

# Income of Lawyers

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The measure of satisfaction which a lawyer receives from the practice of law cannot be reduced to the mechanical symbols of a book-keeping system. Men become lawyers—and remain lawyers—for many reasons, both tangible and intangible. The associations he makes, the problems he must solve and the services he performs are all elements of varying importance in each lawyer's image of a successful career in his chosen profession. As in all occupations, however, there is one element which few of us can ignore—the ability to earn money. Without it, the other attractions of the profession can mean little.

Some time ago the Dominion Bureau of Statistics distributed questionnaires to every member of the legal profession in Canada, requesting information on the size of his income in the years 1946, 1947 and 1948. Co-operating with the Survey of the Legal Profession, the Bureau added questions on sources of income and other matters with which the Survey is concerned, although not of particular interest to the Bureau.

The response by the profession was gratifying. Replies were received in particularly heavy proportions in the Prairie Provinces. Only in Quebec did the response fall below 50%, and even there the return was much better than that made by the doctors in an earlier survey of the medical profession. The percentage of lawyers who replied to the questionnaire in each province is set out in Table I.<sup>1</sup> In order to discover whether the replies received were representative, a sample check was made of those who failed to respond to the questionnaire and, on the basis of this inquiry, estimates were then made of the income of all lawyers in the country.

The Dominion Bureau of Statistics has now published a series

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<sup>1</sup> The tables are printed together at the end of the article; charts are distributed conveniently throughout the text.

of tables showing the average income of lawyers in the years under examination and the distribution of income according to size of municipality, age and experience, and type of work done.<sup>2</sup> Tabulations of the data obtained by the Bureau, including much information that was not published in its official report, were made available to the Survey of the Legal Profession for analysis. This article will discuss some of the results of the Survey's investigations.

Because of the safeguards taken, the Bureau is reasonably certain that the income averages for the country as a whole are fairly accurate, but it warns that, when these averages are broken down, a greater possibility of error arises. This possibility must be kept in mind when local averages are examined.

#### *Average and Median Incomes*

In 1948, the average income lawyers obtained from the practice of law was \$5,843. Income from work other than law brought in another \$140. But averages alone do not show the whole picture. The average itself is enlarged to a considerable extent by the income of the 15% of the profession who made \$10,000 or more during the year. Nearly two-thirds of all lawyers received less than the average, and half of these had incomes of \$3,000 or under. The median income for 1948 was only \$4,403. In other words, half the lawyers in Canada received less than that amount for their work in law during the year. It is this figure that more accurately expresses the true situation in the legal profession. Throughout this article, for lack of the necessary information, all figures will be expressed in general averages rather than in medians, and it will be well to keep the difference between the two in mind.

The figures on lawyers' incomes recently released by the Department of National Revenue are 30% higher than those reported by the Bureau of Statistics, largely because of the special group to which the Revenue statistics refer. They include only those lawyers in private practice, in partnership or alone, whose incomes are sufficiently large to be taxable. Salaried lawyers are excluded. Income from all sources is taken into account, including investments. The Bureau of Statistics' figures, on the other hand, are confined to income actually earned by the lawyer during the year, a more accurate method of showing the earning power of the lawyer. When the income of the equivalent group is estimated on the basis of the Bureau of Statistics' returns, the two figures compare very closely.<sup>3</sup>

<sup>2</sup> Survey of Incomes in the Legal Profession in Canada, 1946, 1947 and 1948 (Dominion Bureau of Statistics, November 1950).

<sup>3</sup> Comparison with the provincial averages shown by income tax returns does

As might be expected, lawyers' incomes have been increasing during the past few years. Since the Bureau's inquiry was the first countrywide survey of its kind, no information is available on the past income of Canadian lawyers generally. In a survey conducted by the Manitoba Bar Association, the average income of Manitoba lawyers for the year 1940 was only \$2,400.<sup>4</sup> Three-quarters of all the lawyers in that province made less than \$3,000 that year. In 1948, the average income in Manitoba was \$7,200. From 1946 to 1948, the three years the current survey covers, the country-wide increase in average income was approximately 16%, from \$5,000 to over \$5,800. During this short period the number of lawyers who earned over \$10,000 a year almost doubled.

A comparable income study was recently made of the medical profession. In 1946, the last year for which figures are available, the average income for all doctors was \$5,800, or \$750 more than the lawyer average for the same year.<sup>5</sup> Although the income tax figures would suggest that lawyers have now overtaken the doctors in income received, an examination of the returns indicates that the lawyer's edge is the result of shrewder investing ability rather than a more lucrative practice. In 1948, doctors actually earned an average of \$400 more than lawyers, but lawyers received twice as much investment income, giving them a slight over-all lead. By provinces, the doctor had a higher income in every province but Ontario and Quebec.<sup>6</sup>

American lawyers have higher incomes than their Canadian brethren. According to figures released by the U.S. Department of Commerce, the average lawyer income for 1948 in the United States was \$8,315, with a median income of \$6,336.<sup>7</sup> This figure placed them above the dentists and below the doctors in income received. It would seem that the lawyer's position in regard to the other two professions is much the same in this country.

