13,178,000	17,672,000	35,013,000
1962	4,509,000	18,516,000	18,022,000	41,047,000
1963	5,658,000	20,068,000	18,594,000	44,320,000
1964	5,909,000	23,515,000	21,324,000	50,748,000
1965	5,648,000	27,028,000	23,716,000	56,392,000
1966	6,678,000	31,971,000	29,119,000	67,768,000
1967	7,457,000	36,246,000	30,837,000	74,540,000

Sources: 1949-1961 - Reports prepared by Moore Corporation, Limited entitled "An Analysis of Competition. The Manifold Business Forms Industry."

1962-1967 - D.B.S. reports.

CHAPTER II

THE INSTITUTE OF BUSINESS FORM MANUFACTURERS

1. The Original Agreement, 1942

The Institute of Business Form Manufacturers, hereinafter called the "Institute", was formed by a formal agreement in January 1942 between C.B. Taylor (designated as "the Secretary") and seven companies manufacturing business forms, of which three companies were operating subsidiaries of Moore Corporation, Limited. One further company, with its head office in the Province of Quebec, became a party to the agreement in 1944. In the original agreement the Institute was designated The Institute of Continuous Form Manufacturers which name was changed to The Institute of Business Form Manufacturers in 1963.

The agreement made in 1942, the terms of which are set out in Appendix A, may be summarized as follows:

1. Each manufacturer was required to file with the Secretary its current price list, specification of product and full information on terms to all classes of customers or agents. The Secretary was required to supply each member with all documents so filed.
2. Each manufacturer was required to advise the Secretary promptly of any changes in standard prices, specifications and terms.
3. The agreement stated that nothing in it shall prevent a member from departing from its standard prices, specifications and terms whenever it may see fit to do so.
4. Before making such departure, the member was required to inform the Secretary by telephone of the name of the customer and give specific and full particulars of the alteration in prices, specifications or terms. Such departure was to constitute a "special filing" and be confirmed in writing.
5. Any member could request information

from the Secretary as to "special filings" provided the member furnished the Secretary with full particulars as to the specification of the customer's inquiry or order. Such requests could be designated a "special request" and confirmed in writing and each "special filing" and "special request" would be effective for a period of three months subject to renewal.

6. Information obtained by the Secretary as a "special filing" could be released to members making a "special request".

7. Each manufacturer was required to send to the Secretary a monthly report of domestic sales of continuous forms and equipment. The Secretary would compile aggregate sales figures for all members and disclose to each member individually the percentage relationship of its sales to the aggregate.

8. The Secretary was entitled to make a special examination or audit at his discretion and to have access to all books and records, etc., of a member for such purpose. Reports of any breaches of the agreement were to be made to all members.

2. The 1948 Agreement

In 1948, the provision in the agreement requiring members to notify the Secretary before departing from standard prices, specifications or terms was amended to require members to provide such information upon the final closing of the transaction. The wording of the amendment is set out in Appendix B.

3. Original Membership of the Institute

The original parties to the agreement of 1942 were:

- (1) Burt Business Forms Limited (now Moore Business Forms Ltd.)
- (2) Business Systems, Limited (now part of R.L. Crain Limited)
- (3) Crain Printers Limited (now R.L. Crain Limited)

- (4) Egry Register Co. (Canada) Ltd. (now Anthes Business Forms Limited)
- (5) National Sales Check Book Co. Ltd. (now part of Moore Business Forms Ltd.)
- (6) Western Sales Book Co. Limited (now part of Moore Business Forms Ltd.)
- (7) Autographic Register Systems Limited (now Autographic Business Forms Limited)
- (8) C.B. Taylor

Savoy's Continuous Forms Limited (now Savoy Business Forms Limited) signed the agreement in July, 1944. There were no changes in membership until June, 1949 when Systems Equipment Limited, of Winnipeg, became an associated company and continued on this basis until November, 1955 when it signed the agreement. In January, 1961 Systems Equipment Limited resigned from the Institute but rejoined in January, 1965 when the Western Division of the Institute was formed, a development described below.

Keystone Press Ltd. of Vancouver, a company which surrendered its charter in 1964, was a member of the Institute from 1950 to 1954.

4. Products Embraced in the Agreement

The original agreement applied to "continuous forms" and "equipment". The latter was defined as counter and portable registers, auxiliary form handling or feeding devices and attachments to office equipment for the purpose of continuous form operations. During 1951 and 1952 the filing of price lists of snap-out sets was brought within the agreement and the Secretary was instructed to make inquiries in regard to specific complaints on closed business.

5. Expansion of Institute Membership

In the immediate post-war period members of the Institute produced practically all the manifold business forms, apart from sales books, used in Canada. The rapidly increasing demand for business forms in the 1950's led to the entrance of new suppliers. Some of these developed out of existing printing firms and others were new enterprises organized by persons who had had previous experience with the Institute members.

Until the beginning of the 1960's membership in the Institute remained practically unchanged except for the membership for a period of a Winnipeg firm. In September, 1963, Mr. S.B. Pollard, who had been General Sales Manager of the Eastern Division of Moore Business Forms Ltd., became General Manager of Moore's Western Division. In his new position Mr. Pollard discussed with non-member manufacturers in the West the nature of the Institute's activities. Subsequently meetings were organized by the Institute Secretary in both Western and Eastern Canada to explain the nature of the Institute and to enlist non-member firms in the Institute. Evidence in the inquiry indicates that in 1964 and 1965 members of the Institute had at least 10 meetings with non-member firms. A Western Division of the Institute was organized in January, 1965 and with few exceptions manufacturers in Western Canada became members of the Institute.

Meetings were held with a group of manufacturers in Eastern Canada in 1964 and 1965. In minutes of meeting, Eastern Division of the Institute, September 29, 1965 the Secretary reported that 18 meetings had been held by both East and West during the past year. The minutes of meeting, March 23, 1965 contain the following:

"9. EXPANDED MEMBERSHIP:

The secretary felt two major items should be discussed, the first being the presentation to the Toronto meeting on April 8th. This will be the fifth meeting in five months with the new group and he felt the time had come when we should ask the group just what their intentions were. He stated all of the inquiry facilities had been offered the group.

At the second last meeting every one was aware of the tension in the air, however, the last meeting certainly indicated better spirits on everyone's part. The secretary felt everyone attending these meetings were realistic businessmen, that we had gotten to know them and it had been demonstrated that everyone could live together, we were now approaching the hour of decision.

The secretary outlined his experience with the Western Division, mentioning it had taken the first three meetings with the western members before really getting down to various programs, list interpretations and spelling out

complete association activities. He felt this was being paralleled here in Toronto and asked individual member representatives to express their feelings.

Mr. E. Prime speaking for R.L. Crain felt it would take a little while for the new group to become assimilated. Naturally, he would like to see progress; he felt that the new group had had plenty of time now and there was certainly no reason not to ask for an expression on their part at the April 8th meeting. He felt we would have a majority, that at least 4 or 5 of the new group would be ready to sign now.

. . . ."

Table 2 shows membership in the Institute up to the time of the inquiry with the year from which membership dates.

TABLE 2

Membership in The Institute of Continuous Form
Manufacturers and Its Successor
The Institute of Business Form Manufacturers

<u>Name</u>	<u>Location of Head Office</u>	<u>Period of Membership</u>
Moore Business Forms Ltd.	Toronto, Ont.	From 1942
R.L. Crain Limited	Ottawa, Ont.	1942
Anthes Business Forms Limited (name changed from Egry Business Systems Limited in 1964)	Toronto, Ont.	1942
Autographic Business Forms Limited	Montreal, Que.	1942-1967
Business Systems Limited (acquired by R.L. Crain Limited in 1959)	Toronto, Ont.	1942-1959
Savoy Business Forms Limited	St. Jean, Que.	1944
Keystone Press Ltd. (surrendered charter in 1964)	Vancouver, B.C.	1950-1954
Systems Equipment Limited	Winnipeg, Man.	1955-1961 1965 (rejoined)
Western Business Forms Limited	Winnipeg, Man.	1964
Continuous Forms (Saskatchewan) Ltd. (acquired by Western Business Forms Limited in 1966)	Regina, Sask.	1964-1966

<u>Name</u>	<u>Location of Head Office</u>	<u>Period of Membership</u>
Keystone Business Forms Limited	Vancouver, B.C.	From 1964
Continuous Forms (Alberta) Ltd.	Calgary, Alta.	1964
Comset Business Forms Ltd.	Edmonton, Alta.	1965
Continuous Forms & Envelopes Limited	London, Ont.	1965
Pakfold Continuous Forms Limited	Niagara Falls, Ont.	1965
Data Business Forms Limited	Malton, Ont.	1965

Moore Business Forms Ltd. and R.L. Crain Limited are members of both Eastern and Western Divisions of the Institute.

Table 3 shows the share of the Canadian market for business forms represented by the aggregate sales of members of the Institute from 1950 to 1965. For the period 1950-1961 the percentages were derived from the statistics compiled by Moore Corporation, Limited referred to earlier. The percentages for the remaining years were based on D.B.S. reports and the statistics compiled by the Institute.

TABLE 3

Sales of Institute Members as Percentages of
Total Sales of Business Forms in Canada
1950 - 1965

<u>Year</u>	<u>Register Forms %</u>	<u>Continuous Forms %</u>	<u>Unit Set Forms %</u>	<u>The Three Forms Combined %</u>
1950	99	98	96	97
1951	98	97	91	95
1952	98	96	89	93
1953	97	95	83	90
1954	96	95	81	89
1955	94	93	80	87
1956	92	92	76	85
1957	90	90	74	82
1958	87	89	73	81
1959	86	87	73	80
1960	82	86	70	77
1961	78	83	67	74
1962	73	69	70	70
1963	57	68	71	68
1964	55	67	69	66
1965	69	71	78	74

Sources: 1950-1961 - Reports prepared by Moore Corporation, Limited entitled "An Analysis of Competition, The Manifold Business Forms Industry."

1962-1965 - D.B.S. reports and Institute statistics.

It will be noted that with some minor deviations the share of the market represented by sales of the Institute members declined each year from 1950 to 1964 as new producers of business forms entered the Canadian market. The recruitment of some of these new producers as members of the Institute resulted in a reversal of the trend in 1965.

6. Description of Institute Member Firms

Moore Business Forms Ltd. (Moore)

Moore Business Forms Ltd. is a wholly-owned Canadian operating subsidiary of Moore Corporation, Limited which also has wholly-owned subsidiaries in the United States, Mexico and Puerto Rico. The parent company has substantial investments in business forms companies in Great Britain, Japan and El Salvador.

Various changes in corporate names and structure have been made over the years which will not be detailed here. Some of these changes with respect to membership in the Institute have been mentioned.

Moore manufactures a wide variety of continuous forms, unit set forms and register forms in plants at the following locations:

Toronto, Ontario	Beauceville, Quebec
Fergus, Ontario	Cowansville, Quebec
Kemptville, Ontario	Winnipeg, Manitoba
Vancouver, British Columbia	

Moore has more than 50 sales offices covering all of Canada which are operated under an Eastern and Western Division. The head office of the Eastern Division is in Toronto and that of the Western Division in Winnipeg.

Through the parent company Moore has access to equipment manufactured by press-making subsidiaries.

R.L. Crain Limited (Crain)

The company was incorporated under Dominion charter as Crain Printers Ltd. on February 20, 1913 to take over the business established in 1894 by R.L. Crain. The company was initially engaged in the printing business and in 1915 continuous business forms were introduced. Since 1934 the operations have been almost completely devoted to business forms. The name of the company was changed to R.L. Crain Limited in 1945. In February, 1959, the company acquired all the common shares of Business Systems Limited.

Crain's three plants are located in Ottawa, Ontario, Don Mills, Ontario (replacing the Toronto plant acquired in the Business Systems Limited merger) and Hull, Quebec. It manufactures and sells a complete line of continuous forms, unit set forms and register forms. The company has 21 sales offices and its salesmen cover all of Canada. Its head office is in Ottawa, Ontario.

Crain has had a technical know-how agreement with The Standard Register Company of Dayton, Ohio.

Autographic Business Forms Limited (Autographic)

The company was incorporated on August 10, 1920 as Autographic Register Systems Limited under the laws of Canada. The name was changed to Autographic Business Forms Limited in 1954. In December, 1965, Southam Press Limited acquired control of the company by purchasing its outstanding shares of common stock. Effective January 1, 1966 the business, property and assets of the company were sold to The Southam Printing Company Limited, a fully-owned subsidiary of Southam Press Limited, and the company became inactive. Southam-Autographic, a division of The Southam Printing Company Limited, has carried on the business form manufacturing operations of Autographic Business Forms Limited.

