

sidered for the years 1930 to 1936. The period referred to is a representative one, commencing in the prosperous year of 1929 and extending over the depression years 1931, 1932 and part of 1933, and into the recovery period of the latter part of 1933, and in 1934 and 1935. Net earnings from manufacturing and trading available for dividends, expressed in a percentage of total sales, were as follows:—

Exhibit
No. 517

Year ended 31st March, 1930.....	6.21%
“ “ “ “ 1931.....	5.21%
“ “ “ “ 1932.....	5.59%
“ “ “ “ 1933.....	.66%
“ “ “ “ 1934.....	8.06%
“ “ “ “ 1935.....	4.88%
“ “ “ “ 1936.....	3.63%

It should be pointed out that the above net earnings for the years 1931, 1932 and 1933 would have been much less had the normal and proper amount been written off for depreciation. In each of those three years the amount written off for depreciation was only \$635,572.00 as compared with depreciation of from \$1,000,000.00 to over \$1,600,000.00 in the other years of the Ten-Year period.

The annual report of the Company for the year ended 31st March 1933 shows a profit from operations of \$367,215.78. Deducting from this sum interest and premium on bonds redeemed left a net profit from operations of only \$70,370.78. During the same year it was necessary to transfer a million dollars to reserve for depreciation of investments and common stock dividends were reduced 20% in the third quarter of that year.

Exhibit
No. 520

The following table shows the relative decline over the seven-year period in unit salaries and wages from those in effect 1929-1930, expressed in percentage figures:

Year Ended	Head Office Exe- cutive	Head Office Adm. & Selling	Mill Salaries	Total Salaries	Mill Wages
31st Mar. 1931	.23%	1.67%	4.71%	3.17%	+1.52%
1932	9.21	5.40	7.40	7.71	+2.25
1933	19.15	7.86	10.07	12.04	+2.66
1934	23.09	6.52	15.31	13.52	7.67
1935	33.76	5.65	13.76	17.07	2.68
1936	35.40	5.28	17.88	16.76	1.59

What is particularly striking about this comparison, is that, while total salaries declined 12.04% to the year ended