

L. S. R. Pamphlet

No. 1

Dividends and The Depression

By

E. A. Forsey

Who bears the burden of depression—stockholder, salaried man or wage earner? Here is the story, industry by industry, of what has happened to the incomes of these classes in Canada for the last four years. This pamphlet contains a wealth of information regarding dividends, salaries and wages, put together in Canada for the first time, which goes far to answer those newspapers and politicians claim that there has been "quality of sacrifice".

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Dividends and the Depression

Who bears the burden of depression? What changes take place in the total amounts of money paid to shareholders; salaried employees and wage earners? Allowing for the fall in prices, what do the changes in money payments mean in terms of the goods and services the money will buy? How serious is the real-reduction in dividends, salaries and wages? Do all these three types of income suffer equally? Are dividends of all industries affected equally, or even in the same direction?

Theoretical analysis of our present economic arrangements suggests one set of answers to these questions. Prices are falling. In the prevailing atmosphere of uncertainty buyers are reluctant to take much even at lower prices and quantity demand also falls. The business firm accordingly finds less money coming in from sales. From this reduced gross income, however, it must pay out just as much as before for bond interest and similar fixed charges. The net amount available for dividends, salaries, and wages shrinks. The firm must economize. How?

It might of course reduce its dividends. But it is in business to pay dividends and will therefore postpone this step as long as it can. It might also cut salaries. But salary expenditure is not susceptible of easy adjustment. Even with a much reduced output the firm may need as large a salaried staff as before; the salary contract is usually for a longer period than the wage agreement, if any; and the largest salaries go to members of the owning class who may even be important shareholders in the concern which "employs" them. The simple and easy course is to cut the wage bill by lay-offs, short time, reduction of wage rates, or a combination of all three.

In the first phase of depression, then, we may expect to find dividend and salary payments keeping up to their "prosperity" level while the wage bill falls.

Industries which sell mainly in a protected home market (especially if they are approaching a condition of monopolistic control, as many of our leading industries are),⁽¹⁾ or which, like Canadian gold mining in recent years, are "sheltered" by special circumstances, are likely to remain in this first phase for some time. Considerations of efficiency, however, set a definite limit to the policy of lay-offs, short time, and wage reduction; and industries directly or indirectly dependent on export trade soon find their gross revenues so drastically curtailed that further economies on wage bills are insufficient to protect their solvency. These "unsheltered" industries, therefore, pass rapidly to a second phase of depression in which dividend payments (their second most easily controllable expenditure) fall steeply, usually by a larger percentage than the wage bill, and in which salary payments, for the reasons already noted, fall proportionately less than either.

Finally, if deflation goes on long enough, many businesses find it impossible even to pay their bond interest, and the bondholder, hitherto the pampered darling of the system—since he has been getting as many dollars as before and each dollar buys more—in his turn takes a loss.

Such is the theory: the burden will fall first and most heavily on wage-earners, second on shareholders in the "unsheltered" industries, third on salaried staffs, and last, if the process goes on long enough, on shareholders of "sheltered" industries, and on bondholders.

Does this theory correspond with the facts? Some people will at once declare that for Canada at least it does not. Confronted with figures of increased dividends and reduced wage bills in the United States in 1930, they will take refuge in assertions that Canadian capitalism is not as other capitalisms, that nothing like the American figures could be found in the records of Canadian business (except perhaps in isolated or exceptional cases), that on the contrary Canadian capitalists have made enormous sacrifices to keep up their wage bills to something like the pre-depression figure.

(1) See "Concentration in Canadian Industry", by E. A. Forsey, Canadian Forum, October, 1933.

Which is the true picture? Statistics alone can decide, and fortunately our statistical material is ample. The Dominion Bureau of Statistics publishes figures of wages and salaries separately for all manufacturing and mining industries, and wages and salaries combined and dividend payments for railways and telephones. For total dividends of all Canadian companies, we have the authoritative annual estimates of Mr. A. D. O'Halloran, Financial Editor of the *Toronto Star*, and for dividends of particular industries, the *Toronto Financial Post* Surveys of Corporate Securities and Mines, and Poor's and Moody's investment manuals.

From these sources have been compiled the tables which are presented in the Appendix. Tables 1 and 2, based on Mr. O'Halloran's estimates, give summary figures for dividends of all Canadian companies, 1929-1933. Tables 3 and 4 show dividend and payroll figures, by industries, for the years 1929-1931, while Tables 5 and 6 give similar figures over the period 1929-1932 for the smaller number of industries for which 1932 figures could be obtained. These tables are organized to show separately the experience of the "sheltered" and the "unsheltered" industries. Thus, Tables 3 and 5 contain data for the sheltered industries, such as textiles, oil refining and gold mining, which produce for the home market or have had, for other reasons, assured markets during the depression; while Tables 4 and 6 list the unsheltered industries, such as agricultural implements, pulp and paper and railways, which depend upon export trade and are therefore subject to the full shock of international depression. Table 7 shows the absolute and the percentage changes in dividends, salaries and wages from 1929 to later years for all the industries for which information is available. Tables 8 and 9 presents salary and wage figures for industries for which dividend figures are not at hand. Table 10 completes the statistical evidence with figures on payments to bondholders, 1929-1932.

Since the statistical tables are detailed and somewhat lengthy they have been placed in the Appendix, along with the more detailed and technical comments on sources and methods. In the text that follows summary figures and broad conclusions are presented. Many points of interest, regarding particular industries, cannot be mentioned in the brief space of the text; but the material is available in the Appendix for the interested reader to draw his own conclusions.

The available statistics, it is true, do not cover the whole field of Canadian economic activity, and some of the figures are subject to qualifications which are set forth in the Appendix. (2) But the briefest examination of the material presented therein is enough to show that the amounts involved are relatively trifling, and that no re-grouping of the items, no juggling of this or that figure, could appreciably change the general result, or indeed in most instances the result for any particular industry. Nor can figures covering so wide a range of industries be brushed aside as "unrepresentative" or "exceptional". Agreeable or the reverse, they must be accepted as typical, and as a conclusive answer to the question with which we began, "Who bears the burden of depression?". And the answer is unmistakable. The confirmation of the theoretical economic analysis is so complete as to be simply staggering.

1930. No Depression in Dividends! In 1930, our tables show, total dividends of Canadian companies increased over 1929 by 22%, total salaries declined slightly by 2%, and total wages fell 11.5%. In other words, shareholders gained enormously and the salaried group almost maintained its 1929 position. Wage-earners, on the contrary, felt the effects of the depression as soon as it arrived; nor was the fall in money wages offset by any appreciable change in retail prices, which fell less than one per cent.

A summary table for this year shows: (3)

	1930	1929	Change	Per cent change
Dividends I	\$262,398,994	\$215,097,291	+\$47,301,703	+22
Dividends II	234,250,660	198,838,060	+ 35,412,600	+18
Dividends III	170,329,016	158,367,663	+ 11,961,353	+ 7.5
Salaries	192,275,000	196,587,000	— 4,312,000	— 2
Wages	619,759,000	700,852,000	— 81,093,000	—11.5

(2) See the "Note on Statistics", page 39, and the footnotes to the various statistical tables.

(3) Dividends I refers to all Canadian companies, as in Table 1; Dividends II refers to all companies operating only in Canada, and Dividends III refers to industries for which payroll data was obtained, the sum of the figures in Tables 3 and 4. The salary and wage figures are for all industries for which reports were available, and represent the sum of the totals in Tables 3, 4 and 8. The decrease in total salaries shown here reflects a reduction in salaried employees from 96,907 to 92,943. The average salary in manufacturing rose from \$1954 to \$1982. See the Canada Year Book, 1933.

For a number of the industries listed in Tables 3 and 4 of the Appendix no separate figures on wage bill are available; but for those industries for which separate wage figures are at hand, the figures are:

	1930	1929	Change	Per cent change
Dividends	\$130,625,967	\$123,534,483	+\$ 7,091,484	+ 5.7
Salaries	96,110,000	93,671,000	+ 2,441,000	+ 2.5
Wages	315,925,000	350,431,000	— 34,506,000	—10

In the sheltered industries covered by Table 3 (gold mining and industries producing mainly for the home market), dividends rose \$8,730,000, or almost 11%, from 1929 to 1930. In sheltered industries for which wage bill is reported separately, dividends rose \$7,428,000, or over 10%, salaries rose \$3,103,000, or 4.5%, while wages fell \$17,488,000, or more than 7%.

Thus it appears that the sheltered industries in 1930 were for the most part still keeping up or even increasing dividend and salary payments, but were reducing wage bill. Most of the unsheltered industries, on the other hand, (*i.e.* those directly or indirectly depending largely on export trade) were already beginning to enter the second phase of depression, with both dividends and wages falling. Only railways, non-ferrous metals, and agricultural implements of the unsheltered group showed increased dividends, though the two largest distilleries (which had 70% of the total assets of the industry) raised their dividends by \$992,000, or 32.5%. But the increases in railway and metal dividends were large enough to keep total dividends for the group \$3,230,000, or 4%, above 1929, while payroll fell by over \$40,000,000, or 9%. For unsheltered industries except railways, dividends were \$427,000, or less than one per cent, below 1929, salaries were down \$670,000, or less than 3%, and wages were down by more than \$17,000,000, or 15%.