Southam-Autographic manufactures continuous forms, unit set forms and register forms at its plant in Candiac, Quebec which replaced the old plant in Montreal. Sales offices are located in Montreal and Toronto, with resident salesmen in Quebec City, Sherbrooke and Lucerne, Quebec. In the rest of Canada Southam-Autographic sells business forms through agents. The head office of the company is in Montreal, Quebec.

Southam-Autographic did not sign an agreement with the Secretary of the Institute but honoured the agreement signed by Autographic Business Forms Limited until it terminated membership in March, 1967.

Anthes Business Forms Limited (Anthes)

Anthes Business Forms Limited was incorporated as Egly Register Company (Canada), Limited on February 1, 1924 under the laws of Ontario. The name of the company was changed to Egly Continuous Forms Limited in 1942, to Egly Business Systems Limited in 1962 and to Anthes Business Forms Limited in 1964. All issued and outstanding shares of the company, originally held by the Egly Register Company of Ohio, U.S.A., were

purchased by Office Specialty Limited on January 28, 1966. Office Specialty Limited is a wholly-owned subsidiary of Anthes Imperial Limited.

The company has one plant in Toronto manufacturing register forms, unit set forms and continuous forms and two sales offices - one in Toronto covering Southern Ontario and one in Montreal covering the Island of Montreal. The head office of the company is in Toronto, Ontario.

Savoy Business Forms Limited (Savoy)

The company was incorporated on January 29, 1940 under the laws of Canada as Form Printers Limited. The name was changed to Savoy's Continuous Forms Limited in 1944 and to Savoy Business Forms Limited, Les Formules commerciales Savoy Limitée in 1963. The company manufactures register forms, continuous forms and unit set forms at its plant in St. Jean, Quebec. It has three sales offices covering the Provinces of Quebec and Ontario and its head office is in St. Jean, Quebec.

Systems Equipment Limited (Systems Equipment)

The company was incorporated under the laws of Canada on March 14, 1922. In 1947 the company was granted the agency for Western Canada for marketing register forms manufactured by Autographic of Montreal. The agency was dropped in 1959. The company manufactures a limited size range of register forms, continuous forms, and unit set forms in its Winnipeg plant and the new Toronto (1967) plant. Twelve sales offices cover Canada from British Columbia to the Montreal area. Its head office is in Winnipeg, Manitoba.

Western Business Forms Limited (Western Business Forms)

The company was incorporated on January 27, 1959 under the laws of Manitoba. Bulman Bros. Limited and Stovel-Advocate Press Limited each have a 50 per cent equity in the company. Stovel-Advocate Press Limited is a subsidiary of Lawson & Jones Limited, a printing company in London, Ontario. In February, 1966 the company purchased the assets of Continuous Forms (Saskatchewan) Ltd. The company manufactures continuous forms, unit set forms and register forms at its plants in Winnipeg and Regina. The company's principal market is Manitoba, Saskatchewan and Alberta. Its head office is in Winnipeg, Manitoba.

Keystone Business Forms Limited (Keystone)

The company was incorporated under the name of Continuous Forms Limited on November 10, 1949 under the laws of British Columbia. The name was changed in 1954 to Keystone Business Forms Limited. The company manufactures continuous forms and unit set forms in its Vancouver plant. Its principal market is Vancouver and the lower mainland of British Columbia which is serviced by its sales staff. The company also has agents on Vancouver Island and in Alberta. The head office is in Vancouver, British Columbia.

Continuous Forms (Alberta) Ltd. (Continuous Alberta)

The company was incorporated as Evergreen Press (Alberta) Ltd. under the laws of Alberta. On August 21, 1961 the shares of the company were purchased by Western Printing and Lithographing Co. Ltd. of Calgary (a subsidiary of Lawson & Jones Limited of London, Ontario). In December 1961 the name of the company was changed to Continuous Forms (Alberta) Ltd. In 1965 Continuous Forms & Envelopes Limited of London, Ontario (another Lawson & Jones subsidiary) acquired a one-third interest in the company. The company manufactures continuous forms, unit set forms and register forms at its plant in Calgary, Alberta. The company has two sales offices in Alberta and its head office is in Calgary.

Comset Business Forms Ltd. (Comset)

The company was incorporated on January 31, 1956 under the laws of Alberta. The company manufactures continuous forms and unit set forms at its plant in Edmonton. The principal market is the Edmonton area. The head office is in Edmonton.

Continuous Forms & Envelopes Limited
(Continuous Forms & Envelopes)

The company was incorporated on August 24, 1949 under the laws of Ontario. The name of the company was changed from Quality Paper Products Inc. to Continuous Forms & Envelopes Limited in October 1958. Just prior to that time equipment for the manufacture of forms and envelopes had been purchased from the John Dickinson Company in Hamilton. A new plant was built in London to house machines and the manufacturing operation began in October 1958. Since that time the business form operation has continued to expand, but envelope manufacture was discontinued in

January 1961 with the sale of envelope equipment to Globe Envelopes Ltd. A subsidiary company, Continuous Forms (Saskatchewan) Ltd., was established in Regina in June 1963. This company was later sold to Western Business Forms Limited of Winnipeg on January 31, 1966.

The company which is a wholly-owned subsidiary of Lawson & Jones Limited of London, Ontario manufactures register forms, unit set forms and continuous forms in its plant in London, Ontario. Two sales offices service Southern Ontario and the Metropolitan Toronto area. The rest of Canada is covered by dealers, jobbers and independent agents. The head office is in London, Ontario.

Pakfold Continuous Forms Limited (Pakfold)

The company was incorporated under Ontario laws on June 19, 1952. The company controls Pakfold Western Limited of Brandon, Manitoba, a company incorporated under Manitoba laws. Pakfold Western Limited manufactures only register forms for the market from the "Head of the Lakes" to British Columbia. The company manufactures mainly register forms and unit set forms at its plant in Niagara Falls, Ontario. Pakfold does not employ salesmen but sells through dealers (mostly printers and stationers) anywhere in Canada. The head office of the company is in Niagara Falls, Ontario.

Data Business Forms Limited (Data)

The company was incorporated on December 9, 1959 under the laws of Ontario. The company manufactures continuous forms and unit set forms at its plant in Malton, Ontario. It has four sales offices covering Metropolitan Toronto, Montreal, Ottawa and Hamilton. The head office is in Malton, Ontario.

7. Market Position of Moore and Crain

Over the years Moore and Crain have been the outstanding firms in the business forms industry in Canada and the most important members of the Institute. In 1964 the combined sales of Moore and Crain accounted for 90 per cent of the total sales of all members of the Institute. In the following year, 1965, when new firms had joined the Institute, sales of Moore and Crain constituted 83 per cent of the total sales of all members.

Table 4 shows the share of the market in Canada held by Moore and Crain in 1951, 1959 and 1965 and their combined position. The calculations have

been based on data contained in the sources referred to in connection with Table 3.

TABLE 4

Sales of Moore Business Forms Ltd. and
R.L. Crain Limited as Percentages of
Total Sales of Business Forms in Canada

	<u>1951</u> %	<u>1959</u> %	<u>1965</u> %
<u>Register Forms</u>			
Moore	46	42	33
Crain	27	18	12
Moore and Crain Combined	73	60	45
<u>Continuous Forms</u>			
Moore	31	39	33
Crain	49	43	32
Moore and Crain Combined	80	82	65
<u>Unit Set Forms</u>			
Moore	62	48	45
Crain	1	11	17
Moore and Crain Combined	63	59	62
<u>Register Forms, Continuous Forms and Unit Set Forms Combined</u>			
Moore	46	44	38
Crain	26	23	24
Moore and Crain Combined	72	67	62

8. Statistical Services of the Institute

As has already been shown, the Institute agreement provided for the monthly reporting of sales by members and for monthly reports by the Secretary of aggregate sales and the disclosure to each member of its market share. Until 1959 the members supplied the Secretary with sales figures for register forms and continuous forms. Toward the end of 1958 it was decided to add snap-out sets to the series. Commencing in January 1959 members supplied the Secretary with separate sales figures for register forms, continuous forms and snap-out sets. In addition, the following information was furnished for each product class:

(a) the number and dollar value of incoming

orders at full list price,

- (b) the number and dollar value of incoming orders discounted and the amount of the discount.

From the information furnished by members the Secretary compiled monthly and cumulative aggregate figures for shipments in each product class and, for incoming orders, the number and value at full list price, the number and value of discounted orders and percentages of:

- (a) the number of discounted orders to the total number of orders,
- (b) the list value of discounted orders to the list value of all orders,
- (c) the amount of discount to list value of discounted orders,
- (d) the amount of discount to list value of all orders.

The market shares were calculated for each reporting company and submitted to each member individually, together with the company's own ratios for discounted orders.

When the Western Division of the Institute was formed the Western members did not report incoming orders and only received information on the value of monthly shipments. The Eastern members continued to report both shipments and discounted orders.

9. The Secretary of the Institute

The Secretary of the Institute provided the means for the exchange of price and statistical information among members. He drew up the agenda for meetings, acted as Chairman at meetings and wrote up the minutes. The original Secretary of the Institute was C.B. Taylor, a public accountant and proprietor of C.B. Taylor & Associates, a management consultant firm. Mr. C.B. Taylor continued to act as Secretary until overcome by illness which led to his death in June, 1966. During C.B. Taylor's illness, his son, J.R. Taylor, assumed the responsibilities of the Secretary of the Institute. After his father's death, J.R. Taylor became proprietor of C.B. Taylor & Associates and continued to act as Secretary of the Institute.

Mr. J.R. Taylor began working for his father in 1952 and became responsible for the statistical services provided for the Institute in 1955. About a year later J.R. Taylor took over registration and investigation procedures of the Institute and would chair the portion of Institute meetings dealing with these matters. In 1960 J.R. Taylor began writing up the minutes of the Institute meetings. The minutes do not contain any references to discussions taking place at meetings of the Institute when information about investigations was tabled. In regard to such discussions J.R. Taylor said:

"A. Certainly there was heated discussion but invariably it was short and ruled out of order."

Other witnesses testified that the member who considered that he had lost business previously held would question the taking of business at a discounted price.

10. Individual Agreements, 1964-1965

The original agreement was a joint agreement between the manufacturers and C.B. Taylor. With the expansion in membership in the Institute in 1964 and 1965 the original agreement, as amended in 1948, was replaced by a separate agreement between each member and C.B. Taylor & Associates. A copy of the agreement executed in 1965 by Moore is reproduced in Appendix C. The basic wording of the new agreements was practically the same as the amended 1942 agreement. In the new agreements "the Secretary" is replaced by "the Secretariat" and provision is made for an "Eastern Division" and a "Western Division". The provision with respect to "special filings", as amended in 1948, was enlarged by the addition of the following sentence: "Such special filings shall also be available to any other interested person."

Although made as individual agreements the new agreements contained the following provision: "Each counterpart of this Agreement shall have the same force and effect as if executed in one document."

CHAPTER III

THE EXCHANGE OF PRICE LISTS AMONG MEMBERS OF THE INSTITUTE

1. The Nature of Business Forms Price Lists

Price lists for business forms necessarily reflect the nature of the products covered. Business forms are products of a branch of the printing industry and the price lists must provide for the many variations which may be made in all elements of the product as well as the variations resulting from the quantities produced with any one setting of the printing machine or equipment. In Canada, only Moore and Crain have the resources to develop and maintain comprehensive price books. Smaller companies may produce price lists covering a limited range of products but even in such cases adaptations appear to have been made from the price books of the largest companies.

The price lists or price books of Moore and Crain contain separate sections for the different product classes - continuous forms, register forms and snap-out sets and run to hundreds of pages of text, tables and format examples. Such detail is necessary because a salesman in seeking business must devote considerable time to systems analysis and form design in order to offer a product which will meet the particular needs of the customer.

The price books of Moore and Crain reflect five levels of prices depending upon the amount of standardization that can be achieved in the final product. Stock forms which are manufactured in advance and require no additional processing except for the printing of the customer's name and address take the lowest price level. The second and third level of prices apply to "basic standard" and "special standard" forms respectively. These are semi-custom forms and offer a limited number of special features. "Basic custom" and "special custom" forms which have a wide range of special features take the two top levels of prices.

The product price lists of Moore and Crain contain the following subsections dealing with the distinctions mentioned in the foregoing paragraph:

- (1) Definitions and General Pricing Information

- (2) Special Custom and Basic Custom -
Deductions and Extras
- (3) Special Custom and Basic Custom -
Base Prices and Paper Extras
- (4) Special Standard and Basic Standard -
Deductions and Extras
- (5) Special Standard and Basic Standard -
Base Prices and Paper Extras
- (6) Stock Items

The following are among the factors embraced by "Deductions and Extras":

- (1) composition
- (2) paper
- (3) ink
- (4) grouping of two or more orders for
quantity discounts
- (5) sizes
- (6) quantities
- (7) numbering
- (8) punching
- (9) perforations
- (10) constructions
- (11) binding
- (12) carbons
- (13) packaging

The subsections in the price books dealing with "Base Prices and Paper Extras" embraced price information for various sizes of forms taking into account the number of parts in the form and the type of paper used.

