

\$6,707,495 to \$5,547,166, or by 17 per cent, largely accomplished by wage reductions. The charges made to the departments for rent have increased in the past few years because of the additions made to buildings and equipment.

Q. Wage reductions accounted for—largely accounted for a 17 per cent reduction in operating expenses?—A. Yes.

Q. Now, that was in 1930?—A. Yes.

Q. That is \$1,200,000 was the reduction. You say “largely accomplished by wage reductions.” Can you tell me to what extent wage reductions contributed?—A. That is referred to in our report upon the wages.

Q. It is dealt with?—A. Yes.

Mr. ILSLEY: This is a good place to tell us now.

By the Chairman:

Q. It was over a million dollars, was it?—A. That was the total reduction in the expenses.

By Mr. Sommerville:

Q. The total reduction in expenses due to wage reductions?—A. I do not know the exact amount. The reduction between 1930 and 1933 in the total wages paid by the Toronto units excluding management was approximately \$1,400,000.

Q. There was a slight reduction. There was about a 10 per cent reduction in personnel in the Toronto office?—A. That is total cost of wages.

The CHAIRMAN: In any case, there was a substantial reduction in wages in 1930?

The WITNESS: That includes the Toronto mail order.

By Mr. Sommerville:

Q. And there was in the prior year, 1929, a very substantial increase in the fixed charges in the matter of a large rental that had to be paid to the holding company?—A. This is exclusive of the interest and depreciation. This is only the departmental expense; it does not include the rentals to Simpsons Limited.

Q. I quite appreciate that; but coincident with or following upon the establishment of this large rental to the holding company came the reduction in wages to the departmental employees?—A. Yes.

Mr. HEAPS: What was that reduction in percentages?

Mr. SOMMERVILLE: When we come to the wage scale we will get it more fully.

The CHAIRMAN: It says here a reduction of about 17 per cent largely accounted for by wages, but not wholly, and the exact amount would be dealt with when we come to the wage schedule.

Mr. ILSLEY: Would it give a picture of the wage reductions if you could give the percentage of reduction and the number of those employed and also give with that the percentage and the total amount paid?

The CHAIRMAN: I think perhaps, gentlemen, it would be better to leave that until we get to the wage situation. We are going into the wage situation quite fully, so we will cover it all at that point; I think that would be better.

By Mr. Sommerville:

Q. All right, Mr. Adamson?—A. The net departmental result: The results of the departmental operations over the ten years are shown in the table set out in the earlier part of this memorandum. This statement shows that, after charging interest and depreciation the departments as a whole made profits in each of