No wonder our business leaders in 1930 kept assuring us that the depression was "purely psychological"!

The Record for 1931 By the end of 1931 these assurances were being proffered rather less often and less boldly. One hundred companies had stopped dividends, fifty had reduced their rate, some (including the banks) had dropped their bonuses and other extra disbursements. Total dividends were \$52,000,000 below 1930.

At first glance this may seem an impressive sacrifice from shareholders. But was it? More than 60% of the decrease from the 1930 peak, or \$33,000,000, is accounted for by reductions by C.P.R. and International Nickel and the absence of Imperial Oil's special 1930 bonus from foreign operations. The rest of Canadian business apparently paid dividends not far short of the all-time highs of 1930, and dividends in the sheltered industries were actually higher than in 1930. Ten companies increased their rate over 1930 and twenty made extra payments. Compared with 1929, total dividends were down only 2.2%, and until the end of August monthly payments were uniformly higher than in 1929. Dividends of companies operating in Canada were rather greater than in 1929. The "sacrifice" begins to look less impressive, and when we translate it into terms of goods and services, as we shall presently, it becomes a minus quantity. The plight of the shareholder in 1931, in fact, is one which the tenderest heart may contemplate without quivering.

Total salaries, thanks to increased employment of salaried staffs in manufacturing, ⁽⁴⁾ rose slightly from the 1930 level.

In marked contrast to dividends and salaries, total wages fell 30% from 1929 to 1931.

Summary figures for 1931 are as follows: ⁽⁵⁾

	1931	1929	Change	Per cent change
Dividends I'	\$210,231,919	\$215,097,291	—\$ 4,865,371	— 2.3
Dividends II	203,931,826	198,838,060	+ 5,093,766	+ 2.5
Dividends III	138,847,492	158,367,663	— 19,520,171	—12.5
Salaries	192,588,000	196,587,000	— 3,999,000	— 2
Wages	491,045,000	700,852,000	— 209,807,000	—30

Figures for the industries of Tables 3 and 4 for which wage bill is reported separately are as follows:

	1931	1929	Change	Per cent change
Dividends	\$106,627,691	\$123,534,483	—\$ 16,906,792	—13.7
Salaries	91,167,000	93,671,000	— 2,504,000	— 2.7
Wages	249,344,000	350,431,000	— 101,087,000	—29

(4) Salaried employees in manufacturing, 1931, 99,798; average salary \$1857. See Dominion Bureau of Statistics Report on Manufactures, 1931.

(5) These figures are organized in the same way as those in the table on page 5. See footnote 3.

In 1931 we can draw a fairly sharp line between the behaviour of sheltered and of unsheltered industries. Dividends in the sheltered industries were higher than in 1929 by \$10,012,000, or over 12%. Payroll (salaries and wages together) was down \$57,409,000, or almost 17%. Sheltered industries for which wage bill is reported separately show dividends \$8,412,000, or over 11%, higher than in 1929, and salaries \$1,835,000, or 2.7% higher. Wages on the other hand were lower by \$56,000,000 or almost 23.5%. Even if we exclude from the sheltered group gold mining and silk—both expanding industries—the dividends are still well above 1929, while wage bill is even farther below that level.

Unsheltered industries in 1931 were on the whole well into the second phase of depression; cutting dividends by a larger percentage than wage bill, and reducing salary payments by a smaller percentage than either dividends or wage bill. Dividends were down \$30,000,000, or 38%, from 1929 and salaries and wages together were less by \$111,000,000, or 26%. For unsheltered industries for which wage bill is reported separately dividends were down \$25,318,000, or 51.7% and salaries \$4,339,000, or 18%, while wages had fallen \$45,071,000, or 40.5%.

1932—The Third Year of Depression For 1932 wage figures are as yet very incomplete. In the industries for which they are available they show a decrease of 43.3% from 1929. Salaries in the same industries had fallen only 18.5%, and dividends had declined 37.7%.

Summary figures for 1932 are: ⁽⁶⁾

	1932	1929	Change	Per cent change
Dividends I	\$162,787,004	\$215,097,291	—\$ 52,310,287	—24.3
Dividends II	160,185,655	198,838,060	— 38,652,405	—19.5
Dividends III	60,664,724	123,625,408	— 62,960,684	—51.0
Salaries & Wages.	392,499,000	651,795,000	— 259,296,000	—39.8

Much more significant are the figures for sheltered industries which reveal the almost incredible fact that even in this third year

(6) The figures in this table are organized in the same way as those on page 5, which are explained in footnote 3. Dividends III refers to the sum of the dividend figures in Tables 5 and 6, and the salary and wage figures to the sum of these figures in Tables 5 and 6.

of depression, shareholders in sheltered industries were getting almost as much money as in 1929. (7)

	1932	1929	Change	Per cent change
Dividends	\$ 80,041,775	\$ 80,322,160	—\$ 280,385	— .3
Salaries & Wages..	148,693,000	232,963,000	— 84,270,000	—36.2

For the industries of Table 5 for which wage bill is reported separately, the figures are as follows:

	1932	1929	Change	Per cent change
Dividends	\$21,581,438	\$22,516,978	—\$ 935,540	— 4.2
Salaries	10,063,000	11,011,000	— 948,000	— 8.7
Wages	25,418,000	34,052,000	— 8,634,000	—25.3

It is only fair to add that silk dividends in 1932 were \$542,932 higher than in 1929, that gold mining dividends were \$5,827,189 higher, and that these items bulk large in the figures of the sheltered industries. On the other hand, iron and steel dividends were \$3,336,605 lower. Dividend figures for sheltered industries excluding gold and silk are:

	1932	1929	Change	Per cent change
	\$62,326,942	\$68,977,448	—\$6,650,506	— 9.7

Iron and steel, cement and paints account for most of this decrease—reflecting, of course, the falling off in railway and other construction—and power accounts for most of the rest.

Unsheltered industries in 1932 had practically ceased to exist as dividend producers. About 85% of their 1929 dividend payments had gone, and nearly 42% of payroll. Flour milling (8) alone showed a slight increase over 1931.

The Purchasing Power of These Incomes

So much for the money payments to these three groups of income-receivers. But during these years the purchasing power of money was steadily rising. What has been the net effect on real incomes, on the money payments translated into the goods and services they will buy?

(7) These dividend figures are the totals listed in Table 5, with the following additions: power, \$16,067,547; telephones (four largest companies), \$6,929,904; tobacco, \$5,521,930; textiles other than silk, \$2,258,781. The salary and wage figures come from Table 5.

(8) \$2,183,905 total for 1932.

In 1930, though wholesale prices fell almost 10.5% from 1929, retail prices fell less than one per cent. The purchasing power of the consumer's dollar remained practically unchanged. In terms of real income, therefore, shareholders got considerably more than in 1929, salaried persons as a group only slightly less than in 1929, and wage-earners about 10% less. The *average* salary in manufacturing rose from \$1,954 in 1929 to \$1,982 in 1930. (9) Advocates of wage cuts often assure us that the fall in prices offsets the cut in money wages; but in 1930 the average wage for employed wage-earners in manufacturing fell from \$1,045 to \$1,001, a drop of 4.2%, or considerably more than the fall in retail prices. Thus, even the real income of wage-earners who managed to keep their jobs was lower in 1930 than in 1929.

By 1931, retail prices had fallen 10.3%, from the 1929 level. Total real dividends, therefore, far from being reduced, were actually 9% above 1929. Total real salaries also had increased, by about 9.5%. But total real wages were 22% below 1929.

A summary statement of the percentage changes in total real income of these various groups between 1929 and 1931 follows. The figures apply to those industries listed in Tables 3 and 4 for which separate wage data are available; and to the sheltered industries listed in Table 3 for which there are similar figures.

All Industries	Sheltered Industries
Real dividends - 4.0	Real dividends +23.8
Real salaries + 8.5	Real salaries +14.5
Real wages -20.8	Real wages -14.7

The average salary per salaried employee in manufacturing fell in 1931 to \$1872, which however represents a gain of almost 7% in real income, compared with 1929. The average wage in manufacturing had dropped to \$957, which represents a 2% gain in real income for wage-earners still employed.

In short it is clear that, even when we allow for the fall in prices, wage-earners as a group at the end of the second year of depression had sacrificed a very large proportion of a very meagre

(9) See Canada Year Book, 1933, Chap. XIV.

income, while shareholders and salaried staffs, as a whole, had substantially maintained their 1929 position.

Even in 1932 Mr. O'Halloran's dividend figures, measured against an 18% fall in retail prices, give total real dividends less than 8% below 1929 and total real dividends of companies operating in Canada almost exactly what they were in 1929. Nor do total real salaries seem to have been seriously reduced. Total real wages, on the other hand, must have been at least 25% to 30% below 1929.

Real dividends of sheltered industries in 1932 were almost 22% above 1929. Excluding gold and silk, real dividends of other sheltered industries were 10% above 1929.

Notoriously, too, not all the capital on which these dividends have been paid represents a genuine cash investment. Some of it is "water".