2. Filing of Price Lists with the Institute

The evidence in the inquiry does not show what discussions preceded the filing of price lists when the Institute was first established. In the various meetings in both Eastern and Western Canada which resulted in the expansion of membership in the Institute in 1964 and 1965 there was considerable discussion of price lists. Some of the oral evidence relating to these discussions is not entirely clear and some witnesses placed different interpretations on discussions than did others. There is also a certain amount of documentary evidence of the discussions and when the written records are considered with the oral testimony considerable light is thrown on the nature of the discussions which led to the recruitment of new members and the filing of price lists by them.

As an encouragement to non-member companies to join the Institute the various services of the

Institute were made available to the outside companies as an introduction to its activities. These included the information as to "special filings" and copies of the current price lists of Moore and Crain. The offering of such price lists to non-member companies in Western Canada was mentioned in the Institute minutes of June 22, 1964 with reference to a report made by Mr. S.B. Pollard of Moore, of a meeting held in Winnipeg attended by three non-member companies and representatives of the Institute. The minutes contain the following:

". . .

The first day meeting was for the senior personnel only, the purpose of the meeting was to consider the desirability of a Business Form manufacturers association for both Manitoba and Saskatchewan. The meeting would determine the scope and function and services of the Association the first day.

There was an immediate evidence of a desire on the part of the principals present to improve the business forms industry in the Western regions. There was a pronounced feeling an association could restrict the opportunities for growth on the part of some members. However, it was pointed out there was far deeper discounts in the west and considerable progress could be made by introducing the group to association work. Certainly there was no harm in the principals sitting down from time to time and discussing immediate problems. In this way a deep trust and faith could be developed and certainly would improve the current situation. There would be nothing illegal at all in the proposed association. Certainly there was no formal agreement at the moment but this could be re-considered from time to time.

The second day was devoted to discussion on operational details so that those in attendance could operate on the principles stated around the table the previous day.

It was generally agreed while some representative companies did not have a price list as such, both R.L. Crain and Moore Business Forms Ltd. through the offices of C.B. Taylor and Associates would be very happy to send copies of their price lists to the other companies. In fact, a subsequent meeting of the operational staff of representative companies met on March 27th /* and an educational forum was held

/* It is established by other evidence that the date should be May 7th.

explaining both lists. It was the intent of the principals around the table that each would give further study to the problem of price lists and would either publish one of their own or adopt either the R.L. Crain or Moore Business Forms list, in other words they would announce their own price list in due course. The months of May and June were to represent a test period and a further meeting was scheduled for June 29 for a complete review of the two month operation."

The services offered to non-members at this time were described by Mr. J.R. Taylor as follows:

"Q. To go back to what you said, you said that non-members were being offered the facilities of the institute and you refer to investigation and registration. Would any other services be offered at the time?

A. Anything we had we would give them.

Q. So they were treated as if they were full members?

A. Yes.

THE CHAIRMAN:

Including sending forward the price lists of Moore or Crain, if they sought to have those price lists?

THE WITNESS:

That is a correct statement, Mr. Chairman. I am not saying that immediately following this meeting that these were available. What I think is applied here is the intent or availability -- certainly Moore and Crain would do their best to meet these commitments. In other words, if a company wanted a Moore or Crain list, all they had to do was ask for it through our offices and we would attempt to get a then current list for them.

THE CHAIRMAN:

This was part of the services being offered over and above the investigation and registration. It would not be registration at that time; it would be inquiries and investigation during the test period of May and June?

THE WITNESS:

That is correct, sir."

With reference to the discussions with non-member companies in Eastern Canada Mr. J.R. Taylor gave the following evidence:

". . . basically this is a meeting of members and non-members representing the business forms industry. This question of price lists certainly was discussed at great length. It was apparent that we had basically three or four lists, we had Moore, we had Crain, we had Autographic, and we had Egry, at that point in time. Now, the inference that these non-members were expected to adopt a Moore or Crain list or whatever list, is incorrect. Let me say this: C.B. Taylor & Associates had no wish to direct any person present to thinking that he must adopt a list. In fact this is incorrect, it is not true. At that meeting all that was asked as far as an expression of opinion at the next meeting, was whether or not they would in fact be in a position to say categorically 'Yes' or 'No', 'We think we could adopt something of this nature'. In other words, at this point in time there was no pressure whatsoever. What we were trying to do, we have a basic responsibility to our members, and we are trying to upgrade the industry, and we feel that we can do a workmanlike job for a non-member and basically we are attempting to interest these non-members in membership in the institute and, in so doing, help them. The majority of these people operate on a cost-plus basis, there is no basic price list. All they were doing with these lists that they received through our offices free of charge from Moore and Crain was simply to use those basic Moore and Crain lists as a guide, so he estimates it anywhere in the ballpark with these big competitors. It was purely and simply a matter of comparison. This was, for want of a better description, by way of an attempt to educate these people as to improving their own well-being. If we could interest them in membership and if we could give them several or at least a dozen approaches to good business management through our industrial relations and through our statistical program and through our labour relations and through various

surveys, as I say, through 12 active phases of the institute operations, it couldn't help but improve a small member, be he a member with only one press or two presses, in competition with a giant who has 20 in one branch and 10 in another, and five or 10 in another. We are just trying to help them to help themselves. At this point in time there was no indication whatever that it was expected that they were going to adopt a Moore or Crain list. Our interest was in membership, and we think we can do a job for them, and we think the institute will improve their lot in the industry."

In regard to the price lists filed with the Institute by companies who had not had price lists, Mr. J.R. Taylor's testimony was as follows:

"Q. Can you tell us to your knowledge whether members who didn't have a price list adopted any specific price list? Did they use Moore Business Forms and R.L. Crain Limited price lists as a general basis?

A. Are you speaking about members and non-members?

Q. Yes.

A. I can't speak for non-members, but as far as members of the institute are concerned, basically it was the adoption of either the Moore or the Crain list with the various amendments.

Q. So most companies used either the Moore or the Crain list?

A. As amended, yes, to reflect their own type and nature and kind of manufacture. In other words, they could not produce certain types of forms that perhaps Moore and Crain could, because they didn't have the equipment, so that if they can't produce it, they would not include it.

Q. Can you tell us why these particular companies were selected to distribute their prices, or why their particular price lists were used?

A. Because they were leaders in the industry.

Q. Are you able to tell us how many price lists of individual members are consistent with one another?

- A. No, other than the previous statement I made
--- I was referring again to the fact that
they were amended lists, in other words,
reflecting their ability or inability to
produce various types of forms and products."

Mr. J.D. Corcoran, President of Data, prepared a memorandum in which he summarized discussions at a meeting of members and non-members of the Institute in Toronto on October 21, 1964. Among the subjects mentioned were the following:

". . .

14. Crain stated again they would quote list on all competitive accounts, our accounts as well as anyone else.
15. Moore will increase their price on competitive accounts and their quotes will be increased, but they didn't necessarily state they would go to full list.
16. The general consensus of the meeting was that our prices should be increased across the board and to endeavour to attract business on a price basis would lead to further trouble, and it was not anyone's intention to pirate any other company's business on price, but to obtain that business through sales efforts, redesign or service.
17. Crain will supply price lists through Mr. Taylor's office to anyone that wants one. Moore made the same statement, that their price list is available to us or anyone else anytime, through Mr. Taylor's office.

". . ."

Mr. W.A. Ruddock, General Sales Manager of Moore, who attended the meeting of October 21, 1964 and spoke for the company testified that he did not make a statement in the terms used by Mr. J.D. Corcoran. He said he could not give the exact words he used and went on:

- "A. . . . However, I can certainly give you the intent of what I said at that meeting, that the basic Moore policy on new business was to quote our full published list but that, on occasion where the Moore man had done the creative work, the design work and the systems

work, we would discount our price to support the Moore man's efforts.

Now, I further stated that on Moore repeat business our policy was to attempt to obtain our published list price but that we would discount from our list to meet various market conditions. And I also stated on competitor's established business our policy was to attempt to sell at our published list price through our wider range of products, services and quality.

Q. Can you tell us, Mr. Ruddock, why your company should tell your competitors what your sales policy was?

A. Yes. This being an expansion, or an attempted expansion meeting of the industry, there were many people around that table that I had not met before that did not know Moore and there were people around there that did know Moore. The feeling, naturally, is that Moore is the 'big person'. This has been the basic Moore policy stated over the years in one way or the other. This is my version, as I used it with sales training classes, indoctrination classes and so forth. I wanted to tell these people what the Moore marketing policy was, that we did not grow on the small fellow by simply cutting prices, that that was not the concept of the corporation."

Mr. J.C. Mills, Vice-President of Commercial Papers Limited, attended several of the meetings in Eastern Canada, including the meeting on October 21, 1964, although his company did not join the Institute. He gave the following evidence in regard to the statements attributed to Mr. Crain in the Corcoran memorandum:

"A. I recall Mr. Crain being there and speaking at some length in regard to their pricing policies. I am certain that he made statements to this general effect.

Q. That they would quote list on all competitive accounts?

A. I am not prepared to say that these are good word-for-word transcripts of what Mr. Crain has said, but the general tenor of what he said was that Crain's policy was not to be to slash prices to gain business, that is by taking business at prices below reasonable manufacturing costs.

Q. When you refer to 'reasonable manufacturing costs', was there a reference . . .

A. Excuse me, he did not say that or use those words, but . . .

Q. Did he refer to the list?

A. I believe he did."

The meeting of October 21, 1964 in Eastern Canada was followed by a meeting between members and non-members of the Institute in Western Canada. In a memorandum of October 2, 1964 Mr. E.A. Prime, Comptroller of Crain, wrote to Mr. R.L. Crain, President, in regard to future pricing policy and the prospective meetings with other manufacturers. He also advised the briefing of regional sales managers, Cavey, Sockett, Taylor and Fraser on changes in policy. Mr. Prime's memorandum contained the following:

"Further to our meeting to do with our pricing policy in the future, I would suggest that we should set up our timing in the following way. In this way we can be sure of implementation being as smooth as possible.

1. Our intentions should be made clear to Cavey and Sockett before meetings take place with Eastern manufacturers. In this way any points which we may have overlooked can be cleared up before statements are made to other manufacturers.
2. Changes in policy should not be put into effect until we have met with both Ontario and Quebec manufacturers.
3. No changes should be made in Western Canada until the next meeting in Winnipeg November 9, 1964. At that time the subject can be covered with Taylor and Fraser.

If you agree, I think the situation should be covered with Cavey and Sockett as soon as possible. Meetings with Eastern manufacturers will probably be in the last half of October."

In his evidence, Mr. E.A. Prime stated that the changes of policy on the part of Crain at this time were an attempt to return to the earlier price policy of the company which he described as follows:

"A. As I explained before, where we, as a company, will attempt to obtain business through systems improvement as opposed to deviations from our list. So we will attempt to sell new business for our Company at our list prices. Is that quite clear?"

Mr. Prime went on to say that he had recommended delaying announcements of Crain's pricing policy until it became evident at the meetings whether the outside manufacturers would join the Institute. He felt that unless outside companies became Institute members a change in Crain policy might be detrimental to its interests. His evidence, in part, was as follows:

"A. . . . Now this had occurred, I think, through September, these discussions, September, 1964 and yet we were in these organization meetings with firms in Western Canada and also we were going to have our first meeting with Ontario manufacturers shortly afterward to see whether there was interest in expanding the size of the Institute. Now we were going to be going to this meeting knowing that we were one of the leaders in business forms for business, we were going to be offering information about our Company, we were going to be making public to them, if they didn't know already, that our price lists were available to them through C.B. Taylor's office, we were going to be stating our approach to the market and, as I have stated, Mr. Crain did do that and while I wanted our managers to know that this was the direction we were heading, I felt that any change from our existing practice of the early '60s was a little premature because we might just be kicked in the teeth when we got into, in terms of the whole group, saying, don't want anything to do with the Institute, there is no advantages to us, and yet we had given all this information and for us to have taken that stand I felt was -- could be detrimental to our own interests. So this is what I am referring to when I say, changes in policy. It was changes in policy to our Field Managers and thereby to our sales force.

Q. Well from what you have said, could you tell me whether you were in fact deliberately delaying instructing your sales force in different policy until after these meetings?

