

## RETURNS OF UNSOLD BREAD

The question arose as to the importance of Returns of Unsold Bread. This was in connection with the difference in price of Regular G.B. bread and Richmello, there being no returns permitted on the latter.

Under agreement with the salesmen, they are permitted to return up to 2 per cent of their take-out without charge to them; that is, the company absorbs up to 2 per cent, the salesmen being responsible for anything above that figure.

For the three four-week periods from November 13, 1947, to February 4, 1948, the Returns of Unsold Bread amounted to 1.6 per cent of bread sales. Bread sales in this case are considered to be total bread sales less sales of Richmello bread.

## CONSOLIDATED BAKERIES OF CANADA LIMITED

1162 Bay Street, Toronto, Ontario.

H. A. DYDE, Esq., K.C.  
Counsel to the Special Committee on Prices,  
Elgin Building, Ottawa, Ontario.

Dear Sir,

The Special Committee on Prices asked me to let it have the figures on the operation of Consolidated Bakeries of Canada Limited for February which reflect for the complete month the increase of one cent which became effective on January 27. The following figures are given for the five weeks ending March 6, 1948:

*Sales Volume*—Toronto, 1,878,402; Montreal, 4,430,584; all bakeries, total, 9,052,456.

May we point out to you the decrease of 513,000 pounds seriously affects our operational figures.

	CENTS
Selling price range .....	12 and 14
Selling price .....	13.11
Material cost .....	6.16
Shop labour .....	1.11
Oven fuel .....	.16
Overhead .....	1.10
Total manufacturing .....	8.53
Sales wages .....	2.61
Delivery expense .....	1.81
Administration .....	.26
Total cost .....	13.21
Loss .....	.10

I would also like to bring to the attention of the committee that while it is commonly said that the baking industry is not affected by the 8 per cent sales tax, the industry is affected by such tax in an indirect way. The 8 per cent sales tax is imposed on the following items used by it:

Shortening and oils (all kinds except lard)	Acids
Trough grease	Cake Ornaments
Pan oil	Pan Papers (used for baking only)
Divider oil	Shop Uniforms
	Pan Cleaning fluids and powders