There remains the question, how has the bond holder fared? Unfortunately it is not easy to get exact figures of bond and debenture interest, but the public accounts of Dominion and provincial governments, the Canada Year Book, and figures in the investment manuals show total interest payments in 1929 of over \$365,000,000 on Dominion, provincial, municipal, and corporation bonds and debentures. ⁽¹⁰⁾ By 1932 these payments had risen, according to the incomplete records, to over \$414,000,000. When we allow for the fall in prices it appears that by 1932 bondholders had not lost all, but had gained enormously!

Some Possible Criticisms Someone is almost certain to challenge this pamphlet on at least three grounds: first, that total dividends are so small compared with total wage bill that even if firms had cut dividends severely at the outset, drastic reductions in wage bill would still have been necessary; second, that many dividends since 1929 have been paid not out of earnings but out of reserves; third, that some of the dividend increases represent only a normal return (7% or 8%) on new capital invested since 1929.

(10) See Table 10.

To the first objection there are two answers. In the first place, total dividends are not small. In 1931, when wages had fallen \$210,000,000 from 1929, dividends of Canadian companies operating in Canada stood at rather more than their pre-depression level of about \$200,000,000. In other words a really severe cut in dividends would have enabled industry to keep its wage bill much higher than it did.

In the second place, there are important industries in which total dividends in 1929 were *larger* than wage bill—oil, power, distilling—or nearly as large—gold mining, tobacco and non-ferrous metals. “Equality of sacrifice” as between shareholders and wage-earners is no more conspicuous in these industries than elsewhere. Moreover, as Table 7 shows, there are numerous cases of industries which simultaneously reduced wage bills and increased dividend payments.

To the second objection, the simple and sufficient answer is, “What provision does Canadian capitalism make for paying wages out of reserves in a period of depression”?

To the third, one answer might be that if the Canadian capitalist is as unselfish as he is sometimes painted he might be expected to forego something of the return on any new capital he has invested since 1929. But we need not rely on mere repartee. For on examination it turns out that most of the industries covered by our tables had actually a smaller capital investment ⁽¹¹⁾ than in 1929 even in 1930, and that most of the remainder had larger investment but smaller dividends. Only in a very few instances did both capital invested and dividend payments increase, and in fewer still were the increases in dividends small enough to represent a normal return on new capital.

In making such a comparison one must of course deduct from the total increase in capital the increase in fixed-interest-bearing capital (bonds, debentures, and bank loans—the last a small item). It is only on the remainder that dividends may reasonably be claimed. When we have made this deduction we find that normal return on new capital may explain the increase in sugar refining dividends in 1930 (though here our dividend figures are very in-

(11) See Canada Year Book, 1931-1933, and Census of Industry and other reports of the Dominion Bureau of Statistics.

complete), and in iron and steel dividends in 1930, but probably nothing more. In power, in both 1930 and 1931, the increased capital seems to have been almost wholly fixed-interest-bearing. ⁽¹²⁾ In telephones the 1930 increase in dividends was enough to pay 9% on new capital, the 1931 increase enough to pay over 11%. For Bell Telephone the figures are 9.8% and 11.8%; for New Brunswick Telephone 10.5% and 16.5%. Railway dividends in 1930 rose enough to pay 35.3% on new share capital. Silk dividends (excluding Courtauld's, established November, 1930), rose enough in 1930 to pay 13.5% on new capital (Courtauld's again excluded), in 1931, 37.5%, in 1932, 49%. In electrical apparatus in 1930 dividends rose enough to pay 95% on new capital. These are pretty tidy figures for a depression, but they pale into insignificance beside the blazing glory of the tobacco manufacturing industry whose dividends increased enough to pay, in 1930, 92.3% on new capital invested since 1929, and in 1931, 1041.5%.

Conclusion Such is the tale of dividends, interest, salaries and wages, during the depression: an amazing record, not without a flavour of melodrama. But the sources of information are unimpeachable and certain conclusions seem almost to force themselves upon us.

- (1) Canadian industry as a whole, in 1930, and the sheltered industries in all three years, not only economized on wage bill to the extent necessary to keep dividends up to the 1929 level but seems actually to have taken advantage of the depression to increase dividends at the expense of wage-earners.
- (2) The different behaviour of the unsheltered industries seems due rather to shrunken export markets than to any higher ethical standard; for much the same people control sheltered and unsheltered industries alike, and the railways and non-ferrous metals in 1930 showed no more restraint than their sheltered brethren.
- (3) Salaried persons cannot be said to have borne any very serious burden in 1930, and in 1931 had actually a higher real income, individually and collectively, than in 1929.

(12) In 1930, the increase in fixed-interest bearing indebtedness of power companies covered by Table 2 was actually greater than the total increase in capital, owing, no doubt, to the unavoidable inclusion of certain issues which really went to finance gas or local transport developments.

- (4) We are not, as some comfortable people like to tell us, "all poor together": the brunt of the depression has fallen and fallen heavily on the wage-earners.
- (5) Against the background of the facts, the picture of Canadian capitalists as a class (there are honourable exceptions) sacrificing their profits to the welfare of the workers becomes a little indecent.

But it is no use blaming individuals or shouting for human sacrifices or thinking that everything would be all right if only all business men would be honest and unselfish. The situation is not the work of a set of crooks who have turned to evil uses a system in itself beneficent. It is in the main a normal result of the working of capitalism in one of those periods of deflation which seem to be inherent in it. I see no reason to believe that business men are congenitally less honest or unselfish than their critics, preachers and professors included, nor that those virtuous persons if placed in the same situation would do very differently. It is not easy to be unselfish in an economic system one of whose beatitudes seems to be, "Blessed are the grasping for they shall inherit the earth"; whose biological result has been described as "the survival of the cunning and the vulgar and the crafty and the cruel". A flock of archangels *administering the capitalist system* for the last four years in Canada would probably have produced very much the same state of affairs as we see around us. Is there any remedy short of a complete change of system?

APPENDIX

Tables 1—10

Supplementary Data

Notes on Statistics

TABLE 1

Total Monthly Dividend Payments of Canadian Companies, 1929-1933, as estimated by A. D. O'Halloran, Financial Editor, Toronto Star.*

	1933	1932	1931	1930	1929
Jan.	\$ 14,204,987	\$ 18,667,719	\$ 21,555,937	\$ 24,598,307	\$ 19,992,721
Feb.	3,719,099	4,064,479	4,835,571	6,506,329	4,411,781
Mar.	19,437,457	18,843,813	23,440,676	21,730,555	18,254,214
Apr.	11,935,188	20,532,879	28,502,437	31,039,150	24,086,126
May	3,453,890	4,445,585	5,095,274	6,490,931	4,375,577
June	17,993,417	20,891,877	27,467,187	34,499,378	26,178,171
July	13,580,939	14,681,434	19,796,615	22,490,991	19,756,830
August ..	3,285,159	4,276,776	4,731,184	5,644,377	4,592,910
Sept.	15,213,556	16,274,030	19,019,062	23,249,107	21,563,606
Oct.	12,336,324	15,827,783	22,943,009	29,759,659	32,089,252
Nov.	3,603,227	3,616,333	5,006,363	6,129,528	5,729,245
Dec.	22,564,583	20,664,291	27,835,604	50,260,682	34,066,858
Totals ...	141,327,826	162,787,004	210,231,919	262,398,994	215,097,291

* By kind permission of Mr. O'Halloran. The Montreal Star, Dec. 5, 1933, gives other estimated totals as follows:

1933	1932	1931
\$131,253,000	\$164,650,000	\$226,351,000

TABLE 2

(a) Dividends of Principal Canadian Companies Operating Outside Canada

	1932	1931	1930	1929
Brazilian Traction	\$ 1,712,260	\$ 3,395,387	\$ 9,531,336	\$ 11,501,571
Barcelona Traction		899,427	2,635,297	2,159,097
Mexican Tramways		324,000	648,000	648,000
International Power		560,000	560,000	560,000
International Proprietaries	628,039	695,529	864,293	696,827
Foreign Power Securities	150,000	150,000	300,000	425,000
Canadian Foreign Investment		174,750	105,102	140,536
Jamaica Public Service..	101,000	101,000	85,492	70,000
Trinidad Electric			43,650	58,200
Imperial Oil (1).....			13,375,164	
	2,591,349	6,300,093	28,148,334	16,259,231

(b) Dividends of Canadian Companies Operating in Canada (2)

1932	1931	1930	1929
\$160,185,655	\$203,931,826	\$234,250,660	\$198,838,060

(1) 1930 bonus from foreign operations.

(2) Dividends of all companies, as in Table 1, less dividends of companies operating outside Canada, as above.