A. This was my recommendation to them."

The change in Crain policy was reported on by Mr. A.K. Taylor of the company's Winnipeg office in a letter of January 8, 1965 to Mr. R.L. Crain which contained the following:

"Without question, since last May, considerable stability has been introduced into our industry in the area of price. Statistics prove, furthermore, that there has been an improvement in our off list business.

There are, however, certain problems still existing.

For example, our latest policy of going full list on all newly-created business and on all competitors' reorder has two serious drawbacks.

. . ."

In a memorandum of January 27, 1965 Mr. E.A. Prime reported to Mr. R.L. Crain on the first formal meeting of the Western Division of the Institute which had been held in Vancouver on January 19, 1965. His memorandum read, in part, as follows:

". . .

Starting immediately all member companies will use the machinery set up by C.B. Taylor's office and will make filings for off-list business, investigations, etc.

- 2) The lists which some of the other firms have filed have differentials from our own or Moore's list, particularly in the sets and stock tab. I spent some time at the meeting pointing out why the major companies have taken the direction they have in the set list, i.e. stressing 17" equipment. I stated that if the differentials remain in the 7" and 11" stub size, we would have no alternative but to adjust our list. In this way the directional influence of the list would be lost and the whole industry would be the loser. On stock tabs I advised that I felt each company should look at its total cost not just production costs. When we consider the cost of storage, order handling costs for small orders, etc., I question that any company charging less than our list prices will make a satisfactory profit from stock tab.

. . ."

In his evidence Mr. Prime stated that 7-inch and 11-inch stub sizes, as far as Crain's price lists are concerned, were offered in the higher list levels.

Although the Western Division of the Institute had been formally organized by the beginning of 1965 the establishment of the Eastern Division in a formal way was not achieved until some months later. However, member and non-member companies in Eastern Canada continued to meet and non-members had available to them the services of the Institute on the basis already described.

On February 2, 1965, Mr. E.A. Prime wrote a memorandum to Mr. R.L. Crain summarizing a meeting of Ontario manufacturers on the preceding day. The following are extracts from the memorandum:

"The following is a brief summary of the events which transpired at yesterday's meeting.

1. It was obvious very early in the meeting that the confidence and good faith evident at the previous meeting in December had slipped. All companies felt that R.L. Crain had acted entirely within the policies declared at earlier meetings. However, most of the smaller manufacturers felt that Moore had been taking business on a price basis. In addition, most companies feel that Data are stepping over the line fairly frequently.

. . . .

3. To my mind the problems of the meeting (which went on from 9:30 till after 5:00) were not helped by the chairmanship of Cec Taylor. Naturally enough Cec does not want to see the companies agree in a way that could constitute price fixing. I think, however, that at some of the earlier meetings, as we found in the West, it is sometimes necessary to state points in a constructive way so that there will be no misunderstanding of intent.

It is my intention at the next meeting should we get on such a topic to ask Cec and Bob to leave the meeting while we get a few points straightened out.

4. As you know, with Moore and Crain being the 'big boys' and with it being assumed that we have the same general aims in the market, I have hesitated to be openly critical of Moore in these organizational meetings. I have, rather, talked to them privately before

or after. If by the next meeting it appears that there is not some improvement however, I think that I should take a stronger line towards Moore in the meeting. I would like to discuss this with you.

. . ."

The Toronto Manager of Drummond Business Forms Ltd. (which did not join the Institute), Mr. P.W. Remington, attended the meeting on February 1, 1965 and a later meeting on March 1, 1965 and prepared notes of the meetings. Mr. Remington's memorandum of the February meeting was, in part, as follows:

". . .

Mr. Taylor opened the meeting by informing the assembled group this was the third non-regular meeting of the Institute of Business Forms Manufacturers attended by non-members. They are intended to make non-members aware of the benefits of such an Institute to the industry as a whole and to individual manufacturers, through open discussion of common problems.

The Chairman then polled each represented company to learn what, in their experience, had transpired since the last meeting. Each company brought up whatever competitive activity which he considered not in keeping with good business ethics, and/or not of good business practice.

. . .

Others brought up facts and figures proving some member of the institute had taken a big order away from him at an unreasonable price reduction of 44 to 50% indicating by that, that the expressed desires and wishes of the group at previous meetings not to compete on ridiculous pricing practices was not followed. Many similar cases were also aired. In most instances the accused admitted his error.

When my turn came I took advantage of the opportunity to inform them who I was, what I was doing and informed them of our actions to improve prices and its results. I informed the group we lost some \$300,000.00 worth of bids on price alone in the last 9 months of 1964. It was pointed out that towards the last half of the year we had regained a good portion of this volume and at a better rate of profit. Finally I advised our future plans were to continue to improve our

pricing structure where it is below list and to develop new customers at list as long as competition is fair.

. . . .

Eventually the Chairman brought up the legal aspects of such an institute what it can do and what it cannot do. In short anything that is history can be discussed even on pricing policies. On that subject however it is definitely against the Combines Act to plan or discuss a future price policy. Egry complained they had refrained from price cutting and lost 50000.00 in the last 3 months. They also brought up it was unfair.

Finally the Chairman polled companies present again to determine the disposition of non-members of the Institute toward joining such a group.

In favour was Pakfold & Data.

Undecided were Continuous Forms & Envelopes Ltd., C.F. Houghton, Commercial Papers Ltd.

Against - Redi-Set Business Forms Ltd.

DBF Ltd. gave no comment at this time.

After much deliberation it was finally agreed to have another meeting on March 1 next, to see what transpired in the meantime.

The meeting adjourned at 4:45 p.m.

Observations and Comments

It was obvious throughout the meeting there is an undercurrent of distrust among the companies present. The small operators seemed to me to be distrustful of the Moore-Crain axis. Moore was attacked time and again. It retaliated with evidence of wrong doing on the part of others toward them.

At times the comments seemed to convey the impression the wrong doing in question was motivated by acrimony and revenge. The observer was left with the impression that too much ill-advised, emotionalism has prevailed in the inter-relationship of these companies to expect they will become astute business men with a mature approach to problems in short order. The climate is not good and not much progress or benefit can

be expected from such an association at this time.

. . ."

The memorandum of Mr. P.W. Remington covering the meeting on March 1, 1965 included the following:

". . .

The Chairman opened the meeting around 10:00 a.m. and polled the companies represented to determine what they had experienced since the last meeting. The general consensus was there was no observable change to the overall picture. (Our Monthly Report attests to our experience and was communicated to the group.)

The discussion which followed revealed once more there was evidence of continued distrust, of breach of faith and of considerable hanky-panky-ing going on among members of the industry.

Also prevalent was evidence of genuine misunderstanding of the pricing technique intended by the originator of the list prices followed.

Finally there was evidence that frequently two people were talking at cross-purposes because unknowingly, their arguments were founded on a different base.

The pros and cons of establishing a common base were discussed for some time. It was generally agreed that none of the small operators had neither the money, facilities nor the time available to build up their own base on factual studies of their own operation. I suggested a joint project of subsidizing an independent professional company to work out a base on the types of equipment used and to be submitted to the group for study as a starting point. The idea did not meet with general approval.

Finally it was agreed existing bases currently used by two members be distributed and studied as a possible common base. This will make the subject of the next meeting to be held early in April. At that time we are to declare ourselves on any deviation from these bases we wish to adopt.

. . ."

The manufacturers in Ontario who joined the Institute for the first time in 1965 filed price lists with the Institute or indicated that the Moore or Crain

price list was adopted with modifications. The evidence in the inquiry contains the statement made to the Institute in this connection by the President of Pakfold, Mr. G.S.N. Gostling. His letter of March 4, 1965 to Mr. C.B. Taylor reads as follows:

"I am writing for the purpose of placing on record with your office our company's pricing policy, as follows:-

Where we have published price lists (samples of which we have exchanged through your office), we shall quote on all new business in accordance with our published lists.

Where we do not have a published list covering the product, or where there are features which are not perhaps clearly covered in the list, we will do as we have been doing and price the product, either from Moore's list or from Crain's list.

We reserve the right of course, to quote higher than list on any product at any time.

We also reserve the right to quote below list on orders which were manufactured by us 'last time'.

It will be our policy to make available to your office any deviations where we consciously depart from this rule, should there be any such deviations."

The implementation of this policy in the Pakfold company was directed in a memorandum also dated March 4, 1965, written by Mr. Gostling to the sales manager. This memorandum contained the following instructions:

"Effective immediately, we have to remember that we have to figure our prices, either from Moore's list or Crains', except in cases where a form is priced from one of our published lists.

In the event that we decide to quote a price which is below these lists, regardless of how much or how little, we must file the information of the variance from price lists with the office; C.B. Taylor Associates, 1425 Bayview Avenue, Toronto, 17, Ont.

This means that much more careful attention than has been the case in the past must be paid to

figuring the prices correctly, including all extras and so on in accordance with the price lists. It means also that should we discover at any time, after quoting a price that we had made a mistake in figuring it (and I certainly hope these will be kept to the absolute minimum) a similar filing of this information with the C.B. Taylor Associates office must take place.

Equally, if you have any complaints or inquiries from any of our dealers as to what seemed to be out of line quotations, you can check back with the same office to see whether anything and if so what has been filed in the way of below list quotations.

As far as this company is concerned, our general policy will be to quote list price at all times, less our maximum discount. I should say, less our regular discount.

On our own repeat business, if we wish to do so, and which has previously been sold at below list in the past, we may do so again and I feel that we would be wise to raise such prices not more than an average of eight percent on each subsequent quotation until we get them up to full list. . . ."

CHAPTER IV

THE INSTITUTE PROCEDURES FOR REGISTRATIONS, INQUIRIES AND INVESTIGATIONS

1. Registrations

The agreements creating the Institute require the filing by member companies of price lists and all changes in such price lists. The agreements also require members to file full information on each order taken at other than full list price.

The procedures for the filing of price information were set out in some detail in an Institute circular entitled "Central Office Procedures" revised January, 1958, the first page of which reads as follows:

"The purpose of this memorandum is to lay down the procedures of the Institute office, the things it does and the things it does not do. It is suggested that a copy of this memorandum be placed in the hands of all persons, in the case of each member, who have been authorized to deal with Institute matters.

First and foremost, it should be stated that the Institute is not a price fixing organization, it does not establish the prices in the lists of any manufacturer, nor does it prohibit deviation by any manufacturer from such lists as he may see fit.

There is, however, available to members a considerable amount of price information upon specific request by the member to the Institute for it.

There is an organized exchange of price lists through the Institute office so that each member company has, in its possession, the price lists of all other members. As changes are announced by any member, other members are so advised through the Institute office. Any member may depart from published specifications, prices and terms of sale as he himself may see fit. But - should he do so, it is required that he file that information with the Institute office, which information is subsequently available to any other member upon specific request.

This, in essence, spells out the agreement

under which the Institute operates.

The term 'Registration' is used to indicate the filing, by a member, of a sale made at other than published specifications, prices or terms of sale."

Special forms for registrations were supplied to each member and instructions were given as to the full details of each order for which registration was required.

2. Inquiries

The circular of January, 1958 contained the following descriptions of "Inquiries":

"INQUIRIES

It is immediately obvious that registrations deal with CLOSED TRANSACTIONS ONLY. The information is historical; it is available in complete detail to any member who asks for it. Such requests must be specific. The information will be provided by telephone if it is immediately desired, or by letter. It is important to note that the Institute either has or does not have the information being sought. If the Institute office does not have a registration, the member will be so advised, and the Institute office will take no further action, unless specifically requested to do so as below."

The special filing forms used by members in reporting to the Institute office contained a section at the bottom of the form under the heading "Releases". In this section were to be recorded all inquiries made by members about the particular order. The section provided a number of lines for recording inquiries as follows:

RELEASES

COMPANY	PERSON	DATE	TIME
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The records of special filings were kept by the Institute Secretary for two years after which they were destroyed. The records examined in this inquiry

indicate that all members of the Institute used the registration and inquiry procedures. From the details of "Releases" entered on the registration forms it is apparent that it was not unusual for inquiries about a particular order to be made six months or more after the date of registration. This suggests that the information was of interest whenever the customer was re-ordering supplies.

3. Investigations

The Institute investigation procedure required a member to make a request in writing if he wished information in regard to any sale which he believed had been made at variance with published prices, etc., and not registered. The Institute circular defined "Investigations" as follows:

"INVESTIGATIONS

The term 'Investigation' as previously defined is an investigation by the Institute office upon the request of a member to search out the specifications, prices, terms of sale, etc., where the member has reason to believe that a sale has been made at variance with published specifications, prices, and terms of sale, and where no registration is on file."

