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Ontario Retailers in the Early Twentieth Century: Dismantling the Social Bridge

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Article abstract

This article explores the theory that late-nineteenth century and eary-twentieth century retailing served as an avenue to upward mobility. An examination of retailing in Ontario suggests two things: first, that shopkeeping was a deeply stratified occupation in which the poor remained marginalized at the bottom: and second, that over the course of the early twentieth century interest in retailing declined among working people as the business of storekeeping “professionalized”.

Ontario retailers in the early twentieth century: dismantling the social bridge

DAVID MONOD

Résumé

This article explores the theory that late-nineteenth century and eary-twentieth century retailing served as an avenue to upward mobility. An examination of retailing in Ontario suggests two things: first, that shopkeeping was a deeply stratified occupation in which the poor remained marginalized at the bottom; and second, that over the course of the early twentieth century interest in retailing declined among working people as the business of storekeeping 'professionalized.'

* * * *

Cet article explore la théorie que la vente au détail de la fin du XIX siècle et le debut du XXe servit comme route d'accès au mouvement ascendant de la population. Un examen de la vente au détail en Ontario suggège deux choses: premièrement, que le commerce était une occupation très stratifiée où les pauvres étaient marginalisés au bas de l'échelle; et deuxièmement, que tout au long du début du XXe siècle, l'intérêt dans le commerce déclina parmi les travailleurs au fur et à mesure que le métier de commerçant prenait une orientation professionnelle.

Turn of the century retailers were people in the middle. They worked the business terrain that lay between consumer and supplier; they stood in society between plutocrat and proletarian; they occupied — in the public perception — a vague position between neighbourliness and nastiness. They were, for retailing's enthusiasts, the country's "most ordinary folks." Shopkeepers were "the little fellow around the corner who runs a cigar store; the retailer is the widow trying to provide for two children. Retailers are made up of the veteran who has set himself up in the appliance business. Retailers are made up of just folksy people mostly, and they are a good strong background for this country of ours." As A.R.M. Lower, the son of a Barrie store owner, explained it, retailers were Ontario's "most representative class."[1]

For many people before the Great War, retailing's middling station made it society's thoroughfare. It was through storekeeping that the upwardly mobile worker passed into

1. Canada, House of Commons, Joint Committee of the Senate and the House of Commons on Combines Legislation, *Minutes of Proceedings and Evidence* (Ottawa, 1951), 263-4; A.R.M. Lower, *My First Seventy-Five Years* (Toronto, 1967), 22.

the 'lower middle class' and it was by way of the shop-door that the well-to-do descended into the abyss of the common. (One is reminded of Bernard Shaw's description of the aspiring Eynsford Hill's, "clinging . . . to that step of the social ladder on which retail trade is impossible," or of the respectable heroine in *Home as Found* who shrieks at her husband's suggestion that she get to know their neighbours: "You surely would not have me visiting grocer's wives at the corners, and all that other rubbish!"). For much of the nineteenth and early twentieth centuries, one could either emerge out of retailing or plunge disgracefully back into it.[2]

It is remarkable how generally accepted these assumptions remain. Though North American social historians have yet to study independent retailing, they take for granted that shopkeeping was a distinct activity which functioned as the capitalist order's social bridge; as its answer to rigid class segmentation and economic immobility. This is as true for those structural marxists who place shopkeeping (albeit temporarily) in the no-man's land between class lines as it is for capitalism's apologists who revere small business as the incarnation of opportunity. The classics of the American social mobility literature, for example, are almost as one in depicting the opening of a business — any business — as a big step up the occupational ladder for working people.[3] And while the more stoic marxists might insist that retailers constitute a doomed fragment from the pre-industrial social construction (with economic development now being seen as 'combined and

2. G. Bernard Shaw, *Pygmalion* (1916: Harmondsworth 1978), 148; J. Fenimore Cooper, *Home as Found* (1838: New York, 1964), 43.
3. The view is implicit in most American mobility studies. American scholars tend to consider 'independence' and 'entrepreneurship' as marks of social progress, irrespective of the income it generates. S. Thernstrom, *The Other Bostonians: Poverty and Progress in the American Metropolis, 1880-1970* (Cambridge, 1973), ch. 3; T. Kessner, *The Golden Door: Italians and Jewish Immigrant Mobility in New York City, 1880-1915* (New York, 1977), chapters III and IV (note that Kessner, like Thernstrom, considers peddling a form of 'white collar activity' because peddlers were "involved in risk taking and investment", Kessner, 51). An especially interesting case of ideological blindness can be found in C. and S. Griffen, *Natives and Newcomers: The Ordering of Opportunity in Mid-Nineteenth Century Poughkeepsie* (Cambridge, 1978), which at one moment recognize the divisions within retailing between rich and poor (Ch. 5), but nonetheless persist in seeing marginal shopkeeping as a form of upward mobility even for what might once have been relatively well-paid workers (58-68). S.M. Blumin, in *The Emergence of the Middle Class: Social Experience in the American City, 1760-1900* (Cambridge, 1989), 109-121, is sensitive to the idea that our notions of status do not necessarily equate with contemporary realities, and presents convincing evidence to show that people in the mid-nineteenth century considered proprietorship superior to manual labour as well as more questionable data concerning real affluence. Blumin's point is to show that proprietors were in reality better off than workers, but his evidence - the assessment of real and personal property in the 1860 census - is of limited value. Obviously, valuation is a cultural construct and it is not surprising that an American proprietor would have a higher property assessment than an employee. But what does a property assessment really tell us about quality of life or real wealth? A retailer might claim ownership of property and be evaluated as an owner, without having much equity in the business. Income is surely a far better measure of real affluence (though admittedly not of perceived wealth) than property.

uneven'), they nonetheless present the petite bourgeoisie as a quivering mass, shifting hesitantly 'between' the capitalist and proletarian class 'positions.'[4] Whether taken as proof of capitalism's potential, or as victims of its relentless centralizing power, retailers are invariably plopped in the middle.

It is not my purpose here to discuss the overall merits of this interpretation, though I do want to raise a couple of questions about its Ontarian application. I am especially concerned with the assumption made by students of social mobility that retailing provided wage earners with an avenue to economic betterment. As we shall see, the opening of a business, while perhaps offering a sense of improvement, often involved an actual drop in income, even for purportedly 'successful' entrepreneurs. The truth is that retailing was a deeply stratified enterprise, and while some businesspeople owned big stores and made good money, others were marginalized and poor. Clearly, those who assume that shopkeeping possessed a coherent class character are mistaking a form of activity for an experience of life.[5] By reversing the traditional lens and looking at the occupation which individuals entered rather than the people who moved through the marketplace, this image is made to emerge. In fact, shifting focus from the movers to the place they were going facilitates a series of new insights. Most importantly, it allows us to see that opportunities are not always equally appealing and that those people who decide not to change occupations might be responding more to the attractiveness of the options than out of their own lack of ambition, opportunity or resources.