TABLE 3

Dividends and Payrolls, Sheltered Industries, 1929-1931. (1)

<i>Industry</i>	1931	1930	1929
Iron and steel (2)			
Dividends and cash bonuses	\$ 8,744,394	\$ 10,452,007	\$ 8,793,792
Salaries and wages	96,081,000	129,215,000	135,530,000
Wages	73,220,000	102,699,000	112,648,000
Electric power (3)			
Dividends, etc	20,906,968	19,676,167	17,042,766
Salaries and wages	26,307,000	27,287,000	24,832,000
Wages	13,960,000	14,839,000	13,319,000
Oil refining (4)			
Dividends, etc.	16,856,921	16,631,889	16,650,045
Salaries and wages	6,182,000	8,190,000	8,153,000
Wages	4,916,000	6,787,000	6,900,000
Cement (5)			
Dividends, etc.	1,362,751	1,363,733	1,364,870
Salaries and wages	2,433,000	3,172,000	3,524,000
Wages	2,164,000	2,905,000	3,263,000
Chemicals (6)			
Dividends, etc.	3,724,254	4,066,602	4,383,294
Salaries and wages	4,916,000	5,653,000	6,540,000
Wages	3,445,000	4,283,000	5,245,000
Paints (7)			
Dividends, etc.	676,249	733,076	643,049
Salaries and wages	4,282,000	4,308,000	4,260,000
Wages	1,743,000	2,026,000	2,068,000

(1) Sources: Payroll and wage figures from reports of Dominion Bureau of Statistics. Dividend figures (except where otherwise noted) are for companies listed in the Financial Post Survey of Corporate Securities, brought to a calendar year basis. Data in Tables 4, 5 and 6 come from the same sources.

(2) Excluding boilers, tanks and engines, motor cars and motor car parts (for which no adequate dividend figures are available) and agricultural implements (for which see Table 4).

(3) Dividends of companies listed in Financial Post Survey of Corporate Securities, and Canadian Hydro-Electric (which owns 49% of E. B. Eddy Co.'s stock—see Poor's Manual), with allowance for one company's holdings in others, wherever possible.

(4) Dividend figures for 1930 do not include Imperial Oil's bonus of \$13,375,163.50, earned by foreign operations of that company.

(5) Dividends of Canada Cement.

(6) Dividends of Canadian Industries Limited, Dominion Tar and Chemical, and Standard Chemical. Payroll and wage figures for coal tar distillation, acids, alkalies and salts, explosives, ammunition and fireworks, and fertilizers (which last is "unsheltered").

(7) Dividends of Sherwin-Williams of Canada, Brandram-Henderson, and International Paints of Canada.

TABLE 3—(Continued)

Industry	1931	1930	1929
Glass (8)			
Dividends, etc.	\$ 479,500	\$ 479,500	\$ 479,500
Salaries and wages	3,564,000	4,205,000	4,741,000
Wages	2,873,000	3,425,000	3,959,000
Gold (9)			
Dividends, etc.	14,125,907	11,606,940	10,990,706
Salaries and wages	17,150,000	14,647,000	14,845,000
Wages	15,360,000	13,026,000	13,234,000
Textiles (10)			
Dividends, etc.	3,583,516	3,525,762	3,331,956
Salaries and wages	41,120,000	40,838,000	46,100,000
Wages	33,844,000	34,356,000	38,986,000
Electrical apparatus (11)			
Dividends, etc.	3,400,000	3,362,000	2,215,413
Salaries and wages	22,474,000	26,260,000	26,725,000
Wages	13,053,000	16,640,000	17,839,000
Telephones (12)			
Dividends, etc.	7,720,232	7,331,328	6,119,729
Salaries and wages	27,957,000	31,532,000	31,085,000
Wages			
Sugar refining (13)			
Dividends, etc.	157,498	97,499	52,500
Salaries and wages	3,308,000	3,560,000	3,686,000
Wages	2,372,000	2,652,000	2,748,000
Meat Packing			
Dividends, etc.	422,319	959,863	887,487
Salaries and wages	11,627,000	12,115,000	13,999,000
Wages	7,663,000	8,575,000	9,274,000
Brewing (14)			
Dividends, etc.	2,483,952	2,879,912	2,728,570
Salaries and wages	6,602,000	6,757,000	7,134,000
Wages	4,156,000	4,506,000	4,750,000

(8) Dividends of Dominion Glass Company.

(9) Dividends of gold companies, except Noranda (which produces gold, silver and copper), from Financial Post Survey of Mines and Moody's Manual. Payroll and wage figures for alluvial gold and auriferous quartz mining.

(10) Cottons, woollens, silks, hosiery and knitted goods. Silk dividends do not include Courtauld's (Canada), established November, 1930, Canadian T.S.R. of Lyons, established 1932, nor fourteen small firms listed by the Dominion Bureau of Statistics but not by the Financial Post Survey or Poor's Manual.

(11) Northern Electric dividends not given. Included in Bell Telephone.

(12) Dominion Bureau of Statistics figures for "large systems".

(13) Dividends of St. Lawrence (Poor's Manual), Atlantic and Acadia. No others available.

(14) Molson's not listed in Financial Post Survey or Poor's or Moody's Manuals.

TABLE 3—(Continued)

<i>Industry</i>	1931	1930	1929
Tobacco manufacturing (15)			
Dividends, etc.	\$ 5,690,005	\$ 5,886,398	\$ 4,638,483
Salaries and wages	8,097,000	7,838,000	8,355,000
Wages	4,398,000	4,976,000	4,950,000
Totals			
Dividends, etc.	90,334,466	89,052,676	80,322,160
Salaries and wages	282,100,000	325,577,000	339,509,000
Wages			
Totals for industries for which wages are reported			
Dividends, etc.	82,614,234	81,721,348	74,202,431
Salaries and wages	254,143,000	294,045,000	308,424,000
Wages	183,167,000	221,695,000	239,183,000
Salaries	71,076,000	72,350,000	69,241,000

(15) Dividends of Imperial Tobacco ("final" dividend credited to years in which it was earned), minority shareholders of Tuckett's, and H. Simon and Co., W. C. MacDonald, Inc., not listed. Imperial Tobacco, according to the Financial Post, Feb. 3, 1933, does 80% of the business.

TABLE 4

Dividends and Payrolls, Unsheltered Industries, 1929-1931

<i>Industry</i>	1931	1930	1929
Railways (1)			
Dividends and cash bonuses	\$ 27,247,990	\$ 38,890,927	\$ 35,087,201
Salaries and wages	229,499,000	268,347,000	290,732,000
Wages			
Pulp and Paper (2)			
Dividends, etc.	4,144,024	8,322,096	9,863,228
Salaries and wages	34,792,000	45,775,000	50,214,000
Wages	26,933,000	36,236,000	40,822,000
Flour milling (3)			
Dividends, etc.	1,953,130	2,784,744	3,963,327
Salaries and wages	6,032,000	6,642,000	7,578,000
Wages	3,760,000	4,160,000	5,332,000
Non-ferrous metals (4)			
Dividends, etc.	13,552,713	28,865,820	25,309,974
Salaries and wages	24,679,000	34,204,000	35,434,000
Wages	21,286,000	30,473,000	31,612,000

(1) Dominion Bureau of Statistics, "Statistics of Steam Railways".

(2) Dividends of Companies listed in Financial Post Survey of Corporate Securities, and of Canadian International Paper (Poor's Manual).

(3) Dividends include earnings of controlled bakeries.

(4) Dividends include Noranda. All dividends from Financial Post Survey of Mines.

TABLE 4—(Continued)

Industry	1931	1930	1929
Asbestos mining (5)			
Dividends, etc. ....	\$ .....	.....	130,487
Salaries and wages	1,836,000	3,474,000	4,410,000
Wages	1,431,000	2,999,000	3,991,000
Rubber			
Dividends, etc.	1,398,856	1,658,488	2,026,842
Salaries and wages	11,708,000	15,895,000	20,134,000
Wages	8,499,000	12,156,000	15,977,000
Agricultural implements (6)			
Dividends, etc.	122,111	2,771,984	2,442,707
Salaries, and wages	4,998,000	9,564,000	14,776,000
Wages	2,963,000	6,649,000	11,453,000
Distilling			
Dividends, etc.	2,842,623	4,491,487	5,595,487
Salaries and wages	2,223,000	2,436,000	3,132,000
Wages	1,305,000	1,557,000	2,061,000
Net Totals (7)			
Dividends, etc.	48,513,026	81,276,340	78,045,503
Salaries and wages	315,767,000	386,337,000	426,410,000
Wages .....	.....	.....	.....
Totals for industries for which wages are reported			
Dividends, etc.	24,013,457	48,904,619	49,332,052
Salaries and wages	86,268,000	117,990,000	135,678,000
Wages	66,177,000	94,230,000	111,248,000
Salaries	20,091,000	23,760,000	24,430,000

(5) Dividends of Asbestos Corporation.

(6) International Harvester of Canada not listed.

(7) After deducting dividends of Consolidated Mining and Smelting, which is controlled by C.P.R.

TABLE 5

Dividends and Payrolls, 1929-1932, Sheltered Industries for which 1932 Figures Are Available

Industry	1932	1931	1930	1929
Iron and steel (1)				
Dividends and cash bonuses....	\$ 5,457,187	\$ 8,744,394	\$ 10,452,007	\$ 8,793,792
Salaries and wages	67,194,000	96,081,000	129,215,000	135,530,000
Wages .....	.....	.....	.....	.....
Oil refining				
Dividends, etc.	16,758,977	16,856,921	16,631,889	16,650,045
Salaries and wages	5,980,000	6,182,000	8,190,000	8,153,000
Wages	4,612,000	4,916,000	6,787,000	6,900,000

(1) Dividend figures subject to minor corrections, as not all returns in Financial Post Survey of Corporate Securities, 1933, are complete.