The inquiring member was instructed to provide every possible detail of the transaction, including the name of the member with whom he thought the business had been placed. The procedure, thereafter, was described by the Secretary, in his evidence, as follows:

"A. . . . we take it one stage further and would circulate or circularize the membership with this blue slip inquiry, and any member who has a closed order is obliged to give us complete details on receipt of this blue inquiry slip. Now, if the blue inquiry slip procedure shows that through an error that particular member did not register, this particular order which may be full list or so far as investigation is concerned would represent an error in pricing, an error in addition or some such, or an error in the price build-up on the estimate sheet. In other words, it was a discounted order that was through some manner of means not registered with our office, then that is treated as below list and not a registered order, and that is the only order of this type that is discussed in meeting, where the member involved through whatever action or ill-action

or non-action failed to make proper registration of a closed order. In other words, he did not live up to the spirit of the agreement whatever the reason."

Until 1965, the Institute followed the practice of waiting seven days after the receipt of a written inquiry before the Secretary would begin an investigation. By a motion passed at a meeting of the Institute on September 29, 1965 the waiting period was increased to 14 days.

In addition to making a written reply to the inquiring member giving him details of the transaction which were secured as the result of an investigation, the Institute Secretary would also send written notification to each member in advance of an Institute meeting of those transactions which would be discussed at the meeting in which it was thought the member would be particularly interested. The following are three examples of such notices:

(i)

"November 29, 1965.

Mr. R.J. O'Connell,
Continuous Forms & Envelopes Ltd.,
702 Weston Road,
TORONTO 9, Ontario.

re: DECEMBER 7th MEETING

Dear Jerry:

Below you will find listed two recent C.F. & E. inquiries which will be tabled at the December 7th meeting and which we will be treating as complaints, details follow:

Inquiries made by C. F. & E.

Taylor Instrument Co. of Canada	Data - 27% discount
Purchase Orders	Not registered
Chrysler of Canada	Moore - 12% & 8%
	discount
Bill of Lading Form 651	Not registered

No inquiries made on C.F. & E.

Best regards,

Cordially yours,

J. R. Taylor."

(ii)

"November 29, 1965.

Mr. Jim O'Connor,
Moore Business Forms Ltd.,
TORONTO 15, Ontario.

re: DECEMBER 7th MEETING

Dear Jim:

The following inquiries
have been treated as complaints and will be
discussed at the December 7th meeting.

Your one inquiry is
for MacLean Hunter - Salesman's Report
#317-7 which was taken by Savoy and which
we considered below list - not registered,
per our letter to you of November 27th.

Along with this Jim
there are three items which will be discussed
at the meeting which you will be interested
in, these are the City of Oshawa - 1966
Tax Bills per our letter of October 19th.
The second is the Toronto Transit Commission -
Operating Expense #20002 per our letter of
October 28th and the third is for Chrysler
of Canada Bill of Lading #651 per our letter
of October 18th.

Looking forward to
seeing you on December 7th.

Best regards,

Cordially yours,

J. R. Taylor."

(iii)

"November 29, 1965.

Mr. Hugh Finlay,
R. L. Crain Limited,
P. O. Box 392,
OTTAWA, Ontario.

re: DECEMBER 7th MEETING

Dear Hugh:

The following list
represents inquiries which will be tabled
at the December 7th meeting which will be of
prime interest to you.

Inquiries by R. L. Crain:

Snapout:

Dictaphone Corp. - Toronto	Data - 30% discount
Invoices	Not registered

General Motors - Oshawa	Data - 18% discount
Bills of Lading X28 & X25	Not registered

Continuous:

Supreme Aluminum	Data - 25% discount
Invoice Forms 331-7/65	Not registered
307-7/65	

City of Oshawa	Moore - 8% discount
1966 Tax Bills	Not registered

MacLean Hunter	Savoy - 11% discount
Fraser's Canadian	Not registered

Toronto Transit Commission	Moore - 20% discount
Operating Expense 20002	Late registration

Best regards,

Cordially yours,

J. R. Taylor."

The nature of the discussions of orders tabled at Institute meetings was described in different ways by various witnesses. The evidence of Mr.D.S. Howard, former President and General Manager of Autographic, contains the following:

"Q. Do you recall discussions involving registrations and investigations during these meetings?

A. Yes, I think I do.

Q. What were the contents of these discussions?

A. I think basically it was a discussion as to an order that had been taken by a company that had been previously done by another company.

Q. Do you recall any specific instances of this nature being discussed?

A. I don't quite get the question, I am sorry.

Q. Do you recall any particular instances where orders had been taken by other companies

that were being discussed at meetings?

- A. Not specifically, but I guess we did discuss people taking business that other companies thought was theirs or had been theirs for some time.
- Q. Why would a company think that certain business belonged to that particular company?
- A. Well, I think in the forms business and it was certainly true in our particular business, we hated to lose an order, if we thought we had been doing good service for the customer, the salesman was upset and he lost his commission and we were upset because we couldn't afford to lose business.
- Q. Was this one of the purposes of the procedures of registrations and investigations, to bring these specific instances forth for discussion?
- A. I guess you might say that, yes. It certainly wasn't the only reason, but it was one of the things that they discussed at the meetings.
- Q. What was the purpose of these discussions, what end result was aimed at by discussing these issues?
- A. Possibly none, but maybe we thought so.
- Q. Did you think you would hold more business this way?
- A. I guess I thought so, whether or not it was true, I don't know, because I must say there were many times when I considered getting out because I didn't think it was doing much good."

Mr. J.D. Moffatt, former General Manager of Continuous Forms (Saskatchewan) Ltd. stated in a memorandum he wrote after attending the first meeting of the Western Division of the Institute on January 19, 1965 that there was a "Minimum of tabling of order swiping". In his evidence as to the meaning of the wording he had used in his memorandum, Mr. Moffatt testified:

"MR. BURGESS:

- Q. Was order swiping considered to be an offence

in the Institute?

A. No. I don't think we really had any offences in the Institute. We never really undertook to do anything in particular, no behaviour that we might have carried on was an offence or infraction of anything. Certainly order swiping was to all of us something that would upset us --- if you lost an order, you were sorry about it. In this sense it was of concern to people, whether they were within or without the Institute; no one likes to lose an order.

Q. This takes us back to the definition of 'order swiping'. What concisely is the meaning of 'order swiping'?

A. Well, really I think it is the booking of an order by one company that had previously been produced by another, that is my definition of it. It is a pretty broad term and a pretty frequent occurrence, really. I don't know how I can define it any further. That strange wording looks like it implies some strange activity. It wasn't intended to be; it is just a casual bit of terminology in a personal note to a friend, rather than anything formal.

Q. Did the Institute discourage order swiping?

A. I guess I would say yes to that."

Mr. H.B. Finlay, of Crain, was examined during the inquiry on a draft speech he had prepared for a company managers' meeting in 1963 but which he had not delivered. In the draft Mr. Finlay had written:

"I attend industry meetings where Finlay and his group are raked over for numerous discrepancies."

Mr. Finlay gave the following answers when he was asked to explain this wording:

"A. Well with the fact that this was never presented, bearing in mind it has a leaning towards dramatics, and if you refer back to /document number/ 1784, we were trying to eliminate haphazard pricing, the attitude was, it was sell the job, and pricing is a detail I don't like, and in 1784 I am saying in here that we should

sell, if we are going to use our price list properly then we should do it right and you should get it through to your men. Now errors were occurring, we just didn't like them, we wanted to remove them and the errors that would occur would inevitably end up as late registrations, to which we referred to before, or earlier in the meeting, and as a result our document, inquiries by Crain, if you reverse the terminology, inquiries against Crain, our name would be the one that was being read out, and ---

THE CHAIRMAN:

Such as on document 333, for example?

- A. Yes, that's right, made on Crain. This is the once where our name is being used, Crain, late registration, Dominion Stores, that is an example. Now with this price error and the factor that was going on, this haphazardness towards not worrying about that part of the job, I had a tendency here to be trying to get them to do their job properly and avoid the Company's name being read out so many times at the industry.

MRS. COOPER:

Well this then relates to the investigation procedure of the Institute?

- A. Yes, yes, and I am dramatic here.
- Q. The words here are quite strong, ' -- are raked over for numerous discrepancies'. What was the procedure?
- A. Could I say it is dramatic. Your name is read out 1, 2, 3, 4, 5, 10 times and frankly I am -- if my name is read out, the men and I got back to Head Office, if management listened to this, well say in this case, Mr. Prime, we are now at a meeting of the Institute and they are reading off Crain, Crain, Crain, and it looks as though Crain certainly don't know how to use their own material, so of course management would ask me why I wasn't doing my job properly. It was embarrassing to me just as much as the Company."

4. Direct Exchange of Price and Other
Information between Manufacturers

In addition to the discussions carried on at Institute meetings about the filing of prices resulting from investigations manufacturers would discuss similar matters outside the regular meetings or by direct communication.

The following correspondence between Data and Continuous Forms & Envelopes gives some examples of the matters which were reviewed in this way. Mr. D.A. Aumais who conducted the correspondence for Continuous Forms & Envelopes gave the following explanation of its origin:

"Q. Can you tell us what the purpose of this correspondence was, Mr. Aumais?

A. Mr. Featherston asked me prior to December 16th, at an Institute meeting, and I believe it was the first one that I attended, if they had lost any of their business to Hostess Foods or Facelle, to us. I didn't know, and that answers the letter of December 16th to Mr. O'Connell."

In a letter of December 16, 1965, Mr. S.W. Featherston, Sales Manager of Data, wrote to Mr. R.J. O'Connell, General Manager of Continuous Forms & Envelopes:

"Attached are the samples of the two orders we were discussing last week with Don Aumais.

We printed the Hostess forms in January, 1965. The Facelle forms were printed in June, 1964.

Note that in both cases our imprint is displayed in the stub."

Mr. D.A. Aumais' reply of December 17, 1965, read as follows:

"Re yours of December 16, 1965 regarding the two orders discussed with us last week.

(1) The Hostess forms have always been considered our repeat and printed by us in November 1964, June 1965 and October 1965.

(2) We printed the Facelle form in February 1965 and you may recall that the form quoted on by us had no imprint. The repeat of this form was taken by us again in November 1965."

Mr. Featherston replied as follows on December 24, 1965:

" (1) This seems like a logical explanation, but just who is it that has 'always considered' this to be your repeat.

We printed this in Sept. 63, Feb. 64, May 64, Oct. 64 and Jan. 65. So obviously when you took this in Nov. 64 and June 65, you were taking our repeat. We have production orders and invoices to substantiate this.

(2) O.K. - you're right on this one."

The reply of Mr. Aumais on January 4, 1966 in regard to "General Foods - Hostess forms" was as follows:

"Re your memo regarding above. From what you say it would appear that we are sharing their business. However I assure you any sample we have quoted on has always been our own and never a Data Business Forms sample."

During the period when Mr. J.D. Corcoran of Data was attending meetings with Institute members prior to assuming formal membership there was an exchange of memoranda between Mr. Corcoran and Mr. H.B. Finlay of Crain in regard to the basis of pricing used by Data in obtaining orders from a number of customers in which Crain was interested. Mr. Finlay gave the following evidence as to the origin of the correspondence:

"A. It is my belief that this document went to Jim Corcoran at the meeting.

Q. Was it usual for non members of the Institute to make use of the Institute's facilities?

A. Now Mr. Corcoran was considering membership at the time and the workings of the Institute were not wholly familiar to him and we were conducting, you might say, an investigation to give illustration of how you could obtain information. This is a very abnormal procedure.

Q. In the case of a non member is this an abnormal procedure?

A. Again I will have to tell you -- well Data was not a member, if I recall correctly, at that time, but he was a prospective member. This was at the formulation stages of the expansion of the Eastern Institute, so when

you say, non member, I don't think of him particularly as being a non member at that time."

In a letter of February 10, 1965 to Mr. Finlay, Mr. Corcoran gave details of the manner in which prices on a number of orders were established by Data. The letter concluded "I trust this clears up our list of errors in our relations with your company. At the moment we are making a sincere effort, difficult as it may be."

An undated reply from Mr. Finlay concluded:

"Errors in price are returned to the salesman and while it may be 1% or 20%, we either have a price list or end up with a guide which is not conducive to good sales training.

We are closing out G.M.P. 195 and G.M.P. 56.

As you say, improvements are bound to come and our intent is to help at the least cost to ourselves."

CHAPTER V

CONCLUSIONS

In his Statement of Evidence the Director of Investigation and Research made the following allegation:

"It is alleged that

Anthes Business Forms Limited
Autographic Business Forms Limited
Comset Business Forms Ltd.
Continuous Forms (Alberta) Ltd.
Continuous Forms & Envelopes Limited
R.L. Crain Limited
Data Business Forms Limited
Keystone Business Forms Limited
Moore Business Forms Ltd.
Pakfold Continuous Forms Limited
Savoy Business Forms Limited
Systems Equipment Limited
Western Business Forms Limited
J.R. Taylor of the firm C.B. Taylor & Associates

conspired, combined, agreed or arranged to prevent or lessen, unduly, competition in the production, manufacture, sale or supply of business forms in Canada."