Certainly the changes that affected retailing's development had nothing to do with its accessability. In this the students of mobility are correct: shopkeeping remained an extremely affordable form of enterprise throughout the early twentieth century. While not everyone in Ontario could open any store, a good number could afford a business of some kind. If the bankruptcy records can be taken as a rough guide, the average shop from the 1890s to 1910 was opened on about $1400, from 1911-20 the cost was around $2300 and during the twenties roughly $2500 in capital

4. Marx's *Communist Manifesto*, Trotsky's *Fascism: what is it and how to fight it*, K. Bücher, *Industrial Evolution* (London 1901) and D. Guérin's *Fascism and Big Business* (New York, 1973 [1936]) are classic studies. For more recent examples, G. DeGré, "Ideology and Class Consciousness in the Middle Class", *Social Forces*, 29:2 (December 1950), 173-79; D. Clark, "The Intermediate Classes in Marxian Theory", *Social Research*, 28:1 (spring 1961): 23-36; N. Poulantzas, *Classes in Contemporary Capitalism* (London, 1978), 287-99; L. Jones, "The Dying Middle: Weimar Germany and the Fragmentation of Bourgeois Politics", *Central European History*, V:1 (March 1972) 23-55; for a Canadian example: I. Mackay, "Capital and Labour in the Halifax Baking and Confectionary Industry during the last half of the Nineteenth Century" in T. Traves, ed., *Essays in Canadian Business History* (Toronto, 1984).
5. Several British works discuss the division between rich and poor in retailing: H.-C. Mui and L.H. Mui, *Shops and Shopkeeping in Eighteenth Century England* (London, 1989), esp. chapters 6-8; C.P. Hosgood, "The 'Pigmies of Commerce' and the Working Class Community: Small Shopkeepers in England, 1870-1914", *Journal of Social History*, 22 (1989), 437-60 and "A 'Brave and Daring Folk'? Shopkeepers and Trade Associational Life in Victorian and Edwardian England", *Journal of Social History*, 24 (1992), 285-307.

wasrequired.[6] According to these figures, stores were inflating in price slightly more quickly than average industrial wage rates in the first two decades of the twentieth century, but they became relatively cheaper in the 1920s. Overall, I would not think the evidence suggests ownership to have been growing any more expensive. Moreover, a small store could be acquired for considerably less than these averages suggest, with a high turnover rate ensuring that there was always some business being liquidated, or some bankrupt stock being sold at well below its market value. Around 1920, for example, Ted Paraskevopoulos bought a small shop in Toronto valued at $3,000 for $600. "Credit was good," he recalled, "no interest, no nothing." With his savings he paid his rent for three months and received all his fixtures and stock on time from his suppliers. According to many Ontario bankrupts, their start in business had been accomplished with little more than $100 and a secure line of wholesale credit.[7]

Small amounts like these were not hard for people to amass, and so it makes sense that, according to the bankruptcy records, about a half of all merchants launching themselves in business began with nothing more than their own savings. Borrowing was fairly easy, however, even in this age before commercial bank loans to small businesses and most prospective retailers who needed capital were able to obtain it from friends, patrons or family. Howard Thomas was a very young man when he set up his first store, a "grocery, confectionery and lunch" business in Strathroy in 1937. His previous experience in retailing had been a three year job as a clerk in a grocery store and his only starting capital was a loan of $1,500 obtained in part from his father and in part from his aunt. In his first year of operation, Thomas turned $16,000 worth of stock, though he never made enough profit to actually repay the loans. Similarly, Mike Sule, a recent

6. The bankruptcy records - Public Archives of Ontario (PAO), RG 22, Supreme Court of Ontario - Bankruptcy Office - contain the case records for individuals filing for bankruptcy in Ontario. Each file contains various legal documents - list of creditors, notices of motion, petitions, orders and affidavits - as well as a statement of affairs filled out by the bankrupt. This latter proved most generally valuable as statements contained information on the bankrupt's previous occupation, starting capital, date of opening, assets and liabilities, bookkeeping practices and explanation for failure. In a minority of cases - about one in thirty - the files also contained a transcript of the court hearing. All of the retailers declaring bankruptcy in 1924, 1928, 1932 and 1937 were studied and thirty-three variables were derived from the information in their files. This information forms the basis of many of the figures presented in this text. For simplicity, I have avoided noting every calculation derived from the computerized data; specific references only appear when individual case files are cited.
7. Multicultural History Society of Ontario (MHSO), Interview with Ted Paraskevopoulos, 9 February 1979; A few examples will hopefully suffice: Regional Collection, University of Western Ontario (RCUWO), Middlesex County Bankruptcy Records, Box 3, Examination of William Pearson, 12 December 1940 (Pearson bought a fully stocked drug store in Woodstock in 1933 for $1300); PAO, RG 22, Bankruptcy Records, 32:404, C.D. Cascaden Bankruptcy File, Cascaden bought a business valued at $3,000 with $200 cash in 1927; 32:596, F.J. James Bankruptcy File, James opened his store in Port Arthur with $200 borrowed from his father; 37:8 M.J. Mulligan Bankruptcy File, Marjorie Mulligan's Ottawa jewelry shop cost $200; and 37:148, W. Pemberton Bankruptcy File, Pemberton acquired a second store with a $1200 line of credit from the supplier of his first business, York Trading Company.

Hungarian immigrant, opened his business on money borrowed from a previous employer. Sule had been working for a Jewish wholesale grocer in Toronto for six years when he suddenly announced he would like to one day open his own store. His employer, who had been satisfied with his work, not only agreed to put up the money, but also provided him with his initial stock on generous terms. A rather less common, but nonetheless available route into retailing was followed by William Ketchabow whose St. Thomas meat business had been bought with money loaned him by his prospective suppliers, Canada Packers and the National Grocers. These companies further provided Ketchabow with his initial stock on consignment, and the only personal capital he used in founding his business was $500 borrowed from his father in order to modernize the store fixtures.[8]

Family, community and business connections provided the three most common passages into retailing, with banks and other financial institutions making loans to relatively few small businesspeople before the Second World War.[9] According to the bankruptcy records, banking institutions contributed to the financing of only a quarter of all prospective storekeepers borrowing money. They did, however, become increasingly involved in start-ups as the size of the investment grew: where fifteen per cent of all stores with an opening capital of under $500 borrowed some money from a financial institution, forty per cent of those starting with over $2000 had part of the money contributed by a bank, credit union or finance company. Moreover, the evidence does suggest that small business bank loans were becoming more common in the 1930s, for where about a third of the larger businesses (over $2000 borrowed) opening before 1920 had commercial loans, over half of those opening in the 1930s made use of institutionalized sources of credit.