TABLE 5—(Continued)

Industry	1932	1931	1930	1929
Cement				
Dividends, etc.	\$ 680,677	\$ 1,362,751	\$ 1,363,733	\$ 1,364,870
Salaries and wages	1,345,000	2,433,000	3,172,000	3,524,000
Wages	1,131,000	2,164,000	2,905,000	3,263,000
Chemicals (2)				
Dividends, etc.	2,953,420	3,724,254	4,066,602	4,383,294
Salaries and wages	4,900,000	4,916,000	5,653,000	6,540,000
Wages .....	.....	.....	.....	.....
Paints				
Dividends, etc.	5,000	676,249	733,076	643,049
Salaries and wages	3,850,000	4,282,000	4,308,000	4,260,000
Wages .....	.....	.....	.....	.....
Gold				
Dividends, etc.	16,817,895	14,125,907	11,606,940	10,990,706
Salaries and wages	18,352,000	17,150,000	14,647,000	14,845,000
Wages .....	.....	.....	.....	.....
Silk (1)				
Dividends, etc.	896,938	890,739	656,286	354,006
Salaries and wages	5,757,000	5,759,000	4,719,000	3,826,000
Wages	4,629,000	4,546,000	3,916,000	3,158,000
Electric apparatus (1)				
Dividends, etc.	2,448,673	3,400,000	3,362,000	2,215,413
Salaries and wages	18,916,000	22,474,000	26,260,000	26,725,000
Wages .....	.....	.....	.....	.....
Sugar refining				
Dividends, etc.	187,497	157,498	97,499	52,500
Salaries and wages	3,148,000	3,308,000	3,560,000	3,686,000
Wages	2,206,000	2,372,000	2,652,000	2,748,000
Meat Packing				
Dividends, etc.	422,345	422,319	959,863	887,487
Salaries and wages	10,349,000	11,627,000	12,115,000	13,999,000
Wages	6,894,000	7,663,000	8,575,000	9,274,000
Brewing				
Dividends, etc.	2,240,504	2,483,952	2,879,912	2,728,570
Salaries and wages	5,932,000	6,602,000	6,757,000	7,134,000
Wages	3,581,000	4,156,000	4,506,000	4,750,000
Glass				
Dividends, etc.	394,500	479,500	479,500	479,500
Salaries and wages	2,970,000	3,564,000	4,205,000	4,741,000
Wages	2,365,000	2,873,000	3,425,000	3,959,000

(1) Dividend figures subject to minor corrections, as not all returns in Financial Post Survey of Corporate Securities, 1933, are complete.

(2) Payroll figures for 1932 include generous allowance for the very small item fireworks, figures for which are not yet available.

TABLE 5—(Continued)

<i>Industry</i>	1932	1931	1930	1929
Totals				
Dividends, etc.	\$ 49,263,613	\$ 53,277,234	\$ 53,198,307	\$ 49,543,232
Salaries and wages	148,693,000	184,378,000	222,801,000	232,963,000
Wages				
Totals for industries for which wages are reported				
Dividends, etc.	21,581,438	22,912,960	23,265,740	22,516,978
Salaries and wages	35,481,000	39,475,000	42,718,000	45,063,000
Wages	25,418,000	28,690,000	32,766,000	34,052,000
Salaries	10,063,000	10,785,000	9,952,000	11,011,000

TABLE 6
Dividends and Payrolls, 1929-1932, Unsheltered Industries for which 1932 Figures Are Available

<i>Industry</i>	1932	1931	1930	1929
Railways				
Dividends and cash bonuses \$	2,766,198	27,247,990	38,890,927	35,087,201
Salaries and wages	181,113,000	229,499,000	268,347,000	290,732,000
Wages				
Pulp and paper				
Dividends, etc.	1,768,611	4,144,024	8,332,096	9,863,228
Salaries and wages ..	28,334,000	34,792,000	45,775,000	50,214,000
Wages	21,088,000	26,933,000	36,236,000	40,822,000
Non-ferrous metals (1)				
Dividends, etc.	6,520,503	13,552,713	28,865,820	25,309,974
Salaries and wages ..	18,711,000	24,679,000	34,204,000	35,434,000
Wages				
Asbestos mining				
Dividends, etc.				130,487
Salaries and wages ..	1,156,000	1,836,000	3,474,000	4,410,000
Wages	876,000	1,431,000	2,999,000	3,991,000
Rubber				
Dividends, etc.	1,366,933	1,398,856	1,658,488	2,026,842
Salaries and wages ..	9,341,000	11,708,000	15,895,000	20,134,000
Wages	6,558,000	8,499,000	12,156,000	15,977,000
Agricultural implements				
Dividends, etc.		122,111	2,771,984	2,442,707
Salaries and wages ..	3,394,000	4,998,000	9,564,000	14,776,000
Wages				
Distilling				
Dividends, etc.	457,141	2,842,623	4,491,487	5,595,487
Salaries and wages ..	1,757,000	2,223,000	2,436,000	3,132,000
Wages	889,000	1,305,000	1,557,000	2,061,000

(1) Payroll figures for miscellaneous metal mining (a very small item, perhaps \$30,000 at the outside) not yet available.

TABLE 6—(Continued)

Industry	1932	1931	1930	1929
Net Totals (2)				
Dividends, etc.	\$ 11,401,111	\$ 46,559,896	\$ 78,491,596	\$ 74,082,176
Salaries and wages....	243,806,000	309,735,000	379,695,000	418,832,000
Wages				
Totals for industries for which wages are reported				
Dividends, etc.	3,592,685	8,385,503	14,482,071	17,616,044
Salaries and wages....	40,588,000	50,559,000	67,580,000	77,890,000
Wages	29,411,000	38,168,000	52,948,000	62,851,000
Salaries	11,177,000	12,391,000	14,632,000	15,039,000

(2) After deducting dividends of Consolidated Mining and Smelting, which is controlled by C.P.R.

TABLE 7

Change and Per cent Change, Dividends, Salaries and Wages, from 1929 to Later Years, by Industries

Industry	Dividends and Cash Bonuses		Salaries		Wages	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Iron and Steel						
1930.....	+\$1,658,215	+18.9	+\$3,634,000	+15.9	-\$ 9,949,000	- 8.8
1931.....	- 49,398	- 0.6	- 21,000	- 0.1	- 39,428,000	-35.0
1932.....	- 3,336,605	-37.9	-68,336,000 ⁽¹⁾		-50.3 ⁽¹⁾	
Electric Power						
1930.....	+ 2,633,401	+15.4	+ 935,000	+ 8.1	+ 1,520,000	+11.4
1931.....	+ 3,864,202	+22.6	+ 834,000	+ 7.2	+ 641,000	+ 4.8
1932.....	- 975,000	6.0				
Oil Refining						
1930.....	- 18,156	- 0.1	+ 150,000	+12.0	- 113,000	- 1.6
1931.....	+ 208,876	+ 1.2	+ 13,000	+ 1.0	- 1,984,000	-28.8
1932.....	+ 108,932	+ 0.7	+ 115,000	+ 9.2	- 2,288,000	-33.2
Cement						
1930.....	- 1,137	- 0.1	+ 6,000	+ 2.3	- 358,000	-11.0
1931.....	- 2,119	- 0.2	+ 8,000	+ 3.1	- 1,099,000	-33.7
1932.....	- 684,193	-50.1	- 47,000	-22.0	- 2,132,000	-65.3
Chemicals						
1930.....	- 316,692	- 7.2	+ 75,000	+ 5.8	- 962,000	-18.3
1931.....	- 659,040	-15.0	+ 176,000	+13.6	- 1,800,000	-34.3
1932.....	- 1,429,874	-32.6		-1,640,000	-25.1	
Paints						
1930.....	+ 90,027	+14.0	+ 90,000	+ 4.1	- 42,000	- 2.0
1931.....	+ 33,200	+ 5.1	+ 347,000	+15.8	- 325,000	-15.7
1932.....	- 638,049	-99.2		-410,000	-9.6	
Glass						
1930.....	No change		- 2,000	- 0.3	- 534,000	-13.5
1931.....	No change		- 91,000	-11.6	- 1,086,000	-27.4
1932.....	- 85,000	-17.7	- 177,000	-22.6	- 1,594,000	-40.3
Gold						
1930.....	+ 516,234	+ 5.6	+ 10,000	+ 0.6	- 208,000	- 1.6
1931.....	+ 3,135,261	+28.2	+ 179,000	+11.1	+ 2,126,000	+16.1
1932.....	+ 5,827,189	+52.8		+3,507,000	+23.6	

⁽¹⁾ Salaries and wages, amount and percentage changes. Other figures in the same position in the table are the same.