The Director's allegation of undue restraint of trade on the part of the manufacturers named was related to their membership in The Institute of Business Form Manufacturers.

The Institute agreements and the procedures related thereto constituted an elaborate arrangement for (a) the filing and exchange of current price lists by Institute members, (b) the registration of all orders taken which involved any departures from prices, terms or conditions contained in price lists, (c) inquiries made by members about registered transactions, (d) investigations into any orders departing from price lists which had not been registered. To supplement these procedures there were statistical reports circulated among members by the Secretariat to show the market position of each member individually.

In the formal constitution of the Institute and in the formal records of its activities great stress was laid on the avoidance of any express reference to the establishment of prices in any way

which could be inferred as the fixing of prices. It is the position of the Institute that the exchange of price lists and the registration and inquiries procedures constitute an "open price policy" under which members undertake to disclose fully their price lists and all departures therefrom without entering into any arrangement for the fixing of prices.

1. Implications of Formal Institute Agreements

(a) Significance of Price Lists

In view of the nature of business forms, price lists of individual manufacturers are regarded more in the nature of an estimating manual rather than a price list of finished products. Mr. S.B. Pollard, General Manager of the Western Canada Division of Moore, told the Commission that price lists were developed by Moore to enable company salesmen to estimate the price of a prospective order. His evidence included the following:

"A. . . . As a result we have developed the so-called price lists which in my estimation are truly an estimating manual through which any one of these salesmen in any one of the cities on the continent can arrive at a price which individually may be truly above or below our cost but which is in total an average across the board. There is an acceptable selling price as far as Moore is concerned and it permits them to do this without any intimate knowledge of our manufacturing processes or of our costs."

It is clear from the evidence that only Moore and Crain had comprehensive price lists or estimating manuals. The smaller manufacturers had limited price lists which had usually been adopted from a Moore or Crain price list or, as Mr. J.R. Taylor said, prior to joining the Institute they calculated prices on a cost plus basis.

A condition of membership in the Institute was that the member should file a price list showing its current prices and should, thereafter, promptly inform the Institute of any changes in its prices. When new members were recruited in 1964 and 1965 it became necessary for them to declare and file with the Institute the price lists which they would henceforth use as the basis for their prices, subject to any variations which they might report to the Secretariat.

While the filing of price lists by the new members did not result in the establishment of a uniform price basis among large and small manufacturers, even though several firms adopted the Moore or Crain list with modifications, the actions of the manufacturers had the effect of recording bases of pricing which could be subject to review under Institute procedures. It is also clear that the filing of price lists was not regarded as a nominal feature of membership but as a recognition that the pricing practices of each member were thenceforth known precisely and in detail by every other member, an essential basis for control over the scale of discounts. The letter of March 4, 1965 from Pakfold to C.B. Taylor & Associates, which has been cited, stated that quotations on new business would be "in accordance with our published lists" or priced from "Moore's list or from Crain's list".

Reference has been made earlier to the action of Crain in withholding changes in pricing policy involving the quotation of list prices until meetings had been held with both Ontario and Quebec manufacturers and a meeting had been held in Western Canada.

It is clear from the evidence of Mr. E.A. Prime of Crain that before announcing the future price policy of Crain he wanted to have some assurance that new members would also follow a recognized policy. The following is a portion of his evidence:

"A. . . . Now this had occurred, I think, through September, these discussions, September, 1964 and yet we were in these organization meetings with firms in Western Canada and also we were going to have our first meeting with Ontario manufacturers shortly afterward to see whether there was interest in expanding the size of the Institute. Now we were going to be going to this meeting knowing that we were one of the leaders in business forms for business, we were going to be offering information about our Company, we were going to be making public to them, if they didn't know already that our price lists were available to them through C.B. Taylor's office, we were going to be stating our approach to the market and, as I have stated, Mr. Crain did do that and while I wanted our managers to know that this was the direction we were heading, I felt that any change from our existing practice of the early '60s was a little premature because we might just be kicked in the teeth

when we got into, in terms of the whole group, saying, don't want anything to do with the Institute, there is no advantages to us, and yet we had given all this information and for us to have taken that stand I felt was -- could be detrimental to our own interests. So this is what I am referring to when I say, changes in policy. It was changes in policy to our Field Managers and thereby to our sales force."

In a memorandum of January 27, 1965, Mr. E.A. Prime of Crain reported to Mr. R.L. Crain, President, on the first meeting of the Western Division of the Institute which had been held in Vancouver earlier in the month. In this memorandum Mr. Prime wrote:

"... It is obvious that the course of these meetings is not going to be smooth and that we have a lot of educating to do with the newer companies."

This memorandum has been cited earlier with reference to Mr. Prime's comments that at the Vancouver meeting he had pointed out that price lists of certain companies had differentials from Crain's and Moore's lists and that if the differentials remained "the directional influence of the list would be lost and the whole industry would be the loser".

In the opinion of the Commission the filing of price lists with the Institute was intended to establish a recognized basis of pricing in the industry which, as Mr. Prime observed, would have a "directional influence".

That price lists filed with the Institute had more than historical interest is indicated by the use which was made of them from time to time. In the hearing held by the Commission, counsel for Moore introduced many statistical and other exhibits to demonstrate variations in price lists among members of the Institute and to illustrate the basis on which quotations had been made by Moore on a variety of orders. The examples of the latter were derived from records for the year 1967 and are thus not directly relevant because the inquiry was commenced in 1966. At the same time some of the examples illustrate the use made of price lists filed with the Institute.

In June, 1967 a Moore salesman in Western Canada sought permission to quote at a discount on an

order which had been previously filled by Western Business Forms. The Moore salesman reported "We have suffered recent losses of our established (business?) at Mumford Midland & Cdn Co-op Implements - both taken by Western on price." The filing at the Institute office showed that Western Business Forms had taken the previous order at a 5 per cent discount. The action taken by Moore and the result are summarized in an exhibit produced at the hearing:

"Action Taken - Checked price from Western list which was \$65.00/M compared to Moore list of \$69.26/M. Authorized price of \$60.45/M which is 7% off Western list or 12% off Moore list.

Result - Moore obtained current order and filed 12% discount with Institute.

In July, 1967 Moore was interested in quoting on a new form which had not been previously supplied by any manufacturer. Competition was anticipated from Comset, Continuous Forms (Alberta) and Western Business Forms. The action taken and the result are summarized in an exhibit as follows:

"Action Taken - Checked Western list which was \$18.03 per M compared to Moore list of \$22.80. Quoted Western list.

Result - Obtained order at 20% discount from Moore list and so filed."

In considering a repeat order in May, 1967 which Moore had previously filled at a discount of 9 per cent it was found that the Institute office had a record of a quotation by Systems Equipment at a discount of 5 per cent off its list. The action taken and the result are summarized in an exhibit as follows:

"Action Taken - Checked prices from Moore, Crain and Systems lists which were:-

Moore	- \$33.61 per M
Crain	- \$30.74 per M
Systems	- \$27.82 per M

Quoted Systems list.

Result - Obtained order at 17% discount from Moore list and so filed."

Another repeat order under consideration by Moore in June, 1967 had been previously filled at a discount of 10 per cent off the Moore list. Competition was anticipated from Crain, Western Business Forms and Systems Equipment. The action taken and the result are summarized in an exhibit as follows:

"Action Taken - Checked Crain list which was \$36.93 per M compared to Moore list of \$37.67 per M. Quoted 8% off Crain list.

Result - Obtained order at 10% discount from Moore list and so filed."

While the foregoing are random examples which cannot be related directly to Institute activities during the period covered by the inquiry they indicate that information filed with the Institute and made available to members was put to use in connection with prospective business.

(b) Significance of Filing Departures from Price Lists with the Institute

The evidence relating to the recruiting meetings held by the Institute makes clear that there was considerable doubt and apprehension on the part of some manufacturers in both Eastern and Western Canada about what consequences might follow the acceptance of the conditions of membership in the Institute. That the conditions of membership were onerous and far-reaching is evident from the terms of the agreement and from the description of procedures given earlier in this report. It is necessary, therefore, to consider what factors would lead independent business firms to bind themselves in this fashion in an organization in which two national firms held the leading positions.

It is self-evident that independent business firms would not be prepared to disclose to competitors full details of orders taken on a special basis unless they had assured themselves that the disclosure of such information would not be used in a manner prejudicial to the business interests of their company. In the same way that Mr. E.A. Prime of Crain recommended against the declaration of future price policy by his company until meetings had been held with manufacturers in Eastern and Western Canada, so other manufacturers invited to participate in the activities of the Institute would not be prepared to make a decision to join until they were assured about the manner in which business would be conducted under the disclosure rules of the Institute.

In view of the scrupulous avoidance at Institute meetings or in Institute records of references to anything in any way indicative of a common policy on prices, it is not surprising that the manner in which new members received assurances that adherence to the procedures of the Institute would not result in detriment to the interests of their companies is not described in any record of the Institute. The absence of official minutes of the meetings between Institute members and non-members has been attributed to the fact that such meetings were industry rather than Institute meetings.

The inescapable inferences that the widening of the membership of the Institute in 1964 and 1965 was founded on mutual expectation of the acceptance of a price policy on the part of each member which would reduce price competition in the industry are borne out by the evidence which is available of the meetings which led to the enlargement of the membership of the Institute. There is no question that Crain indicated at such meetings that it intended to seek business on the basis of list prices and would follow the same policy with respect to accounts of competitors. The statements made by representatives of Moore at the industry meetings were apparently not as precise as those made by representatives of Crain but were sufficient to lead to the acceptance of membership by a number of manufacturers. In the evidence of Mr. W.A. Ruddock of Moore, quoted in an earlier section of this report, he testified that in describing the sales policy of Moore he had made the following reference to competitors' accounts:

"A. . . . And I also stated on competitor's established business our policy was to attempt to sell at our published list price through our wider range of products, services and quality."

The procedures of the Institute for the registration of all orders taken at other than full list prices and for inquiry into any orders believed to have been taken at other than full list prices constituted the means for checking whether the acceptance of mutually agreeable price policies on the part of Institute members was reflected in the actual operations of the individual companies.

(c) Significance of Institute Inquiries

Prior to each meeting of the Institute members were informed of the inquiries into non-registered

orders in which the Secretariat considered that they would have a special interest. The results of such inquiries were the subject of discussion at meetings of the Institute. These discussions appear to have had two aspects. One was the price level at which the order had been taken and the other was whether the off-list price had resulted in business which had previously been held by one member being taken by the member quoting the discount. Mr. D.S. Howard, formerly of Autographic, whose evidence has been quoted in this connection, said that there were discussions about one member taking business which another member considered belonged to him. While Mr. Howard wasn't sure whether the discussions had any actual results he thought that the aim hoped to be achieved was that a member would hold more of its previous business.

It will be recalled that Mr. J.D. Moffatt, formerly of Continuous Forms (Saskatchewan), referred to the tabling of inquiries at a meeting of the Western Division of the Institute as indicating a "Minimum of tabling of order swiping" which conveys much the same meaning as Mr. Howard's references to discussions about holding business.

Mr. P.W. Remington of Drummond Business Forms, in a memorandum previously quoted, described discussions at an industry meeting at which manufacturers referred to another company taking an order away "at an unreasonable price reduction of 44 to 50% indicating by that, that the expressed desires and wishes of the group at previous meetings not to compete on ridiculous pricing practices was not followed. Many similar cases were also aired. In most instances the accused admitted his error."

Inferences which must be drawn from evidence relating to Institute meetings lead to the conclusion that discussions about inquiries at such meetings were of much the same character as that reported by Mr. Remington. As already indicated the conclusion of the Commission is that the procedure with respect to Institute inquiries constituted a part of the common acceptance by Institute members of mutually agreeable price policies.

2. Expectations of Higher Prices As a Result of Institute Activities

Although witnesses who gave evidence in the inquiry denied that participation in Institute activities led to the elimination of price competition among members the oral and documentary evidence leads the Commission to conclude that it was the expectation of Institute

members that there would be a substantial reduction in the scale and extent of discounting of list prices. Mr. E.A. Prime of Crain gave the following evidence in regard to the situation following the industry meetings in 1964:

"A. I don't want to say that the people said, oh well, price competition is eliminated, that wasn't the situation at all, but it was my impression, and it had been our experience that the service competition, was more to it as far as our Company was concerned and this was the impression I had, yes, at the December '64, that the other companies thought that had happened as well, yes, I don't mean to infer that there had been an elimination of price competition.