But if the door to retailing remained ajar throughout the early twentieth century, that does not mean the occupation stayed equally inviting. If storekeeping enjoyed a golden age in Ontario, it was in the four decades preceding WWI. Until the 1870s, there were few real fixed-shop retailers in the province — perhaps six or seven thousand in 1871 — with most of the sellers of goods being the artisans who made them. It was far more difficult for an individual to become an independent shoemaker or an artisanal butcher or a tailor in the nineteenth century than it was for someone to become a retail meat dealer or a shoe merchant or a ready-made clothier in the early twentieth. Until the last decades of the nineteenth century the only truly accessible retail trade was the grocery business — which partly explains its horrid popular reputation.[10] It was therefore only with the

8. RCUWO, Middlesex County Bankruptcy Records, Box 1, Examination of Howard Thomas, May 1939; Box 5, Examination of W.H. Ketchabow, 31 May 1940; MHSO, Interview with Mrs. H. Sule, 9 December 1976.
9. *The Financial Post*, XVI (24 February 1922); banks would become the major source of small business capital in the post-WWII period; Canada, Royal Commission on Canada's Economic Prospects: W.C. Hood, *Financing of Economic Activity in Canada* (Ottawa, 1958), 232-43.
10. General stores and dry goods shops were the other major 'retail' enterprises, but these were more expensive to open.

triumphant rise of the ready-made good that distribution enjoyed its rapid growth. As Table 1 reveals, retailing in Ontario grew at a staggering pace between 1880 and 1920 and largely at the expense of the traditional artisanal crafts.

It was not, however, long before the increased traffic congested its arteries. Though a modern rather than traditional element in the economy, independent retailing did not remain the mobility field experts' of opportunity. Despite its continued affordability, there are reasons to believe that shopkeeping's accessibility began to decline, albeit unevenly, from as early as the 1910s. The growth rate in the number of shops in Ontario slowed from a 40 per cent increase for the period 1911-21, to 17 per cent over the succeeding decade, down to 9 per cent between 1931 and 1941. At the same time, the failure rate jumped dramatically. According to *Dun's Review*, there were 18,630 commercial failures between 1919 and 1929, only slightly fewer than the total number disappearing over the previous two decades. Similarly, while the annual statistics on bankruptcies changed little between 1893 and 1920 (excepting bad years like 1914-15) they soared in the 1920s. The most painful year for Ontario shopkeeping between 1890 and WWII was 1924 (1000 retail bankruptcies), with 1932 running it a distant second (550 stores). Strange to say, commerce weathered marginally more hardship in the 1920s than in the thirties. According to the 1941 census, around 30 per cent of the stores in operation had been in existence for more than 11 years, which given distribution's expansion of nine per cent meant that two-thirds of all the businesses that had existed in 1931 had disappeared by 1941. In 1931 just over 25 per cent of stores had been in business for over 11 years. Since retailing had enjoyed a growth spurt of over 17 per cent in the twenties, this meant that 29 per cent of the shops that had been in existence in 1921 were still there a decade later.[11]

The decline in the turnover rate after WWI seems to have been a function of retailing's maturation. After a period of dramatic and easy expansion which lasted from the 1870s through to the second decade of the new century, retailing reached its natural limit and opportunities slimmed. That this transition is best interpreted as an increase in stability after a period of frenetic growth rather than as a decline in a traditional sector, can be deduced from the figures on store longevity. The census returns for 1931 and 1941 offer snap-shots of retailing's age distribution and these show that the proportion of young stores was declining in the early twentieth century and that the life expectancy of those businesses that made it through their childhood was lengthening (Table 2). Arguably, this could mean that there was either or both a decrease in business starts or an increase in the failure rate of recently-opened stores. The latter option was tested through a directory-based study of trade mortality in the grocery field in Kitchener and Toronto.[12]

11. Canada, *Census of Canada, 1931*, Vol X Part 1, Table 15; *Census of Canada, 1941*, Vol X Part 1, Table 18.
12. Information derived from a directory based study of longevity and mobility in the Toronto grocery business. For this study a 10 per cent sample of city grocers was chosen from *Might's Toronto Directories* at five year intervals beginning in 1905 (around 1100 businesses). Only individuals who had not appeared in the previously consulted directory were chosen for inclusion in the sample. The date of opening of the business was then traced as well as its

Table 1
Retail Stores in Ontario in Selected Trades 1871-1931

	1871	1881 (L)	1891 (C)	1895 (M)	1911 (C)	1921 (C)	1931 (C)	1941 (C)
Food Stores	3674(L)	5845	7710	8817	7997	12926	14263	14019
General/Departmntl	2926(L)	1750	—	3884	—	2960	3071	3355
Dry Goods		729	1087	646	1593		570	247
	851(L)					1799		
Women's furnshngs		551	—	1189	—		646	
Ready-made clothng	118(L)	221	—	214	—	812	1130	2802
Dressmaking	473(C)	693	3851	2991	—	—	88	
Men's clothing	—	124	182	190	587	884	1016	
								1478
Tailoring	942(C)	408	—	1651	—	—	646	
Shoe (retail)	39(L)	167	389	965	610	1032	782	788
Shoemakers	1965(C)	1335	2823	1906	—	—	—	—
Hardware	—	294	—	627	1429	1288	1108	1117
Furniture (retail)	118(L)	438	283	722	500	658	885	799
Cabinetmakers	190(C)	460	701	208	—	—	—	—
Books and Stationery	70(C)	367	299	309			358	214
					892	1274		
Tobacco			168	359		1290	1909	
Drug	463(L)	668	-	844	1035	1214	1464	1720
Jewelry	90(C)	460	1068	786	879	868	606	628

C=Canada Census L=Lovell's Directories M=Might's Directories

Source: 1871: I. Drummond, *Progress without Planning: The Economic History of Ontario from Confederation to the Second World War* (Toronto 1987), 300-308; 1881: Lovell's *Ontario Trade Directory, 1881* (Montreal 1882); Might's *Ontario Business Directory* (Toronto 1895) and *Census of Canada*, 1871, 1881, 1892, 1891; *Census of Canada*, 1921, Vol. IV, Table 2, 28-29; *Census of Canada*, 1931, Vol. X, Table 2, 502-9; *Census of Canada*, 1941, Vol.X, Table 9, 275-83.

Note: Food Stores includes: green grocers, grocers, fruit sellers, meat markets, butchers, biscuit bakers, bakers and confectioners, butter dealers and fish markets; Women's furnishings include: millinery, hosiery and lingerie (fancy goods); Ready-Made clothing includes: women's, girls and family clothing; Furniture includes appliances, furniture, carpets and floor coverings; Jewelry includes silver and gold smiths, watch and clock sellers, diamond setters and jewellers.