TABLE 7—(Continued)

Industry	Dividends and Cash Bonuses		Salaries		Wages	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Textiles						
1930.....	+\$ 193,806	+ 5.8	-\$ 632,000	- 8.9	-\$ 4,258,000	-11.0
1931.....	+ 251,560	+ 7.5	+ 163,000	+ 2.3	- 5,143,000	-13.2
1932.....						
Silk						
1930.....	+ 302,280	+ 85.3	+ 135,000	+20.2	+ 758,000	+24.0
1931.....	+ 536,733	+151.6	+ 545,000	+81.6	+ 1,388,000	+44.0
1932.....	+ 542,932	+153.4	+ 460,000	+68.9	+ 1,471,000	+46.6
Electrical Apparatus						
1930.....	+ 1,147,000	+51.8	+ 734,000	+ 8.3	- 1,199,000	- 6.7
1931.....	+ 1,185,000	+53.5	+ 535,000	+ 6.0	- 4,786,000	-26.8
1932.....	+ 233,260	+ 9.5		-7,840,000	-29.3	
Telephones						
1930.....	+ 1,211,599	+19.8	+ 447,000		+ 1.4	
1931.....	+ 1,600,503	+26.2	-3,128,000		-10.1	
1932.....	+ 959,000	+16.0				
Sugar Refining						
1930.....	+ 44,999	+ 84.9	- 30,000	- 3.2	- 96,000	- 3.5
1931.....	+ 104,998	+198.1	- 2,000	- 0.2	- 376,000	-13.7
1932.....	+ 134,997	+254.0	+ 4,000	+ 0.4	- 542,000	-19.7
Meat Packing						
1930.....	+ 72,376	+ 8.1	- 1,185,000	-25.1	- 699,000	- 7.5
1931.....	- 465,168	-52.4	- 761,000	-16.1	- 1,611,000	-17.3
1932.....	- 465,142	-52.4	- 1,270,000	-26.8	- 2,380,000	-25.7
Brewing						
1930.....	+ 151,342	+ 5.5	- 133,000	- 5.6	- 244,000	- 5.1
1931.....	- 244,618	- 9.0	+ 62,000	+ 2.6	- 594,000	-12.5
1932.....	- 488,066	-17.9	- 33,000	- 1.4	- 1,594,000	-40.3
Tobacco Manufacturing						
1930.....	+ 1,247,915	+26.9	+ 543,000	-15.9	+ 26,000	+ .5
1931.....	+ 1,051,522	+22.8	+ 294,000	+ 8.6	- 552,000	-11.0
1932.....	+ 884,000	+19.0				
Railways						
1930.....	+ 3,803,726	+10.8	- 22,385,000		- 7.7	
1931.....	- 7,839,211	-22.3	- 61,233,000		-21.1	
1932.....	-32,321,003	-91.9	-109,619,000		-37.7	
Pulp and Paper						
1930.....	- 1,531,132	-15.5	+ 147,000	+ 1.6	- 4,586,000	-11.2
1931.....	- 5,719,204	-58.0	- 1,533,000	-16.3	- 13,889,000	-34.0
1932.....	- 8,094,617	-82.1	- 2,146,000	-22.9	- 19,734,000	-48.3
Flour Milling						
1930.....	- 1,178,583	-29.8	+ 236,000	+10.5	- 1,172,000	-22.0
1931.....	- 2,010,197	-50.7	+ 26,000	+ 1.2	- 1,572,000	-30.1
1932.....	- 1,779,422	-44.9				
Non-ferrous Metals						
1930.....	+ 3,555,846	+14.0	- 91,000	- 2.4	- 1,139,000	- 3.6
1931.....	-11,759,261	-46.4	- 429,000	-11.2	- 10,326,000	-32.6
1932.....	-18,789,471	-74.2	-16,723,000		-47.2	
Asbestos Mining						
1930.....	- 130,487	-100.0	+ 56,000	+13.4	- 992,000	-24.9
1931.....	- 130,487	-100.0	- 14,000	- 3.3	- 2,560,000	-64.1
1932.....	- 130,487	-100.0	- 139,000	-33.2	- 3,115,000	-70.5
Rubber Manufacturing						
1930.....	- 368,354	-18.2	- 418,000	-10.1	- 3,821,000	-23.9
1931.....	- 627,986	-31.0	- 948,000	-22.8	- 7,478,000	-46.8
1932.....	- 659,909	-32.6	- 1,374,000	-33.1	- 9,419,000	-59.0

TABLE 7—(Continued)

Industry	Dividends and Cash Bonuses		Salaries		Wages	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Agricultural Implements						
1930.....	+\$ 329,277	+ 13.5	-\$ 408,000	-12.3	-\$ 4,804,000	-41.9
1931.....	— 2,320,596	— 95.0	— 1,288,000	—38.8	— 8,490,000	—74.1
1932.....	— 2,442,707	—100.0		—11,382,000	—77.0	
Distilling						
1930.....	— 1,104,000	—19.7	— 192,000	—17.9	— 504,000	—25.5
1931.....	— 2,752,864	— 49.2	— 153,000	—14.3	— 756,000	—36.7
1932.....	— 5,138,346	—91.8	— 203,000	—19.0	— 1,172,000	—56.9

Notes on Table 7

Certain features of this table deserve special notice.

Dividends of oil companies in both 1929 and 1930 were more than twice as large as the total payroll of the oil refining industry; and even if we add to the latter item the \$2,690,000 for filling stations shown by the 1931 census of retail merchandising, the discrepancy remains a notable one. In 1930 the increase in both dividends and salaries was more than twice as large in absolute amount as the fall in wages.

In electrical apparatus the absolute rise in dividends and salaries taken together was greater than the fall in wages. In tobacco manufacturing the rise in dividends was more than twice as large in absolute amount as the fall in salaries. In telephones, for which we have official figures of dividends and payroll company by company, dividends rose steeply, payroll only slightly. For publicly owned systems (Port Arthur and the prairie provinces), payroll rose over 2%; for private systems, 1.3%. Payroll of the Bell Telephone Company fell almost \$669,000, or 7.2%; while its dividends rose \$821,000, or nearly 17%. Dividends of distilleries were almost twice as large as total payroll. In non-ferrous metals, even if we subtract from the increase in total dividends the increase in dividends of Noranda, the remaining increase is larger in absolute amount than the decreases in salaries and wages combined.

In 1931, in oil refining the margin between dividends and payroll widened still further, in distilling it narrowed. In the paint industry the absolute increase in salary payments was greater than

the drop in wage bill; in silk the increase in both dividend and salary payments was far greater proportionately than in wage bill; in tobacco the absolute increase in dividends alone was almost twice the decrease in wage bill. Power dividends were \$1,231,000 higher than in 1930, salaries \$101,000 lower, wages \$879,000 lower; the absolute increase in dividends being greater than the fall in payroll.

Telephone dividends were \$389,000 higher than in 1930, payroll \$3,575,000 lower. The publicly owned systems, despite the serious decline in the number of telephones in the prairie provinces, reduced their payroll less than 6% from 1929, while private systems reduced theirs almost 11%, at the same time raising their dividends to a point 26% above 1929. The Bell Telephone Company reduced payroll \$1,788,000 or more than 19%, while raising dividends by \$1,230,000, or 25.3%, from 1929. The New Brunswick Telephone Company reduced payroll \$60,000, or 8.5%, and raised dividends \$87,000, or almost 26%. British Columbia Telephone Company and Maritime Telegraph and Telephone had both higher payroll and higher dividends in both 1931 and 1930 than in 1929. The four largest breweries had dividends \$117,000, or 5%, higher than in 1929.

TABLE 8

Salaries and Wages, Other Industries, 1929-1931.*

<i>Sheltered Industries</i>	1931	1930	1929
Vegetable products			
Salaries	\$ 11,971,000	\$ 8,621,000	\$ 10,404,000
Wages	29,082,000	33,475,000	32,873,000
Textile products			
Salaries	13,656,000	13,016,000	13,034,000
Wages	39,075,000	45,377,000	48,224,000
Animal products			
Salaries	10,843,000	10,816,000	11,157,000
Wages	25,689,000	28,002,000	31,173,000

* This table covers industries for which adequate dividend figures are not available and which therefore are not covered by previous tables. Various particular industries, a number of which are listed separately in Table 9, are grouped together under the headings "Vegetable products", etc., following the grouping of industries in the Dominion Bureau of Statistics reports. Figures in this table from Canada Year Book, 1932 and 1933, General Report on Manufactures, 1931, and Coal Statistics for Canada, 1932.