### *Income by Provinces*

When incomes in the individual provinces are examined, two main groups become apparent (Chart I). In the higher income group are

give some broad indication of the general reliability of the Survey figures for the individual provinces. Although the incomes reported are higher, the provincial averages maintain the same general relation to each other except for Quebec. Fifth in income in the survey, the income tax returns place it second. The only other province to change its ranking is Nova Scotia, which drops from sixth to ninth.

<sup>4</sup> Manitoba Bar News, February 1942.

<sup>5</sup> Survey of Incomes in the Medical Profession in Canada (Dominion Bureau of Statistics, June 1948).

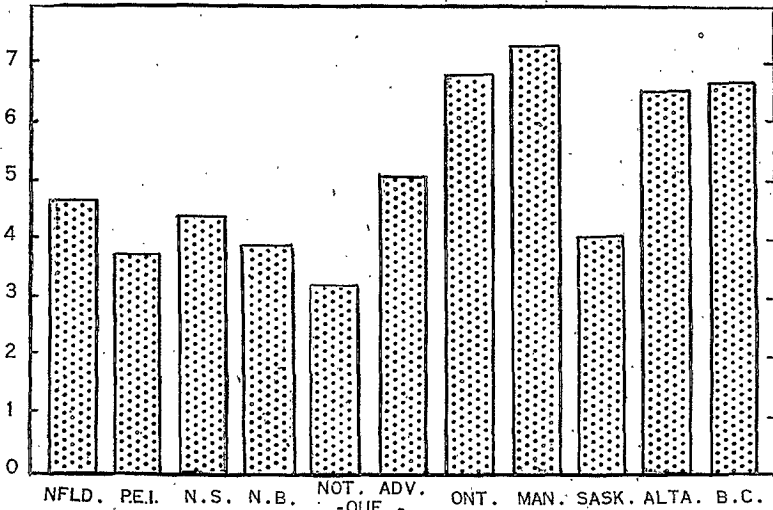
<sup>6</sup> Taxation Statistics, 1950 (Department of National Revenue).

<sup>7</sup> Survey of Current Business (August 1949).

the lawyers in Manitoba, Ontario, British Columbia and Alberta, with average income ranging from \$7,200 to \$6,500. The lower income group consists of Quebec, Newfoundland, Nova Scotia, Saskatchewan, New Brunswick and Prince Edward Island, in that order. Average income in this group ranges from \$5,000 to \$3,800. Quebec notaries are much lower again with an average income of only \$3,150.

CHART I—Average Net Income by Provinces, 1948<sup>1</sup>

(THOUSANDS OF DOLLARS)



<sup>1</sup>The average income from legal work for all lawyers in Canada is \$5,843

As a general rule, salaried lawyers in the provinces in the first group make less than those who practise alone or as partners, and those in the provinces in the second group make more than the lawyers practising on their own account. British Columbia shows the widest divergence, ranking second in income for those on their own account, and lowest for those on salary. Apart from Prince Edward Island where the few lawyers on salary are senior government officials, the highest salaried incomes are in Alberta and Quebec.

Increase in incomes since 1946 of those practising on their own account has been fairly uniform in most provinces, averaging 17% (Table II). Quebec advocates have shown the largest increase with 25%, and the lawyers in the Atlantic provinces have made practically no gain at all. Among salaried lawyers the gain is more var-

ied, although the Dominion average is about the same as for those practising on their own account. In British Columbia, there was actually a decrease in average income for salaried lawyers, while in the Atlantic provinces, where the least gain was shown for those on their own account, salaried lawyers increased their income by 22%. This wide variation can largely be explained by the great increase in new lawyers in both these sections of the country. In the Atlantic provinces, the new lawyers tended to go into practice on their own, while in British Columbia they are still on salary, working for other lawyers.

#### *Income by Towns*

As a general rule, the income of the lawyer increases as the size of the town in which he practises increases. The chief exceptions to this rule would appear to be Toronto and Montreal, where there is a lower average income than in the other large cities of the country. In towns with a population of less than 25,000, the average income is considerably below the general average. Average income is highest in cities of 100,000 to 500,000, where lawyers averaged three times the income of lawyers in villages under 1,000.

Doctors practising in the smaller centres have a much better chance to earn an income of sizable proportion than do lawyers. In the medical survey already mentioned, doctors' incomes in all towns of 5,000 or more were much the same, except for Montreal and Toronto, where the doctors also report a slightly lower average. A comparison of lawyers' and doctors' income by size of municipality is shown in Chart II.

The greatest reliance on income from sources other than law is to be found in towns under 2,500 of population, and again, for some reason that is not immediately apparent, in cities of 25,000 to 100,000. Since the Bureau limited its inquiry to earned income, no account was taken of income from investments, which might be higher in the larger cities.