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disappearance date from the directories. The previous occupation of the owner was also sought and any movement in store location was noted. Each business was then traced through R.G. Dun & Co., Mercantile Agency Reference Books, to determine the store's capitalization and how it changed over time. A similar study was made of Kitchener (some 150 businesses) and more limited studies for 1910, 1919 and 1928 were made for Windsor, St. Catherines, London and Brantford (300 businesses all-together). Again, I have not cited every calculation derived from this data, the text will make clear which sample is being used and for which dates.

Table 2
Survival Rate of Ontario Retailers, 1931 and 1941

	Years in Business					
	<4	**5-11**	**12-21**	**22-31**	**32-41**	**>42**
1931[1]	40.7	30.9	15.8	9.6[2]	XXXXXXXXXXXX	
1941	37	33.6	20.3	6.1	2.1	0.9

[1] 2.6 percent of stores did not report date of ownership.
[2] This is figure for all stores open more than 22 years.

Source: *Census of Canada*, 1931, vol. X, Table 15, *Census of Canada, 1941*, vol. X, Table 18.

Table 3a
Attrition Rates among Kitchener Grocers, 1908-1940

	Percentage Failing After X Years in Business					
	<5	**6-10**	**11-15**	**16-20**	**21-25**	**26-30**
Stores Opened Between						
<1908	5.6	22.2	27.8	11.1	11.1	11.1
1909-18	39.1	8.7	13	4.3	XXXXXXXXXXXXX	
1919-23	50	18.4	5.3	XXXXXXXXXXXXXXXXXXXX		
1924-28	35.7	21.4	XXXXXXXXXXXXXXXXXXXXXXXXXXX			
1929-33	38.9	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				
N=125						

Source: *Vernon's Kitchener Directories*, annually, 1900-1940.

The figures (presented in Tables 3a-3b) suggest that apart from the dramatic increase in the failure of recently opened businesses in the early-to-mid twenties, there was no significant change in the new store attrition rate in Kitchener between 1910 and 1937. In Toronto, the new store disappearance rate was higher in the later thirties than it had been in the first two decades of the century, but quite a bit lower than it was for the period 1922-1935. Neither sample would support the view that the decrease in young stores spotlighted in the census tables was due to a rise in the actual attrition rate among newly opened businesses.

What really accounts for the proportionate decline in retail starts was the increased survival rate of older enterprises coupled with a slowing in distribution's overall growth. Merchandising physically expanded at roughly half the speed in the 1930s that it had in the 1920s even though the odds of success had not changed and the cost of starting up a business had fallen. Admittedly, as Tables 3a-3b suggest, it was harder after 1910 than hitherto for new storekeepers to crack into the market, but the chances of early failure remained relatively constant thereafter. Moreover, those businesses that did survive their dangerous early years could look forward to an ever lengthening lifespan. The problem

Table 3b
Attrition Rates among Toronto Grocers, 1905-1940

	Percentage Failing After X Years in Business					
	<5	**6-10**	**11-15**	**16-20**	**21-25**	**26-30**
Stores Opened Between						
1905-10	18.8	27.6	23.4	8.5	10.6	6.4
1910-15	21.2	18.5	9.3	16.6	3.7	XXXXX
1916-20	31.6	17	13.9	8.9	XXXXXXXXXXXX	
1921-25	45.9	12.4	9.5	XXXXXXXXXXXXXXXXXXXX		
1926-30	49.7	15.6	XXXXXXXXXXXXXXXXXXXXXXXXXXX			
1931-35	38.8	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				
N=1129						

Source: *Might's Directory for Toronto*, annually, 1900-1940.

which therefore demands explanation is why retailing's expansion slowed over the interwar period even though the probability of failure appears not to have changed.

An obvious explanation lies in the decline in consumption that occurred during the depression decade. Consumer spending in Ontario plunged by one third between 1930 and 1933 and it only returned to pre-depression levels in 1939-40. During the early thirties a deflation of around 30 per cent (1930-33) compounded this problem rather than eased it, grinding down inventories and eroding gross profits. But by the same token, conditions did begin to improve noticeably as early as 1934. There was modest inflation — something which is always kind to vendors — and sales started to go up. Because of the dollars' augmented buying power, the volume of goods sold in 1937 was as high as it had been in 1928.[13] To this extent, the market in the later thirties should have appeared inviting, somewhat tarnishing the proposition that the depression was entirely to blame for distribution's decelerating growth. In any case, the data presented in Tables 4a-4b suggests that the numbers of working people opening stores tended to rise during the worst periods of depression. Bad times not good were the traditional invitation to retail investment.

All of which serves as a reminder that the push and pull of the labour market played a major role in the decision to open a store. In spite of retailing's own forbidding failure rate, unemployment ensured that hundreds of entrepreneurs in virtually every sector were willing to chance a life in businesses. What F.R. Scott and H.M. Cassidy reported of the clothing industry was typical of many others: "[p]articularly in time of depression, when the clothing foreman or designer, or skilled worker, loses a regular job, he is tempted to sink what little capital he might have into an independent venture in the hope that it will bring him at least some return . . . In every instance their chances of success are

13. DBS, *Retail Trade, 1930-1961* (Ottawa 1966), Table 1.

Table 4a
Last known occupations (held within five years of sample date) of Toronto grocers, 1915-39

	Date of Sample					
	1915	1920	1925	1930	1935	1939
Peddler	5.9	9.2	2.9	5.0	9.0	0
unskilled	23.5	18.5	23.3	20.0	23.0	16.7
semi-skilled	11.6	11.1	10.6	18.3	15.4	5.6
skilled	14.7	16.7	19.4	8.3	15.4	14.0
store clerks	13.7	11.1	9.7	15.0	17.3	23.1
other clerical	14.7	18.5	12.6	16.6	15.6	18.7
managerial	0	5.5	2.9	1.6	7.7	14.0
inheritance	8.8	1.8	5.8	5.0	0	2.9
other retail	5.8	7.4	9.7	10.0	5.8	5.6
active service	0	0	2.9	0	0	0
N	34	54	103	60	52	36

Source: *Might's Directories for Toronto*, annually, 1900-1940.