THE CHAIRMAN:

Had there been a reduction of price competition?

A. There had been, I can say there had been a reduction of the 40 and 50 per cent discounts, yes, as it affected us, and I think this was the case with the other companies."

In a memorandum of January 8, 1965, previously quoted, Mr. A.K. Taylor of Crain, Winnipeg, reported that since May, 1964 considerable price stability had been introduced and that there had been an improvement in Crain's off-list business.

Mr. J.D. Moffatt, former General Manager of Continuous Forms (Saskatchewan), gave the following evidence in regard to the extension of Institute procedures in Western Canada:

"Q. What progress was anticipated with the introduction of the Institute of Business Form Manufacturers in the west?

A. Again we anticipated a reduction in the discounting of prices, if this is the area we are discussing, as opposed to the other areas that we also felt that were of interest among those things being offered by the association, but with respect to profit progress, it was indicated over a period of a few years that the results would be a generally higher level of prices.

Q. You anticipated a reduction in the discounting on prices?

A. Yes."

On August 26, 1964 Mr. Moffatt wrote to Mr. R.J. O'Connell, General Manager of Continuous Forms & Envelopes, about "our new arrangements". His memorandum read, in part, as follows:

"Generally, I'd say our new arrangements are working well. I can really only think of one instance where Moore's cut on new business & we've lost nothing to anybody. There's one job I expect to book to-morrow - brand new form worth probably 5 - \$6,000 where we cheated a little - I'll give you details when we have order booked & are sure of spec's etc."

Earlier in August, 1964 Mr. O'Connell had asked Mr. W.T. Montgomery of Continuous Forms (Alberta) to report on "how the new arrangement is working." Mr. Montgomery's reply was, in part, as follows:

"We have been using new price book and find little loss in business. We did \$10,000.00 less business in July as to June and made as much profit. We have been able to raise some prices on re-order without too much trouble. The salesmen like the idea as it is increasing their earned commission."

Statistical tables filed by Moore during the Commission hearing show substantial reductions in the average rate of discount for most classes of business in both Eastern and Western Canada in 1965 and 1966 compared with the rates in 1963 and 1964. In both Eastern and Western Divisions there were reductions in the same two years of the proportions of total sales represented by "Repeat Business of Competitors Taken by Moore".

These significant changes in rates of discount and proportions of business taken from competitors were attributed by Moore to:

- (1) Delays in adding to production capacity so that large backlogs of orders were created. In this situation there was less incentive to seek business aggressively.
- (2) There had been no general increase in prices since 1963 and profit margins were being squeezed, again lessening the incentive to offer discounts.

It is clear that any manufacturer would offer reductions in prices only when it considered it is its interests to do so. Moore may have been less inclined to offer discounts from its list prices in 1965 and 1966 for the reasons summarized above. At the same time its policy to offer smaller discounts when joined in the general policy on prices developed in connection with the recruitment of new members of the Institute in 1964 and 1965 had the over-all effect of increasing realized prices for business forms. This effect benefited all members of the Institute and would reinforce the expectations of members, particularly the smaller firms, that benefits in the form of higher realized prices could result from joining the Institute. The evidence referred to earlier in this report that members found the arrangements "working well" indicates that expectations were being met.

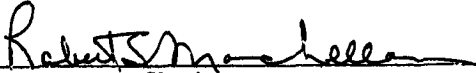
3. Appraisal of Institute Agreement and Activities

The analysis contained in this report of the basis on which independent forms manufacturers accepted the onerous provisions of the Institute agreement and conducted their operations in conformity with the terms of the agreement and the procedures set up for their implementation leads the Commission to conclude that the agreement and price-reporting activities constitute an agreement or arrangement to lessen unduly competition in the business forms industry. The detrimental nature of the arrangements from the viewpoint of the public interest is obvious regardless of whether they succeeded as well as some participants had hoped when they joined the Institute.

The disclosure of pricing policies and actual prices in the manner required by the Institute agreement can only be construed as evidence of a common understanding to follow mutually acceptable pricing policies on the part of each Institute member. Whether such common understanding was arrived at by express agreement or by the individual acceptance by each manufacturer participating in the arrangements of a mutually acceptable type of behaviour appears to the Commission to be a matter of form and not of substance. The purpose of the arrangements was to reduce substantially competition in price among members of the Institute.

The Commission finds that the arrangement among members of The Institute of Business Form Manufacturers did not relate only to one or more of the matters specified in subsection (2) of section 32 of the Combines Investigation Act.

It is the conclusion of the Commission that the members of The Institute of Business Form Manufacturers entered into a scheme involving an open price policy which was used to establish price leadership and price control and that such scheme constitutes an agreement to lessen unduly competition in the trade in business forms in Canada to the detriment of the public.


Chairman


Vice-Chairman


Member

Ottawa,

May 11, 1970

APPENDIX A

The Institute of Continuous Form Manufacturers

Copy of the 1942 Agreement

AGREEMENT between the undersigned manufacturers of Continuous Forms and equipment in Canada, and between them and C.B. Taylor, Toronto, Accountant and Auditor, herein referred to as "the Secretary".

1. The manufacturers hereby form an association to be called "The Institute of Continuous Form Manufacturers".

2. The Secretary agrees to maintain for the Institute on the terms hereof an information service with an office in the City of Toronto, Ontario.

3. The manufacturers appoint the Secretary to be their agent to whom the information required to be given hereunder shall be furnished and the Secretary agrees that he will receive such information and treat it as confidential, disclosing it only to members of the Institute in accordance with the requirements hereof.

4. This Agreement shall be applicable only to the product commonly known in the industry as "continuous forms" and "equipment" used in connection therewith. In the event of any dispute or difference arising as to whether any product comes within the designation of "continuous forms" or "equipment", the decision of the Secretary in the premises shall be final. The "equipment" for the use of continuous forms shall include counter automatic registers and portables and also all attachments for tabulators, typewriters, billing machines, bookkeeping machines and other similar office equipment when such attachments are for the purpose of continuous form operation.

5. Each member shall forthwith file with the Secretary in as many copies as may be required by the Secretary its current price list, specification of product and terms. By "terms" is meant full information as to the methods it adopts in selling its product, whether through distributors, jobbers, agents, representatives, or otherwise, all discounts, commissions and other payments or allowances applicable, (remuneration of full-time direct representatives only excluded), and its terms of sale, delivery and settlement. Each member shall promptly advise the Secretary of any change made in its standard prices,

specifications and terms and shall refile the necessary documents with the Secretary. It shall be the duty of the Secretary to supply each member with all documents so filed by any member.

6. Nothing in this agreement shall prevent a member from departing from its standard prices, specifications and terms whenever it may see fit so to do. Before so departing, however, in the case of continuous forms and equipment sold for consumption in Canada, such member shall inform the Secretary by telephone of the name of the customer and give specific and full particulars of the alteration in prices, specification or terms applicable and such departure shall constitute a "special filing". Such member shall promptly confirm each such "special filing" in writing, the intention being that each such member shall make full and frank disclosure to the Secretary of any proposed departure from its standard prices, specifications or terms.

Any member may request information from the Secretary as to "special filings" at any time theretofore made in respect of any named customer, but in so doing shall furnish to the Secretary full particulars as to the specification of the customer's inquiry or order on which he is seeking information. Such requests must be specific and not general.

Having made a specific request, the member may ask to be recorded by the Secretary as a member desiring such information, whereupon he shall be deemed to have made a "special request" and shall be so recorded. Such member shall promptly confirm each such "special request" in writing.

Each "special filing" and each "special request" shall be effective for a period of three months from the date on which it is recorded with the Secretary. Should an extension be required, it may by re-filing be renewed from time to time for similar periods.

Information received by the Secretary as a "special filing" shall be retained by him and be released only to members making a special request therefor and to members who have on file an effective "special request" for such information. It shall not be circulated amongst all members as in the case of standard price lists, specifications and terms. The fact that a "special filing" has been made by a member shall not prevent a member from selling or offering to sell on different prices, specifications

or terms, its only obligation being, to observe the foregoing procedure. The Secretary shall, however, immediately communicate full details of each "special filing" to those members who then have on file with the Secretary an effective and relevant "special filing" or "special request".

7. Each member shall report monthly to the Secretary the sales value of its sales of continuous forms and equipment sold for consumption in Canada together with the number of counter automatic registers and the number of portables included in such sales, such report to be filed with the Secretary not later than the fifteenth of the month following. The Secretary shall accumulate all such monthly reports and shall in turn report to each member, as soon thereafter as may be convenient, the value of continuous forms and equipment, together with the number of counter automatic registers and portables, sold as reported by it and the aggregate value and quantities reported by all members and shall show the percentage relationship that such member's sales bear to the aggregate.

8. The Secretary shall be entitled to make a special examination or audit at any time he may think necessary or desirable. He shall have free access to all correspondence, books and records, invoices, settlements, etc. for the purposes aforesaid. He shall report to all members any breach of the undertaking of this agreement by any member giving full details.

9. The Secretary shall be paid dollars per annum to cover services of himself and his staff, office accommodation and his facilities generally and in addition he shall be reimbursed for all travelling, stationery and other incidental expenses. He shall render his accounts monthly and shall apportion the amount of each monthly account amongst the members in proportion to the value of their reported sales. Any decrease in the membership shall not affect the Secretary's remuneration under this clause.

10. Nothing in this agreement shall control or affect purchases and sales as between members. Such transactions shall not enter into the accounting hereunder.

11. This Agreement may be terminated at any time by written agreement of a majority of the members. Any individual member may withdraw by giving two months' prior notice in writing to the Secretary

who shall immediately advise all other members.

12. The Secretary may resign and withdraw from this agreement by giving three months' prior notice in writing to all members.

13. The provisions of this agreement constitute the entire agreement between the parties, and no change therein shall be made or be binding on any of the parties unless agreed to in writing and filed with the Secretary.

IN WITNESS WHEREOF the signatories hereto have hereunto set their respective names and corporate seals this twenty-sixth day of January, 1942.

		BURT BUSINESS FORMS, LIMITED
	(SEAL)	
Witness	<u>M. Ruddock</u>	<u>W. N. McLeod, Vice-President</u>
Witness	<u>M. Ruddock</u>	<u>W. H. Browne, Secretary</u>

		BUSINESS SYSTEMS, LIMITED
	(SEAL)	
Witness	<u>D. Zoeger</u>	<u>G. C. Lumbers, President</u>
Witness	<u>D. Zoeger</u>	<u>L. J. Hughes, Vice-President</u>

		CRAIN PRINTERS, LIMITED
	(SEAL)	
Witness	<u>V. M. Campbell</u>	<u>Rolla L. Crain, President</u>
Witness	<u>Margaret Hamilton</u>	<u>Rolla L. Crain Jr., Vice-President</u>

		EGRY REGISTER CO. (CANADA) LTD.
	(SEAL)	
Witness	<u>Lawrence Rauh</u>	<u>S. Tourkow, Secretary</u>
Witness	<u>R. Crouch</u>	<u>B. W. Ware, Managing Director</u>

		NATIONAL SALES CHECK BOOK CO. LTD.
	(SEAL)	
Witness	<u>M. Ruddock</u>	<u>W. N. McLeod, Vice-President</u>
Witness	<u>M. Ruddock</u>	<u>W. H. Browne, Secretary</u>

WESTERN SALES BOOK CO. LIMITED

Witness M. Ruddock (SEAL) W. N. McLeod, Vice-President
Witness M. Ruddock W. H. Browne, Secretary

AUTOGRAPHIC REGISTER SYSTEMS LTD.

Witness Julie M. Valley (SEAL) Frank Dowsey, President
Witness R. D. Lanthier Jos. F. Hillenbrand, Vice-President
Witness L. Fortnum (SEAL) C. B. TAYLOR

Signed later as follows by:

SAVOY'S CONTINUOUS FORMS LIMITED

Witness Thora Jaruis (SEAL) G.A. Savoy, President
Witness Germaine Bisson Harolde J. Savoy, Vice-Pres.

THE KEYSTONE PRESS LTD.

Witness H. Barday Hugh A. Lance Director
Witness H. Barday M. McIntosh Vice-Pres.

APPENDIX B

Copy of the 1948 Amendment to 1942 Agreement

AMENDMENT TO AGREEMENT

TO:

C. B. Taylor, Secretary,
Institute of Continuous Form Manufacturers,
Royal Bank Building,
Yonge at Deloraine,
Toronto 12, Ontario.

