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By TIMOTHY PRITCHARD

Almost simultaneously, several department store chains are winding up major expansion cycles. A 15 per cent increase in the number of stores and retail floor space over the past two years has given the industry a mild case of indigestion.

The slowdown was inevitable, considering the recent pace of expansion, but high interest rates and rising construction costs also helped kill the boom.

Of the major chains surveyed by Report on Business, Simpsons-Sears Ltd. of Toronto is expanding the most aggressively. Some discount chains have cut back, notably Sayvette Ltd., which will have closed seven stores in Ontario by the end of next month. Miracle Mart, a division of Steinberg's Ltd. of Montreal, has also closed two stores in Ontario.

Following are the expansion plans for Canada's department store chains:

Eaton's

Four new stores and one replacement store have been

added this year to the department store chain of T. Eaton Co. Ltd. of Toronto, giving it a total of 86. In addition, the company has opened its 13th Horizon discount department store.

The company does not plan to open any new stores in 1976. The next major addition will be a new store in downtown Toronto, which is part of the Eaton Centre. The store is expected to open early in 1977.

New stores have been opened this year in Peterborough, Burlington and Quebec City, and another in the Fraser Valley of British Columbia will open in mid-October. A new store in Sudbury has replaced an older one.

The new Horizon store was opened recently in Toronto. The Horizon discount chain operates in Ontario and Quebec only.

Simpsons-Sears

The pace of expansion by Simpsons-Sears Ltd. of Toronto does not appear to be slowing. A store opened in Toronto recently is the third addition so far this year, and

two more are to open before the year-end.

The five stores being added in 1975 include two in Montreal, one in Vancouver and one in Chilliwack, B.C., plus Toronto. The company will have 56 stores at the year-end.

For 1976, five more stores are planned—in Edmonton, Prince George, B.C., Vancouver, Calgary and Montreal. The new Edmonton store will replace an older one. One opening in St. Jerome, Que. in 1977 has already been announced.

Simpsons-Sears is jointly controlled by Simpsons Ltd. of Toronto and Sears Roebuck and Co. of Chicago. By an agreement that was ended in 1972, Simpsons-Sears had agreed not to add stores within a 25 mile radius of existing Simpsons stores in Toronto, Montreal, Halifax, London, Ont. and Regina. Now that the two chains have stores in the same areas, Simpsons-Sears stores are being called Sears.

Simpsons

Two new stores have been

opened by Simpsons Ltd. this year—at Halifax and at Kitchener in Ontario—but no new stores are planned for 1976. The additions give Simpsons 21 stores.

"We'll be getting our distribution and delivery, and receiving and marking systems up to a point where we can move on to further expansion," said Charles Stewart, Simpsons president. Opening of a new heavy goods distribution warehouse in Toronto's east end is being followed by modernization of the company's North Toronto warehouse.

Hudson's Bay

Expansion by Hudson's Bay Co., mainly into Eastern Canada, is gearing down. Three new stores and one renovated store have been opened this year, but no further additions are planned for the remainder of 1975 or 1976.

The Bay, which has its head office in Winnipeg and an executive office in Toronto, now has 44 stores in its department store chain. This year it has opened new stores in Montreal and Winnipeg, re-

placed one in Vernon, B.C., and converted a discount store into a furniture store in Ottawa.

The Bay operates more than 300 retail outlets in Canada, including department stores in larger towns and cities, small town branches and Shop-Rite catalogue stores in Ontario.

Woodward

Two more stores will be added before the year-end, giving Woodward Stores Ltd. of Vancouver a chain of 19 stores in British Columbia and Alberta. Only one additional store is being planned to open in 1976 or 1977.

"We have a few irons in the fire but we're not over-anxious with the economy and money the way it is," Frank Robertson, vice-president of merchandising, said.

In August the company opened a new store in Lethbridge, Alta., and stores in Penticton and the Fraser Valley are to open next month. The only other new store announced is to be in a new shopping centre in Richmond, a Vancouver suburb. It will

open in 1976 or 1977.

Zeller's

Zeller's Ltd. of Montreal has opened seven stores so far this year completing its 1975 expansion program. Four of the stores are in small cities in Quebec, two are in small cities in Ontario and one is in Ottawa.

No additions have been announced for 1976 by Zeller's, which has 150 stores.

Sayvette

The sick chain among Canadian department stores, Sayvette Ltd. of Toronto, continues to cut back rather than expand. By the end of this year, seven stores will have been closed, leaving four in the chain.

Paul Harrington, who was appointed president last summer, said the remaining Ontario stores in London, Waterloo, Ajax and Port Credit are—or are potentially—profitable. "We need 1976 to see if this company has the ability to remain in the general merchandise business."

Sayvette is owned by Loblaw Cos. Ltd., which is con-

trolled by George Weston Ltd. Although Sayvette has no expansion planned, it is managing the general merchandise area (80,000 square feet) of Loblaws Market Place, which is to open in Thunder Bay in mid-October.

So far this year, Sayvette has closed four stores in Toronto and one in Barrie. A store in Windsor is to be closed by mid-November and one in Cambridge by the end of November.

Towers

Two stores are being added this year to the Towers-Bonimart chain operated by Oshawa Group Ltd. of Toronto, and some "tentative" expansion is planned for 1976.

By the end of this year, towers is expected to have 36 department stores, 32 of them in Ontario. A new store is to open in Toronto in mid-October, and Towers is also taking over one of the Toronto outlets closed by Sayvette.

Oshawa also operates six Bonimart stores in Quebec.

K-Mart

The K-Mart division of S. S.

Kresge Co. Ltd. of Toronto will have added nine stores by the end of the year, making a total of 75 in the chain. The company also operates 71 Kresge stores and 10 Jupiter stores.

There are tentative plans to add another 10 K-Marts in Canada during 1976.

The Canadian company is a wholly owned subsidiary of S. S. Kresge Co. of Troy, Mich.

Woolworth

The Woolco division of F. W. Woolworth Co. Ltd., of Toronto will open seven new stores during this year, bringing the total number of stores in the chain to 79. The company's Woolworth chain has opened four new stores and closed three this year, giving it 226.

Management said five new Woolco stores, including three in Ontario, and one Woolworth store, are being planned for 1976.

The Canadian company is wholly owned by F. W. Woolworth Co. of New York.

First of two reports.