TABLE 8—(Continued)

<i>Sheltered Industries</i>	1931	1930	1929
Wood products, etc.			
Salaries	\$ 35,390,000	\$ 33,526,000	\$ 33,979,000
Wages	70,168,000	95,094,000	108,037,000
Non-ferrous metal products			
Salaries	3,622,000	3,647,000	3,646,000
Wages	6,772,000	8,614,000	10,348,000
Non-metallic mineral products			
Salaries	5,610,000	5,648,000	5,542,000
Wages	14,399,000	18,027,000	19,549,000
Chemicals			
Salaries	6,229,000	5,687,000	6,042,000
Wages	5,461,000	5,393,000	5,798,000
Coal Mining			
Salaries	2,960,000	3,185,000	3,294,000
Wages	25,842,000	33,257,000	39,082,000
Miscellaneous manufacturing			
Salaries	4,767,000	4,477,000	7,667,000
Wages	10,367,000	13,163,000	21,456,000
Boilers, tanks, engines			
Salaries	872,000	731,000	792,000
Wages	1,504,000	1,919,000	2,251,000
Totals			
Salaries	95,920,000	89,354,000	95,557,000
Wages	228,359,000	282,321,000	318,791,000
<hr/>			
<i>Unsheltered Industries</i>			
Motor cars and parts			
Salaries	5,209,000	5,892,000	6,407,000
Wages	11,273,000	18,129,000	27,170,000
Fish curing and packing	1931	1930	1929
Salaries	692,000	919,000	952,000
Wages	2,069,000	3,384,000	4,460,000
Totals			
Salaries	5,901,000	6,811,000	7,359,000
Wages	13,342,000	21,513,000	31,630,000
GRAND TOTALS			
Salaries	101,821,000	96,165,000	102,916,000
Wages	241,701,000	303,834,000	350,421,000

TABLE 9
Salaries and Wages, 1929-1931, in Important Particular Industries
Covered by Table 8

	1931	1930	1929
Biscuits, confectionery, etc.			
Salaries	\$ 4,576,000	\$ 3,608,000	\$ 4,604,000
Wages	6,317,000	7,497,000	8,162,000
Boots and shoes			
Salaries	2,686,000	2,456,000	2,701,000
Wages	9,942,000	10,695,000	12,638,000
Other leather			
Salaries	1,755,000	1,734,000	2,023,000
Wages	4,597,000	5,213,000	6,053,000
Fish curing and packing			
Salaries	692,000	919,000	952,000
Wages	2,069,000	3,384,000	4,460,000
Fur dressing, etc., and fur goods			
Salaries	1,258,000	1,210,000	1,309,000
Wages	3,004,000	3,062,000	3,474,000
Men's factory clothing			
Salaries	2,476,000	2,464,000	2,597,000
Wages	7,110,000	9,079,000	10,775,000
Women's factory clothing			
Salaries	3,783,000	3,630,000	3,802,000
Wages	11,235,000	12,853,000	13,326,000
Dyeing, cleaning, etc.			
Salaries	2,174,000	2,064,000	1,922,000
Wages	8,497,000	10,077,000	10,027,000
Men's furnishings			
Salaries	1,565,000	1,423,000	1,579,000
Wages	4,223,000	5,015,000	5,741,000
Hats and caps			
Salaries	945,000	1,047,000	1,025,000
Wages	2,698,000	3,191,000	3,423,000
Paper boxes and bags			
Salaries	1,743,000	1,467,000	1,590,000
Wages	3,182,000	3,455,000	3,868,000
Wooden Boxes			
Salaries	594,000	559,000	594,000
Wages	1,795,000	2,224,000	2,630,000
Carriages, wagons, sleighs			
Salaries	292,000	293,000	389,000
Wages	473,000	1,647,000	2,357,000

TABLE 9—(Continued)

	1931	1930	1929
Furniture			
Salaries	\$ 2,547,000	\$ 2,615,000	\$ 2,515,000
Wages	7,500,000	10,159,000	11,997,000
Planing Mills			
Salaries	2,389,000	2,275,000	2,853,000
Wages	5,957,000	8,706,000	12,113,000
Sawmills			
Salaries	2,660,000	3,387,000	3,892,000
Wages	13,750,000	25,126,000	32,265,000
Lithographing, engraving, stereotyping, electrotyping			
Salaries	2,716,000	2,819,000	2,830,000
Wages	5,840,000	6,907,000	6,855,000
Printing and bookbinding			
Salaries	5,197,000	4,395,000	4,410,000
Wages	9,408,000	11,268,000	12,286,000
Printing and publishing			
Salaries	12,626,000	11,831,000	11,479,000
Wages	13,749,000	15,106,000	14,928,000
Brass and copper products			
Salaries	1,914,000	1,986,000	1,918,000
Wages	3,714,000	4,756,000	5,883,000
Precious metal products			
Salaries	990,000	968,000	1,158,000
Wages	1,960,000	2,463,000	2,841,000
Aerated waters, etc.			
Salaries	995,000	1,006,000	865,000
Wages	2,013,000	2,039,000	1,688,000
Clay products			
Salaries	1,146,000	1,170,000	1,192,000
Wages	3,355,000	4,843,000	5,648,000
Stone			
Salaries	541,000	601,000	596,000
Wages	1,604,000	2,444,000	2,452,000
Medicinal preparations, etc.			
Salaries	2,211,000	2,009,000	2,011,000
Wages	1,648,000	1,655,000	1,661,000
Soaps, etc.			
Salaries	1,245,000	1,284,000	1,263,000
Wages	1,242,000	1,116,000	1,315,000
Motor cars			
Salaries	4,288,000	4,776,000	5,228,000
Wages	8,825,000	14,698,000	21,637,000

TABLE 9—(Continued)

	1931	1930	1929
Motor car parts			
Salaries	\$ 981,000	\$ 1,096,000	\$ 1,179,000
Wages	2,448,000	3,431,000	5,533,000
Coke and gas			
Salaries	1,576,000	1,562,000	1,469,000
Wages	4,041,000	4,303,000	4,469,000

TABLE 10
Bond and Debenture Interest Payments, 1929-1932

	1932	1931	1930	1929
Dominion Government ⁽¹⁾	\$131,516,000	\$121,186,000	\$121,359,000	\$122,422,000
Dominion Government ⁽¹⁾ guaranteed (exclusive of C.N.R.)	1,553,000	1,561,000	1,552,000	.....
Provincial Governments ⁽²⁾	56,640,000	36,748,000	35,186,000	41,207,000
Municipalities ⁽³⁾	63,000,000	59,500,000	56,500,000	53,000,000
Telephones (publicly owned or co-operative ⁽⁴⁾)	4,300,000	4,275,000	4,193,000	4,062,000
C.N.R. ⁽⁵⁾ (to investors)	56,965,000	55,587,000	51,316,000	45,504,000
Railways ⁽⁵⁾ (private)	24,350,000	24,203,000	22,946,000	20,740,000
Power ⁽⁶⁾	26,375,000	27,245,000	22,850,000	20,100,000
Pulp and Paper ⁽⁶⁾	8,826,000	10,293,000	16,205,000	13,802,000
Telephones ⁽⁶⁾ (privately owned)	4,100,000	4,078,000	3,521,000	2,848,000
Iron and Steel ⁽⁶⁾	1,670,000	3,421,000	3,839,000	3,765,000
Cement ⁽⁶⁾	1,156,000	1,076,000	1,098,000	1,100,000
Canadian Companies Abroad ⁽⁶⁾	9,500,000	9,704,000	9,939,000	9,899,000
Non-ferrous Metals ⁽⁶⁾	1,581,000	1,717,000	1,474,000	1,448,000
Silks ⁽⁶⁾	232,000	217,000	204,000	229,000
Other Textiles ⁽⁶⁾	1,156,000	1,204,000	1,222,000	1,136,000
Investment Trusts ⁽⁶⁾	1,985,000	2,498,000	2,350,000	2,233,000
Real Estate ⁽⁷⁾	4,684,000	5,633,000	7,439,000	7,682,000
Oil ⁽⁶⁾	951,000	921,000	752,000	250,000
Coal ⁽⁶⁾	623,000	650,000	688,000	704,000
Brewing ⁽⁶⁾	133,000	102,000	111,000	85,000
Distilling ⁽⁶⁾	415,000	254,000	254,000	274,000
Rubber ⁽⁶⁾	680,000	684,000	670,000	634,000
Paints ⁽⁶⁾	60,000	61,000	62,000	64,000
Meat Packing ⁽⁶⁾	694,000	715,000	735,000	900,000
Baking ⁽⁶⁾	274,000	294,000	362,000	247,000
Dairies ⁽⁶⁾	292,000	262,000	220,000	190,000
Milling ⁽⁶⁾	490,000	687,000	538,000	368,000
Glass ⁽⁶⁾	89,000	97,000	104,000	111,000
Chemicals ⁽⁶⁾	329,000	337,000	299,000	239,000
Asbestos ⁽⁶⁾	461,000
Agricultural Implements ⁽⁶⁾	562,000	536,000	570,000	607,000
Sugar ⁽⁶⁾	367,000	428,000	448,000	472,000
Miscellaneous ⁽⁶⁾	8,669,000	9,273,000	9,452,000	9,126,000
Totals	414,217,000	385,447,000	378,458,000	365,909,000

- (1) Fiscal years reduced to calendar year basis, pro rata.
- (2) Approximate only, from D. B. S. reports. Provincial fiscal years vary.
- (3) Interest calculated at 4 2/3% (average for 1932) on principal given by D. B. S. reports. D. B. S. states amount of defaults in 1932 was, according to its information, not very considerable. Information very hard to obtain.
- (4) Interest calculated at 5% on principal given in D. B. S. reports, 1932 estimated.
- (5) Railway Statistics (D. B. S.).
- (6) Compiled from Financial Post Survey's, Poor's and Moody's Manuals. A rough approximation only, reduced to calendar year basis, pro rata. 1932 figures for Canadian companies abroad very incomplete.
- (7) Very rough approximation, compiled from Financial Post Survey of Corporate Securities.