Table 4b
Last Known Occupation of Retail Bankrupts in Ontario Cities In Business for Under Five Years 1924, 1928, 1932, 1937

	Year of Bankruptcy			
	1924	1928	1932	1937
Peddler	3.0	2.1	3.8	0
unskilled	4.0	2.1	0	0
semi-skilled	9.9	10.4	3.8	9.1
skilled	9.9	8.3	7.7	9.1
store clerk	17.8	20.8	30.8	18.2
other clerical	16.8	16.7	11.5	27.3
managerial	9.9	10.4	7.7	13.6
inheritance	3.0	4.2	0	13.6
other retail	19.8	20.8	30.8	18.2
other	4.9	2.1	3.8	4.5

Source: PAO, RG 22, Supreme Court of Ontario - Bankruptcy Office files, 1924, 1928, 1932, 1937.

exceedingly small, but nevertheless they establish themselves as independent proprietors, partly in hope, partly in desperation, and make the position of those already in the business still more difficult by the intensity of their competition". Of course, there were issues beyond unemployment which led people to begin retailing during economic slumps. At moments of price deflation, like the early twenties and thirties, individuals with some savings found their money to be worth far more. Given the limited investment options, petty speculators were as likely as not to put their cash into a rental property or a small business. Happily for them, the increased failure rate which accompanied the deflation assured them a wide selection of defunct businesses. Even more happily for the would-be merchant, commercial credit flowed somewhat freer in the early twenties and thirties. Caught by the declining sales and the increased failures, wholesalers anxious to protect their volumes were willing to risk longer terms in the hope of riding out the storm. From the jobbers' perspective, it was better to sell one's interest in a bankrupt store at 50¢ on the dollar, extend credit to the new owner for several months and ensure an outlet for one's goods, then it was to cut back operations and sacrifice market-share. Paradoxically, in the eyes of more established merchants, the wholesalers' actions further encouraged trade instability, because the heavily indebted retailers they backed were also forced to keep stock moving at any price. Wholesalers, the shop owners stormed, were "trade vampires" who, by granting credit "indiscriminately," were luring "every Tom, Dick and Harry into business."[14]

Whatever it was that traditionally encouraged commercial expansion in hard times, the fact remains that many people were drawn into merchandising by default. When unemployment threatened earnings or deflation swelled savings or easy credit enticed investment, the number of people opening stores increased. Little evidence here to support the view that shopkeeping's allure lay in its promise of wealth and status. For thousands of working people, retailing was something one did when out of work or when economic conditions made trading particularly affordable. It was also often employed as a simple wage supplement. In the Toronto grocery sector in the 1920s and thirties, ten to fifteen per cent of the stores were female owned, and almost forty per cent of these were operated by married women with working husbands. It is harder to trace the number of male shopkeepers with working wives, but it was certainly not an uncommon phenomenon.[15] Like boarding house keeping or factory outwork, front parlour trading was an important form of primary wage subsidy. And there were good reasons for this. Working people neither advanced on retailing with equal preparedness nor entered the same type of enterprise. Shopkeeping was a ruggedly stratified occupation and deep rifts separated tradespeople of varying wealth and experience. Around one retailer in three owned a tiny shop capitalized at under $2,000, employing no paid clerks and selling under $5,000 a year. These shoestring traders were concentrated on the backstreets of urban residential districts, but they could also be found adjacent to gas stations and taverns across the countryside. In 1931, they were responsible for selling under 3 per cent of the goods retailed in Ontario. By contrast, the wealthiest third turned an average of $60,000 a year, employed roughly ten clerks apiece and accounted for 65 per cent of the merchandise sold.[16]

14. F.R. Scott and H.M. Cassidy, *Labour Conditions in the Men's Clothing Industry* (Toronto, 1935), 70; *The Trader*, 21:5 (January 1900); *Furniture World and the Undertaker*, I:1 (September 1911); and *Canadian Grocer*, XIV:13 (30 March 1900), XXXVIII:8 (22 February 1924) and XLV: 1 (2 January 1931).
15. An interesting interview with one working wife of a butcher can be found in MHSO, Interview with H. Sule, 9 December 1976.
16. *Census of Canada, 1931*, X, Part 1, Table 6, 522-31.

Table 5
Amount of own and borrowed starting capital invested By last known occupation Ontario retail bankrupts, 1924, 1928, 1932, 1937

	<$500	$501-1000	$1001-1500	>$1501
peddler	60	0	20	20
unskilled	62.5	25	0	12.5
semiskilled	37.5	31.3	12.5	18.8
skilled	44.4	38.8	5.5	11.1
store clerk	39.0	17.1	12.2	31.7
other clerical	43.3	10.0	13.3	40.0
managerial	31.5	26.3	5.3	36.8
inheritance	33.3	0	33.3	33.3
other retail	23.6	12.7	10.9	52.7
military	40.0	0	40.0	20.0
farmer	27.2	9.1	27.2	36.4
N	91	48	31	99

Source: PAO, RG 22, Supreme Court of Ontario - Bankruptcy Office files, 1924, 1928, 1932, 1937.

Working class attitudes to shop ownership make sense in view of these sharply structured contours, because the business divide was also a social divide. According to the bankruptcy records, 32 per cent of shoestring dealers in the interwar years came from blue collar backgrounds as opposed to only 13 per cent of larger traders and this figure probably underestimates the proportion because the occupation in which small traders predominated — the grocery business — was underrepresented in the records. Out of a random sample of 148 Toronto backstreet grocers whose previous occupations could be determined from the directories, almost two-thirds had blue-collar backgrounds and 47 per cent had previously been members of the unskilled or semi-skilled workforce. This is not to suggest that all working-class entrepreneurs opened shoestring shops — according to the bankruptcy reports around half of them did not and among Toronto grocers 37 per cent acquired larger businesses — but there was a decided concentration of one-time wage earners among the ranks of shoestring tradespeople (Tables 5 and 6).[17]

Though mainstreet retailing was never completely unaffordable for any group in society, the poorest did tend to open the most marginal businesses. And these shoestring enterprises often represented a step down for wage earners instead of an entrée into respectability and enterprise. According to the 1941 census (which provided the first governmental information on trade income), the average earnings of proprietors of small stores in Canada was $439 a year (around 40 per cent of the average male production worker's wage). In the tobacco and country store lines, where petty traders were the poorest, incomes stood at under $400. Small wonder, then, that many working people treated retailing as an income supplement or as a resource upon which they might draw

17. There was also a concentration of women: seventy per cent of female shopkeepers owned stores capitalized at the lowest level.