The undersigned manufacturer of Continuous Forms and equipment, a party to an Agreement with other manufacturers of Continuous Forms and equipment, and with C. B. Taylor of Toronto, as a member of the Institute of Continuous Form Manufacturers, hereby evidences to the said C. B. Taylor, as provided in Clause 13 of said Agreement, acceptance of the following amendment, to wit:

CLAUSE 6: This clause is to be deleted in its entirety from the Agreement. The following clause is to be substituted therefor, and to take the place of the present Clause 6:

"Nothing in this agreement shall prevent a Member from departing from its standard specifications of product, price lists and terms whenever it may see fit so to do. Having so departed, however, in the case of continuous forms and equipment sold for consumption in Canada, which departure results in the securing of business on a specification at variance with its published standard specification, or at prices lower than its published standard prices, or on terms more favorable than its published standard terms, such Member upon final closing of the transaction shall forthwith file in writing full and complete data with the secretary which procedure shall constitute a 'special filing'.

Any Member may request information from the secretary as to 'special filings' on closed transactions at any time theretofore made in respect of any named customer, but in so doing shall furnish to the secretary full particulars as to the specification of the customer's order on which he is seeking information and the specifications, prices and terms which such

Member himself offered. Where the order as closed does in fact result in more favorable specifications, prices or terms than such offered by the inquiring Member full information of the order as closed may be released to such inquiring Member. Similarly any Member may request information on closed transactions where he is interested in a repeat order and can furnish the secretary bona fide evidence that the current specification is relatively the same as the specification of a closed transaction, All requests for such data must be specific and not general."

Signed:

Company

Witness

Signing Officer

Witness

Signing Officer

CLAUSE 6 AMENDMENT SIGNATURES

AUTOGRAPHIC REGISTER SYSTEMS, LIMITED

Witness F. Dryus Darrel S. Shoup, President

Witness J. H. Wells Jos. F. Hillenbrand, Vice-President

BUSINESS SYSTEMS LIMITED

Witness J. M. Stewart G. C. Lumbers

Witness A. M. Smith E. W. M. Thomson

R. L. CRAIN, LIMITED

Witness D. M. Stephen Rolla L. Crain

Witness D. Cathcart H. R. Nurrish

EGRY CONTINUOUS FORMS LIMITED

Witness V.C. Peeling

R. Crouch

Witness J. Goodfellow

W. Dean

MOORE BUSINESS FORMS LTD.

Witness D. J. LeQuesne

D. L. Millar

Witness R. A. Hicks

S. B. Pollard

MOORE BUSINESS FORMS WESTERN LTD.

Witness J. E. Farquhar

R. G. R. Govan

Witness C. Palmer

J. M. Kirkpatrick

SAVOY'S CONTINUOUS FORMS LTD.

Witness A. Harbeck

Harolde J. Savoy

Witness T. Landry

George A. Savoy

THE KEYSTONE PRESS LTD.

Witness H. Barday

HUGH A. LANCE Director

Witness H. Barday

M. McIntosh Vice-Pres.

APPENDIX C

The Institute of Business Form Manufacturers

Copy of the Agreement Executed in 1965
by Moore Business Forms Ltd.

AGREEMENT between manufacturers in Canada of
Business Forms and Equipment and C. B. Taylor &
Associates of Toronto, Ontario.

1. Upon the execution of this Agreement in one or more counterparts by three or more manufacturers of business forms and equipment in Canada with C. B. Taylor & Associates of Toronto, there shall automatically be created "The Institute of Business Form Manufacturers".

2. Each counterpart of this Agreement shall have the same force and effect as if executed in one document. The manufacturers, each with the others, shall become "Members" thereof and C. B. Taylor & Associates shall become "the Secretariat" thereof.

3. The Institute shall be national but there shall be a "Western Division" and an "Eastern Division" and each division may hold such meetings as may be desired. There shall be an annual convention of all members held within each year. A representative of the secretariat shall attend all such meetings.

4. The secretariat agrees to maintain for the Institute on the terms hereof an information service with an office in the City of Toronto, Ontario.

5. The manufacturers appoint the secretariat to be their agent to whom the information required to be given hereunder shall be furnished and the secretariat agrees that it will receive such information and treat it in accordance with the requirements hereof.

6. This Agreement shall be applicable only to the product commonly known in the industry as "business forms" and "equipment" used in connection therewith. The "equipment" used in connection with business forms shall include such equipment as shall from time to time be determined. In the event of any dispute or difference arising as to whether any product comes within the designation of "business

forms" or "equipment", the decision of the secretariat in the premises shall be final.

7. Each member shall forthwith file with the secretariat in as many copies as may be required by the secretariat its current price list, specification of product and terms. By "terms" is meant full information as to the methods it adopts in selling its product, whether through distributors, jobbers, agents, representatives, or otherwise, all discounts, commissions and other payments or allowances applicable, (remuneration of fulltime direct representatives only excluded), and its terms of sale, delivery and settlement. Each member shall promptly advise the secretariat of any change made in its standard prices, specifications and terms and shall refile the necessary documents with the secretariat. It shall be the duty of the secretariat to supply each member with all documents so filed by any member. Such documents shall also be available to any other interested person.

8. Nothing in this Agreement shall prevent a member from departing from its standard specifications of product, price lists and terms whenever it may see fit so to do. Having so departed, however, in the case of business forms and equipment sold for consumption in Canada, which departure results in the securing of business on a specification at variance with its published standard specification, or at prices lower than its published standard prices, or on terms more favourable than its published standard terms, such member upon final closing of the transaction shall forthwith file in writing full and complete data with the secretariat which procedure shall constitute a "special filing".

Any member may request information from the secretariat as to "special filings" on closed transactions at any time theretofore made in respect of any named customer, but in so doing shall furnish to the secretariat full particulars as to the specification of the customer's order on which he is seeking information and the specifications, prices and terms which such member himself offered. Where the order as closed does in fact result in more favorable specifications, prices or terms than such offered by the inquiring member full information of the order as closed may be released to such inquiring member. Similarly any member may request information on closed

transactions where he is interested in a repeat order and can furnish the secretariat bona fide evidence that the current specification is relatively the same as the specification of a closed transaction. All requests for such data must be specific and not general. Such special filings shall also be available to any other interested person.

9. Each member shall report monthly to the secretariat the sales value of its shipments of business forms and equipment sold for consumption in Canada together with the number of counter automatic registers and the number of portables included in such sales, such report to be filed with the secretariat not later than the fifteenth of the month following. The secretariat shall keep such information of members confidential and shall not reveal (without the expressed consent of the member) such information to any other member or to any other person or persons. The secretariat shall accumulate all such monthly reports and shall in turn report to each member, as soon thereafter as may be convenient, the value of business forms and equipment, together with the number of counter automatic registers and portables, sold as reported by it and the aggregate value and quantities reported by all members and shall show the percentage relationship that such member's sales bear to the aggregate.

10. The secretariat shall be entitled to make a special examination or audit at any time it may think necessary or desirable. It shall have free access to all correspondence, books and records, invoices, settlements, etc. for the purposes aforesaid. It shall report to all members any breach of the undertaking of this Agreement by any member giving full details.

11. The secretariat shall be paid by each member a fee equal to one-tenth of one per cent of the members reported value of its sales of business forms and equipment, to cover services of staff, office accommodation, travelling, stationery and other incidental expenses and its facilities generally. Accounts shall be rendered monthly.

12. Nothing in this Agreement shall control or affect purchases and sales as between members. Such transactions shall not enter into the accounting hereunder.

13. This Agreement may be terminated at any time by written agreement of a majority of the members. Any individual member may withdraw by giving two

months' prior notice in writing to the secretariat who shall immediately advise all other members.

14. The secretariat may resign and withdraw from this Agreement by giving three months' prior notice in writing to all members.

15. The provisions of this Agreement constitute the entire Agreement between the parties, and no change therein shall be made or be binding on any of the parties unless agreed to in writing and filed with the secretariat.

IN WITNESS WHEREOF the signatories hereto have hereunto set their respective names and corporate seals this 31st day of March 1965

MOORE BUSINESS FORMS LTD.

(Names and titles of signatories and witnesses omitted.)

C. B. TAYLOR & ASSOCIATES

(Names and titles of signatories and witnesses omitted.)

APPENDIX D

WITNESSES EXAMINED IN THIS INQUIRY

The following list gives the names of witnesses examined in this inquiry and the current or former business affiliation of the witness relevant to the inquiry:

August 22-25, 1967, at Toronto, Ontario

R.J. O'Connell	)	Continuous Forms &
D.A. Aumais	)	Envelopes Limited
G.S.N. Gostling	)	Pakfold Continuous
F.A. Hawkswell	)	Forms Limited
P.W. Remington	)	Drummond Business
	)	Forms Ltd.
N.L. Brown	)	Savoy Business Forms
	)	Limited
M.E. Vokes	)	Anthes Business Forms
	)	Limited

September 12-14, 1967, at Ottawa, Ontario

E.A. Prime	)	R.L. Crain Limited
H.B. Finlay)	
J.D. Crain)	
M. Regnier	)	Office of the Director
	)	of Investigation and
	)	Research, Combines
	)	Investigation Act
W.B. Jones	)	Southam - Autographic
	)	(Division of The
	)	Southam Printing
	)	Company Limited)

September 26-28, 1967, at Toronto, Ontario

J.D. Corcoran	)	Data Business Forms
S.W. Featherston	)	Limited
J.R. Taylor	)	C.B. Taylor & Associates
J.C. Mills	)	Commercial Papers Ltd.
R.H. Keeler	)	R.L. Crain Limited

October 25-26, 1967, at Toronto, Ontario

J.C. Kinnear	)	Moore Business Forms Ltd.
W.A. Ruddock)	
J.I. O'Connor)	
J.M. Rutherford)	
S.B. Pollard)	

November 23, 1967, at Quebec City, Quebec

R.J. Bedard	)	Modern Business Forms
	)	Limited

November 24, 1967, at Montreal, Quebec

R. Veilleux	)	Integrated Business
	)	Forms Inc.
G. Veilleux	)	Drummond Business
	)	Forms Ltd.
G.M. Savoy	)	Savoy Business Forms
	)	Limited

December 5, 1967, at Winnipeg, Manitoba

E.W. VanAllen	)	Systems Equipment
	)	Limited
M.R. Fountain	)	Western Business
	)	Forms Limited

December 6, 1967, at Calgary, Alberta

W.T. Montgomery	)	Continuous Forms
	)	(Alberta) Ltd.

December 7, 1967, at Edmonton, Alberta

F.C. Cuthbertson	)	Comset Business Forms
	)	Ltd.

December 8-11, 1967, at Vancouver, B.C.

G.E. Lennox	)	Keystone Business
	)	Forms Limited
J.S. McCracken	)	Evergreen Press Ltd.
M.J. Kelly	)	Keystone Business
	)	Forms Limited
M. Collins	)	Continuous Forms (B.C.)
	)	Ltd.

June 11-12, 1968, at Montreal, Quebec

W. Wilkinson	)	Autographic Business
	)	Forms Limited
J.D. Moffatt	)	Continuous Forms
	)	(Saskatchewan) Ltd.
H.J. Savoy	)	Savoy Business Forms
	)	Limited

June 13-14, 1968, at Toronto, Ontario

N.G. Mahoney	)	Autographic Business
D.S. Howard	)	Forms Limited
C.F. Haughton	)	Automated Business
J.A. Hood	)	Forms Limited

WITNESSES AND APPEARANCES AT THE
HEARING BEFORE THE COMMISSION

Toronto, Ontario, October 21-24, 1969

Witnesses:

J.R. Taylor	)	C.B. Taylor & Associates
S.B. Pollard	)	Moore Business Forms
W.A. Ruddock	)	Ltd.

Counsel

Representing

J.J. Robinette, Q.C.	Moore Business Forms Ltd
W.J. DesLauriers, Q.C.	
J.M. Spence	
G.F. Henderson, Q.C.	R.L. Crain Limited
C.F. Scott, Q.C.	
F.S. Fisher	J.R. Taylor of the firm C.B. Taylor & Associates
J.W. Brown	Continuous Forms & Envelopes Limited and Continuous Forms (Alberta) Ltd.
R.M. Sedgewick, Q.C.	Anthes Business Forms Limited
J.C.C. Chipman	Autographic Business Forms Limited

T.N. Unwin

Systems Equipment
Limited
and
Western Business Forms
Limited

S.P.H. Robinson
D.W. Falconer, Q.C.

Keystone Business
Forms Limited

The Director of Investigation and Research
was represented by:

B.N. Burgess
O.R. Sametz

HD
3626
.C2A4
no. 50

Canada. Restrictive Trade Practices
Commission.

Title/Titre

Business forms; report in the matter of an
inquiry relating to the production,
manufacture sale or supply of printed
forms and related articles. 1970.

Date

(RTPC, 50)

Borrower
Emprunteur

Room

Pièce

Telephone

Téléphone

Oct 10/79

A. GEORGES (54)

6-7948