Notes on Table 10

The only serious shrinkages in interest payments have been in real estate, pulp and paper, iron and steel, asbestos, and miscellaneous.

The Financial Post, February 17, 1934, shows total defaults of Ontario municipalities for 1933 at approximately \$79,000,000 *principal*.

The principal of Canadian bonds and debentures outstanding, December 31, 1932, is given by A. E. Ames and Company (in their Monthly Letter for January, 1934), as \$7,582,770,695. New issues of previous years they place at:

1932	\$374,529,000
1931	644,190,000
1930	763,023,000
1929	653,389,000

Total interest payments in 1933 were \$360,904,000, approximately, from the data now at hand. The figures of new issues of bonds in the MacMillan Report, p. 107 are:

1932	\$ 467,695,475
1931	1,250,257,011
1930	705,090,856
1929	628,016,207

SUPPLEMENTARY DATA

The following notes refer to matters of interest and importance not covered in the text or in the tables:

1. Textile dividends do not include the cash payments to shareholders in the reorganization of Stanfield's in 1931. The old company had \$400,000 of 6% preferred shares and 10,000 common shares (no par value). Each share of the old company exchanged for one new preferred and one new common and \$140 cash.
2. Sugar dividends do not include the cash payments to shareholders in the reorganization of Atlantic Sugar Refineries, 1931. The old company had 11,111 shares of 7% cumulative preferred stock and 78,889 shares of common. Each old preferred share exchanged for one new 7% cumulative preferred A share and \$82 of 5% debentures. Each old share of common exchanged for \$30 cash: a total cash payment of \$2,366,670.

The old company had earned per share:

	1931	1929
Preferred	\$33.27	\$9.60
Common	3.70	.30

3. Gold dividends do not include capital repayments by Premier Gold Mining Co., as follows:

1932	1931	1930	1929
\$572,151	\$532,114	\$1,043,942	\$750,644

4. Non-ferrous metal dividends do not include:

(a) Dividends of Aluminum, Ltd. (for which there are no returns for 1929)

1932	1931	1930
\$227,500	\$780,000	\$442,000

(b) Capital repayments by Granby Consolidated Mining and Smelting

1932	1931	1930	1929
\$58,314	\$668,361	\$2,362,341	\$3,149,788

This company earned nothing in 1932, 1931 and 1930. In 1929 it earned \$4.49 per share on 450,000 shares.

5. Dividends of Noranda:

1932	1931	1930	1929
\$2,844,914	\$1,119,886	\$3,919,601	\$1,679,829

6. Dividends of Consolidated Mining and Smelting:

1932	1931	1930	1929
\$1,478,275	\$2,748,421	\$6,519,206	\$6,373,750

7. Dividends of International Harvester (consolidated returns of operations in U.S.A., Canada and foreign countries).

1932	1931	1930	1929
\$12,046,878	\$16,758,910	\$16,669,167	\$16,465,629

8. Dividends of Ford Motor Company of Canada, and Dominion Motors (and its predecessor, Durant of Canada):

1932	1931	1930	1929
\$28,499	\$1,109,354	\$3,597,785	\$113,960

9. Dividends of General Motors, Chrysler, Willys-Overland, and Studebaker, (consolidated returns of operations in U.S.A., Canada and foreign countries, as reported in Poor's Manual)

	1932	1931	1930	1929
General Motors	\$63,199,717	\$139,875,900	\$140,038,661	\$166,078,681
Chrysler	4,390,243	4,412,240	11,065,268	13,335,764
Studebaker	992,466	2,813,946	8,277,799	10,388,180
Willys-Overland .....	.....	456,459	1,876,584	3,757,299

SUPPLEMENTARY DATA Continued

10. Dividend, salary and wage figures for certain coal, dairy, biscuit and baking companies:

	1932	1931	1930	1929
Coal: Dividends (1)	60,000	12,350	358,928	617,086
Dairies: Dividends (2)	603,454	1,000,862	940,960	840,152
Biscuits: Dividends (3)	168,027	255,484	267,650	263,400
Bakeries: Dividends (4)	251,520	922,233	1,285,713	1,556,709
Salaries.....		2,928,000	1,670,000	1,784,000
Wages.....		15,935,000	17,775,000	16,697,000

(1) Hillcrest, Drumheller, International, Dominion, Cumberland, Acadia.

(2) Eastern Dairies, Dairy Corporation and affiliates, Silverwood's and Citizens; Figures for Borden's of Canada not available.

(3) David, Weston, Viau, Canada, Independent.

(4) Mill-controlled bakeries and Ontario Bakeries (1929).

NOTE ON STATISTICS

The payroll, salary, and wages figures in Tables 3 to 9 cover industries with a total wage bill amounting to only from one-third to one-half of the total wage bill for all occupations shown by the census of 1931. But nearly the whole of the difference is accounted for by occupations like wholesale and retail trade (for which no complete figures for inter-census years are available), or agriculture, forestry, fishing, trapping, professional service, finance, construction, and public administration for which comparable dividend and salary figures are unobtainable.

For total dividends Mr. O'Halloran's figures are probably as complete and reliable as we can get; but as they make no allowance for one company's holdings in others, and include returns for Canadian companies operating abroad, they cannot be used for direct comparison with salary and wage figures. Moreover, a large part of Canadian industry is organized in small units for which no satisfactory dividend returns are available at all (notably confectionery, clothing, boots and shoes, leather goods, many wood-using industries, and certain sections of the chemical industry); and another important part is carried on by wholly-owned subsidiaries of American companies which make no separate returns for their Canadian operations. International Harvester, General Motors, Chrysler, Studebaker, Willys-Overland and Borden's Limited, are conspicuous examples.

Even the figures of Tables 3 to 6 have their shortcomings; not only those to which the footnotes draw attention, but also others resulting chiefly from the inconvenient fact that many great corporations do not confine their activities to a single industrial category and that it is not always possible to separate the earnings of different sections. Electric power dividends, for example, unavoidably include small amounts from gas (Dominion Gas and Electric), tramways (British Columbia Power controls B. C. Electric Railway), pulp and paper (Canadian Hydro-Electric owns 49% of the stock of E. B. Eddy Co.) and chemicals (Shawinigan Water and Power Co. owns an important chemical plant); while salary and wage figures are for central electric stations only. Dividends of heavy chemicals do not include anything for the chemical operations of Shawinigan, Consolidated Mining and Smelting, or International Nickel; and Canadian Industries, Limited, makes other products besides those covered by the payroll figures. Payroll figures for oil ought perhaps to include filling stations, but for these no figures are obtainable except for the period covered by the 1931 census. Fortunately the amount is not very large. Dividends in the glass industry are available only for Dominion Glass, but as this company dominates the section of the industry which accounts for about 70% of the total production, the figures are probably a fair enough index. Dividends of the gold industry cover all operations of the companies, but salary and wage figures exclude those for gold smelting and refining, which are not given separately but are included in non-ferrous metal smelting and refining. Again the amount is not large. In textiles some of the woollen firms produce also silk goods, and several firms produce both silk and other knitted goods. Under flour milling, in the Census of Industry, one small category of mills does not report salaries and wages separately. Finally, non-ferrous metal payroll for 1932 is slightly swollen, as the figure in Table 5 has been obtained by adding together items which include nickel smelting and refining twice over. Moreover, some Census of Industry figures which have been used, vary slightly from those reported in the Canada Year Book.

The Programme of the L. S. R.

The L. S. R. seeks the establishment in Canada of a new social order which will substitute a planned and socialized economy for the existing chaotic individualism, and which, by achieving an approximate economic equality among all men in place of the present glaring inequalities, will eliminate the domination of one class by another.

Its detailed programme of "first steps" towards these ends is as follows:

(1) The creation of a National Economic Planning Commission as the principal organization for directing and co-ordinating the operation of the whole economy in the public interest.

(2) Socialization of the machinery of banking and investment to make possible effective control of credit and prices and the direction of new capital into socially desirable channels.

(3) Public ownership (Dominion, provincial or municipal) of transport, communications, electric power and such other industries as are approaching a condition of monopoly, and their operation, under the general direction of the planning commission, by competent managements divorced from immediate political control.

(4) The development of co-operative institutions in every sphere of economic life where they are appropriate, notably in agricultural production and marketing and in the distribution of necessities to consumers.

(5) The establishment of import and export boards for the regulation of foreign trade.

(6) Social legislation to secure to the worker adequate income and leisure, freedom of association, insurance against illness, accident, old age, and unemployment, and an effective voice in the management of his industry.

(7) Publicly organized health, hospital and medical services.

(8) An aggressive taxation policy designed not only to raise public revenues but also to lessen the glaring inequalities of income and to provide funds for the socialization of industry.

(9) The amendment of the Canadian constitution, without infringing upon legitimate provincial claims to autonomy, so as to give the Dominion Government adequate power to deal effectively with urgent economic problems which are essentially national.

(10) A foreign policy designed to obtain international economic co-operation and to promote disarmament and world peace.

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