Table 6
Toronto grocers 1900-1939 classified by store capitalization and previous occupations of owners

	Capitalization			
	<$2000	$2001-10000	$10001-35000	N
		Percentage		
peddler	75	25	—	8
unskilled	75	25	—	52
semiskill	79	21	—	38
skilled	58	32	10	19
store clerk	61	32	7	31
other clerical	64	23	13	22
managerial	83	8	8	12
other retail	73	23	4	22
military	75	25	—	4

Source: *Might's Directory for Toronto*, annually, 1900-1940; capitalization derived from R.G. Dun & Co., *Mercantile Agency Reference Books*, 1900-1940.

in hard times. While more affluent working people did acquire properties which might augment their status or income, those who opened front parlour businesses took to trading in periods of unemployment or low wages. These penny proprietors were not advancing on the middle class, they were searching out the most effective means of managing their resources in moments of trouble or need.[18]

The difficulty with seeing this as a form of upward mobility is that shoestring retailing seldom represented a tiny step in the right direction.[19] Most penny traders had to scratch their incomes (no matter how small or large) out of their store turnovers at enormous cost. At a time when the average grocery was operating on a margin of 17 per cent, the smallest dealer was selling on a 40 per cent spread. Moreover, a staggeringly high proportion of the backstreet shop's gross profit had to be used in the maintenance

18. *Census of Canada, 1941* vol. X, Part 1, Table 16. The penny proprietors earnings were not, however, far removed from the average female wage of $490 *Census of Canada, 1941*, vol. IV, Table 1. The Ontario bankruptcy records for the interwar years are rather less forthcoming on this issue, as one-half of the smallest traders did not know their annual income, but those that did offered a rather happier view of shoestring enterprise with the average corner business producing returns of around $1100 a year (slightly more than the average male production workers' wage). Among the bankrupt there was only a slight difference in the amount of money earned by shoestring traders declaring their incomes and that earned by larger store owners. Of course, the shoestring stores in question had ended up in bankruptcy.
19. Clearly, I am not convinced by J. Benson's argument that penny entrepreneurship fractured the working class. Benson, like so many historians, sees ownership of a store as a form of 'uplift'. See J. Benson, *Penny Capitalists: A study of nineteenth century working-class entrepreneurship* (Dublin, 1983) and *Entrepreneurism in Canada: A History of Penny Capitalism* (Lewiston, 1990).

of its owner; where the average dry goods dealer was using one-fifth of his gross profit for his support, the smallest was using one-half. Obviously, this type of drain on the resources of the business left little in the till for store improvements or expansion. In fact, it left little enough for the payment of bills, forcing many small traders to subsidize their stores rather than draw money out of them: "I have been putting everything I had into the business, even what my husband gave me," one corner clothier explained at her bankruptcy hearing, "in order to try to make it go . . . but the bills kept piling up."[20] Backstreet shopkeeping was a hard life: hours were long, trade was generally slow and returns were minimal. All of which added up to a simple truth: those shop owners who began their business life in a small store tended to remain small traders. In the Toronto grocery sector between 1900 and 1940, only one in twenty shoestring dealers was ever able to raise their credit rating.

Pre-WWII retailing in Ontario was therefore a highly stratified occupation which held little promise of 'upward mobility' for those marginalized at the bottom. Of course, a significant proportion of the smallest retailers were not 'full-time' merchants anyway, and as a result they probably cared less than those who leant more heavily on their shops for material support. In any case, those historians who treat the ownership of a small business as by definition an improvement for working people are confusing an ideologically-charged preconception with tangible gains. Opening a store might signal an improvement in status to the social scientist, and sometimes it would carry a real or perceived amelioration for the individuals involved, but it did not *necessarily* bring greater material or social rewards.[21]

Retailing's symbiotic relationship to the labour market is therefore clear. Since most working class shopkeepers opened stores that were small and only minimally remunerative, it makes sense that they would treat ownership as a wage substitute or supplement. Small business was not one thing but many — even among working people. While some took up merchandising in order to improve their incomes or gain 'independence', a majority used shopkeeping as an alternate form of employment. The trouble is that these options did not always present themselves with equal force or appeal. As we have seen, the decline in the number of business starts was slowing distribution's growth over the course of the early twentieth century. That this occurred in the context of a change in working-class income strategies suggests that it was in measure a function of the availability of secure employment. But this is only a partial explanation. Taking the better years alone, the proportion of working class grocers in Toronto decreased

20. *Census, 1941* vol. X, Part 1, Table 16. PAO, Supreme Court of Ontario - Bankruptcy Office, 37:57, bankruptcy file of Annie May Bowers.

21. This point is made by Olivier Zunz in *The Changing Face of Inequality: Urbanization, Industrial Development and Immigration in Detroit, 1880-1920* (Chicago 1982), 8; M. Katz was relatively sensitive to this fact (though he tended, off and on, to lose sight of his own qualifications) and in his study of Hamilton emphasized that changing occupations did not necessarily imply economic mobility; M. Katz, *The People of Hamilton, Canada West: Family and Class in a Mid-Nineteenth Century City* (Cambridge 1975), Ch.3.

steadily from 56 per cent in 1910-20 to 52 per cent for 1925-30 and to 36 per cent from 1935-40 (Table 4a). Though there can be no doubt that these figures are weighed down by labour market forces, the overall trend does suggest that working people, and particularly the unskilled and semi-skilled, were growing progressively less inclined to open stores.

Truth is that retailing's pull was weakening even more quickly than the job market's push. Generally speaking, distribution's maturation took the form of a decline in trade starts coupled with a lengthening of the business lives of the more established enterprises, but within that overall pattern are important variations. As Tables 4a-4b indicates, much of the decrease in store openings came at the expense of working people. But this was not the only sign that the progress of distribution was uneven in its impact. Though business longevity for the sector was increasing, shoestring stores were failing younger. Figures drawn from Dun's reference books for the grocery trade in five Ontario cities show that while the number of shoestring stores continued to expand at the same rate as the larger shops between 1910 and 1930, their average life expectancy declined from 12 years for stores opened between 1900 and 1915 to 7 years for those opening in the 1920s.[22] Directory-based figures for the Toronto grocery business also show an increasing attrition rate among the smallest stores throughout the interwar years. Where one penny enterprise in four disappeared within five years of opening in the late 'teens, one in three failed to see its quinquennial anniversary in the 1920s and thirties. It may not have been growing any more difficult to open a front parlour shop, but it was almost certainly becoming harder to nurse one through its infancy.

Back-street trading consequently carried a disproportionate burden of retailing's restabilization in the interwar period. Despite the continuing affordability of shops, opportunities for penny entrepreneurs appear to have been narrowing, especially during the 1930s. The census makes clear that, between 1931 and 1941, the number of small enterprises declined from 13,600 to 11,800, despite an overall growth of nine per cent in the distributive sector. Even in the grocery business — that most open of all trades — the proportion of small stores fell from 27 to 22 per cent of all shops over the course of the depression decade. In other words, while mainstreet trading was prospering — with large stores both surviving longer and increasing in number at the fairly undiminished rate of 22 per cent between 1931 and 1941 — shoestring retailing was in marked decline.

It is not therefore sufficient to consider the people moving through an occupational hierarchy when measuring mobility, one must also come to terms with the way changes in structures may have affected the options. The progressive decline in working class retailing points up a hardening of distribution's image, because even as the job market

22. *Census of Canada,, 1931*, Vol X Part 1, Table 6A, *Census of Canada, 1941*, Vol X Part 1, Table 9. The cities sampled were Windsor, Kitchener-Waterloo, St. Catherines, London and Brantford. Note that while the pattern is revealing, the figures are drawn from Dun's reference books, which listed only the most exceptional shoestring dealers - perhaps 10 per cent of the total.

improved, merchandising appeared less inviting to prospective entrepreneurs. What lay behind both this real and this perceived shift in distribution's character was a transformation in the nature of merchandising. In the first half of the twentieth century thousands of mainstreet shopkeepers moved beyond simply changing the look of their stores to adopt more up-to-date methods of bookkeeping, departmentalized stock management, more aggressive pricing and marketing and cash selling. These modernizing efforts helped alter the image of retailing; complicating it and making it seem less amateurish. At the same time, consumers grew ever more price conscious and mobile and though they continued to rely on the backstreet shops for convenience goods, they were increasingly drawn to the wider selections and lower prices offered on the mainstreets. These things caused retailing to appear ever more difficult and less secure to the inexperienced newcomer just as surely as they bolstered the successes of those merchants who had made it.

Aggravating these problems for shoestring merchants was the quickening pace of business life. As centralized manufacturers started to pre-package and advertise their own products and as the efficiency of road and railway transport grew, producers found it easier to market their goods themselves and reduce their dependence on wholesale intermediaries. This proved a great boon to larger retailers who now found that they could order stock more often and in smaller quantities and, by buying 'hand to mouth', reduce the risk of over-stocking. Faster buying and selling meant increased turnovers and lower prices, but they also forced modernizing retailers to accept more stringent stock controls and more aggressive approaches of merchandising.

Direct marketing by manufacturers also affected the wholesalers who supplied the bulk of the shoestring traders' stock. As the makers of goods increasingly cut into the jobbers' market-share, the wholesalers were forced onto the defensive. Hundreds of jobbing houses disappeared in the early years of the new century and the rest survived only by trimming down their markups and accelerating their stock flow. And as the speed of commercial transactions increased, the terms of credit grew predictably shorter. In the nineteenth century, wholesalers had not only provided store owners with goods, they had also supplied them with nearly all their short-term credit. In the 1870s and eighties, credit of 120 days was considered reasonable, and some wholesalers had even offered handsome discounts on bills payable in 6 months. By the First World War, cash terms offered by clothing, dry goods, fruit, grocery and hardware suppliers had been clipped back to 10 days or less and cash discounts were unheard of on notes due in over a month. In the fruit business, for example, the produce wholesalers' association (which represented the thirty largest fruit jobbing firms) cut terms from 30 to 6 days as early as 1909. It was a change that initially bore down heavily on almost all stores — even the large produce retailers had opposed the restriction of credit — but its impact was never equally spread. Richer tradespeople, with higher turnovers and healthy cash flows, could generally afford to pay on delivery, but the smaller the business, the less able its owner to juggle accounts. In fact, the tightening of credit was aimed in part at controlling the smallest retail buyers. As one produce wholesaler informed a gathering of mainstreet retailers in 1909, "this is not for you [the reduction in payment terms]; we do not want to injure you. It is the small man we are after." As a result, once the initial shock wore off, the Retail Merchants Association, which represented the more affluent dealers, came to acknowledge the wisdom of shortened terms.[23]

Though wholesalers tended to lighten up on their demands during the worst economic periods, their credit even in the early thirties was shorter than it had been in the 1890s. And wholesalers expected their trade customers would clear their debts double-quick once the economy revived. All of which served to place an added burden on the dealer with limited cash and a small turnover. Indeed, during the interwar years a shortage of capital emerged as the major reason for failure offered by penny traders at their bankruptcy hearings. In 1924, at the tail-end of the trade depression, only 7 per cent of Ontario's insolvent penny traders cited a shortage of working capital as the reason for their bankruptcies (as opposed to 10 per cent of those with over $2000 invested); by 1937, 30 per cent of shoestring retailers did (as opposed to 18 per cent of larger stores). Back at the turn of the century it had been possible to open a store with a few hundred dollars borrowed from a friend or relative, and because suppliers could easily be delayed for a year or more, one could feasibly pay for one's starting stock with profits spread over two or more turnovers. The difference was that when credit was cut back — even to as long as three months — stock had to be paid for before it was entirely sold.

The corner retailers might get along for some time paying small amounts against their debts, but as time passed their accounts simply accumulated, burying them beneath their invoices. In 1933, when Martin Klinkhammer acquired his hardware business in Dublin, Ontario, he had no more capital than a good reputation. Having promised to pay the previous owners' widow in instalments, he worked hard to cut costs — living at his mother-in-law's, taking only $20 a month in wages — so that he might put $800 a year towards meeting his debt to the estate. The problem was finding additional money to pay for the stock he had to buy. He struggled on for a remarkable four years, subsidized by his wife's wages and his mother-in-law's food, but he could never achieve solvency: "paying that first stock without capital to start with", he observed, "is the reason for the bankruptcy. When that first stock was sold it had to be replaced and without surplus capital I see it cannot be done, next thing to impossible." It was the same story told by countless small traders, even those that felt they might otherwise have been able to make a go of it. A London men's wear merchant who opened his store with $150 borrowed from his sister-in-law, felt his business was improving over the course of his fourteen months in operation: "there was an increase all the time I was there, but I started with so little and it was so small." The problem was again a shortage of cash: "My capital was dwindling faster than it was built up. If I had had another two or three years I would have made money, but I did not have the finances to carry on."[24]

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23. *Canadian Grocer*, XXIII:20 (14 May 1909); a standard schedule of discounts with a thirty day maximum would become RMA policy during the mid-1920s.
24. PAO, Rg 22, Supreme Court of Ontario Bankruptcy Office, 37:91, M. Klinkhammer Bankruptcy File, Examination of Debtor, 14 April 1937; 37:57, A. Bowers Bankruptcy File; 37:203, J.E. Monteith Bankruptcy File, Examination of Debtor, 24 September 1937.

Failures like these would only have helped darken distribution's image as a place to invest. Hardworking and honest people were failing in retailing simply because they did not have enough money to begin with. It must have helped make a steady job appear a more attractive option than a risky retail venture. It was all part of a change in the way retailing was coming to be seen. Once imagined to be a doorway to upward mobility, shopkeeping was increasingly being made to appear the preserve of the professional masochist. The image of distribution was changing, not just because it was becoming harder for small traders to survive, but also because of the cultural impact of the mainstreet merchants' talk of their own professionalization. The increase in competition in the early twentieth century — the proliferation in the number of small shops and the growth in chain and departmental competition — led trade publicists to call for the improvement in systems if the independent retailer was to survive. "The store that expects to keep ahead must be constantly alert for newness — new ideas, new goods, new methods and new displays, anything to give the impression of newness," the *Dry Goods Review* observed. To fight the competition of both the unskilled and the hyper-efficient mass marketers, mainstreet retailers had been forced to modernize. Shopkeepers had to learn the art of 'salesmanship', they had to make their stores 'inviting' and they had to develop methods of stock control and marketing that would allow them to at once take advantage of supplier discounts and price more closely. System was the key: "when system is introduced," a writer in *Furniture World* explained, "greater success for the dealer ensues"; in fact, "without system progress is impossible." This is why those who failed to adapt to the latest trend were seen to be "in the clutches of worn out policies" — of "old fashioned" and "moss backed" ideas; remember, failure was a product of not "keeping up" and the person who was reluctant to move with the times ultimately "has a grudge against himself."[25]

With their tiny incomes the smallest traders could not afford to modernize their store interiors, introduce complicated bookkeeping practices or systematize their buying. But the publicity surrounding the importance of bookkeeping, scientific merchandising and modern display was having an impact which can be detected in the penny retailers' apologetic response to questions relating to their own business practices. "I had to make up a bookkeeping system of my own", one corner shop owner who had earlier worked as an embalmer explained, "I had no experience in that business and I did my best to keep books so I could figure up at the end of the year what I was doing". Somehow, this retailer had soaked up the modernizer's cant regarding the need for books, as had the penny trader, this time in Peterborough, who declared proudly at his bankruptcy hearing that he kept a full set of accounts, though he confessed that he was not sure how much of the information in them was really meaningful. Time and again, shoestring retailers felt compelled to apologize for failing to adopt the business practices they believed successful enterprises were employing even when they had good reasons for rejecting them. "I am interested in the departmental system," a Pickering shop owner told an inquiring journalist, "but till the present it has appeared too expensive to adopt, and not

25. *Dry Goods Review*, XV:6 (June 1905); *Furniture World*, 10:11 (November 1920); *Canadian Grocer*, XXVIII:29 (17 July 1914).

only expensive, but cumbersome. If I adopted an adequate system I would need a bookkeeper for the purpose and business does not warrant that."[26] The use of expressions like 'I had to make up', 'I am interested', 'I could not', 'I did my best', 'till the present' and 'if I adopted' reveal the smaller retailers' discomfort over their own limitations. What is ironic is that for decades people like these had taken it for granted that accounts were not required in their businesses.

Like most businesspeople, retailers were compulsive imitators. Convinced that there was an elixir of profit, if they could find it, they were driven to mimic the activities of those that they believed had discovered its secrets. With a work culture such as this, merchants were under constant pressure to modernize and in so doing to help in the creation of the kinds of infrastructures necessary to accommodate their new business practices. By promoting scientific retailing as the true formula for success (and even survival), shopkeepers were erecting psychological barriers to the entry of the untrained. And because an inclination towards such things as bookkeeping was not evenly distributed through the workforce (Table 7), all this emphasis on "system" had the indirect effect of making retailing seem to outsiders a most forbidding endeavour. Which would go some way towards explaining another trend observable in the data on previous occupations which is for the proportion of people entering retailing with clerical experiences to steadily rise (Tables 6a-6b). It was a change that made perfect sense in view of the perceived professionalization of store management practices.

Independent retailing was a creature of mass production in Canada. It enjoyed its greatest growth in the four decades preceding WWI and continued to expand, though at a reduced pace, throughout the interwar period. This might seem odd to those raised on the belief that independent shopkeeping was a traditional sector splintering under the sledge hammer blows of departmental and chain store competition, but little evidence exists to support the theory of retailing's decline. Which is not to suggest that mass merchandising had no impact. The departmental and chain stores helped revolutionize retail practices and transform consumer taste. They served both as models for modernizing shopkeepers and as incentives for manufacturers and wholesalers eager to accelerate and streamline their distributive methods. To this extent, they indirectly caused the marginalization of the front parlour shops by raising the standards of trade for everyone.

Ultimately, this revolution in retail practices helped sour the image of merchandising among ordinary working class people. Given the decline in the number of front parlour shops revealed in the census, the drop in the proportion of working class entrants into Ontario retailing, and the Toronto grocery statistics which reveal a rising attrition rate

26. PAO, RG 22, Supreme Court of Ontario Bankruptcy Office, 37:91, M. Klinkhammer Bankruptcy File, Examination of Debtor, 14 April 1937; 37:252, A. Kari Bankruptcy File; 28:420, White's Cycle and Sports Bankruptcy File, Examination of A.E. White, 14 December 1928; 28:735, L.W. Brickenden Bankruptcy File, Examination of Debtor, 7 May 1929; *General Merchant of Canada*, IV:2 (10 February 1931).

Table 7
Bookkeeping Practices employed in Shops Owned by Bankrupts According to Previous Occupations of Owners, 1924 and 1937

	Percentage of all coming from that previous occupation keeping:					
	Daybook		Stock Taken		Balance Made	
	1924	1937	1924	1937	1924	1937
Peddler	50	33	25	33	0	33
unskilled	30	0	0	0	0	0
semi-skilled	23	50	15	0	8	0
skilled	53	100	27	33	7	33
store clerk	72	63	31	50	22	25
other clerical	60	92	32	62	20	31
managerial	47	75	33	33	25	25
inheritance	60	50	60	50	40	50
other retail	76	60	58	30	27	0
farmer	71	50	14	50	14	0
active service	57	—	14	—	14	—
students	67	—	0	—	0	—

N 1924 = 178
1937 = 52

Source: PAO, RG 22, Supreme Court of Ontario - Bankruptcy Office files, 1924, 1928, 1932, 1937.

among the smallest businesses, there are solid reasons to believe that penny shopkeeping was contracting in the 1930s after suffering staggering instability in the 1920s. It was an age when — in terms of independent retailing — bigger was better, because consumers were gravitating towards the larger, more well-stocked stores and forsaking the backstreet convenience businesses. Though front parlour shops may have continued to supply people with the needs of the moment, consumers were choosing to walk a little further when making their major purchases. Shoestring retailing had been one of the great growth sectors of the pre-WWI period, but small traders would find it hard to survive the revolution in distributive practices that began to make itself felt in the early twentieth. For the moment, penny shopkeeping would survive by sticking to past methods of buying and antiquated methods of selling. But as time passed, the small shops would come to seem more marginal and uninviting for working class entrepreneurs and consumers alike.

Retailing had never really been the social bridge of popular imaginings: it had always carried the deep scars of income and status inequality. But during the interwar period the divisions between mainstreet and backstreet, rich and poor grew ever the wider. The maturation of commerce — the slowing of business growth and the increasing number of larger established shops — had a profound impact on working class entrepreneurship. As mainstreet retailers cultivated their professional pretensions and adopted the merchandising practices of the mass marketers, backstreet businesses were made to appear increasingly ugly, expensive and antiquated. Too poor to move with the times, the poorest would-be traders began to feel inadequate to the task of selling.

Simultaneously, economic expansion and higher wages, particularly in the later twenties and thirties, diminished the incentive to sell. Front parlour shopkeeping had not disappeared by the Second World War — it remains to this day — but it had set off on its long course of decline.