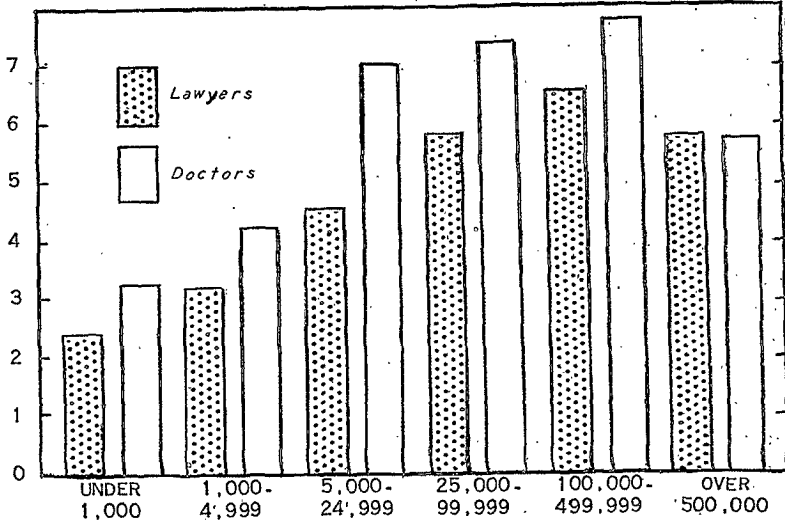
The largest increases in income from 1946 to 1948 were found among lawyers in towns of 25,000 to 50,000 population, where the average income went up 35% in three years. In the published tables of the Dominion Bureau of Statistics' report, however, this increase is lost when averaged with the slight decrease in income found in cities of 50,000 to 100,000. Substantial increases were also reported among lawyers in towns of less than 1,000 and in cities of the 100,000 class. Both these groups showed an increase in average income of over 20%.

The size of town has little effect on salaries earned by lawyers,

although in cities of 100,000 to 500,000 population salaried lawyers appear to earn slightly higher than the average. Still, salaries paid lawyers in villages of less than 1,000 are only \$500 less than the average salary paid in Toronto or Montreal.

CHART II—Income by Size of Community, 1946<sup>1</sup>

(THOUSANDS OF DOLLARS)



<sup>1</sup>The information on doctors was obtained from "Survey of Incomes in the Medical Profession", 1946. For purposes of comparison, 1946 figures are given; in 1948 the average income for lawyers is about 17% higher.

The average incomes for the combined cities of Windsor, Hamilton and Ottawa<sup>8</sup> for lawyers in practice on their own account is larger than for any other single town or group of towns. London, Ontario, reports the next highest average income. Winnipeg is in third place, and Vancouver fourth. The practitioners in all these cities have an average income of over \$8,000 a year. The combination of Edmonton and Calgary comes next, with an average income of about \$7,400 a year. Toronto lawyers make slightly less than this amount. After these cities, there is a rapid drop in average income earned. Saint John, Victoria, Montreal and Halifax are the only other cities reporting average incomes of more than \$5,000 a year.

#### Years in Practice

When the Department of National Revenue released income tax figures a short while ago showing average income by occupations,

<sup>8</sup> Replies were classified by size of municipality and it was not possible to distinguish between cities of the same general size in any province.

one of the daily newspapers prefaced its account with a headline, "Girls Get Yourself a Lawyer — Their Income Is the Highest in the Land". The headline failed, however, to warn the young ladies that lawyers eligible on other counts are unlikely to be eligible on this one. They should have been advised to find themselves lawyers over fifty years of age, for it is this group who receive the high incomes in the legal profession.

The typical career of a lawyer practising on his own account or in partnership with others begins with a very low income, which increases in a slowly rising curve until it reaches a peak after about thirty years in practice. A slow decline then sets in, and income decreases slightly as the years go by. Even after forty years in practice, however, the average income is considerably higher than at any time during the first fifteen years. Amongst American lawyers the same general pattern is disclosed.

In the medical profession, the doctor sees his income increase much more rapidly, and reaches within a few hundred dollars of his maximum earning power within the first ten years of practice. His income continues to rise very slowly from the tenth to the twentieth year, and then begins to decline, slowly at first, then increasing rapidly as the years go on. After forty years in his profession, the average doctor is earning about the same income he did during his first five years. The probable curve of a lawyer's income throughout his career is compared to a doctor's in Chart III.

A special study was made of the problems of the young lawyer (Table III). The proportion of young lawyers who are in independent practice seems to decrease in direct relation to their distance from the east coast. In the Atlantic provinces, three-quarters of the lawyers less than five years in practice are in practice alone or as partners in law firms, and an even larger proportion are on their own in Quebec. In Ontario, this proportion is reduced to 50%, in the Prairie provinces to slightly less than 50%, and in British Columbia to only 30%. In most regions the average income of these lawyers is about 60% of the average for all lawyers in the region. In Ontario it is slightly lower and in Quebec it is closer to one-third of the general average.

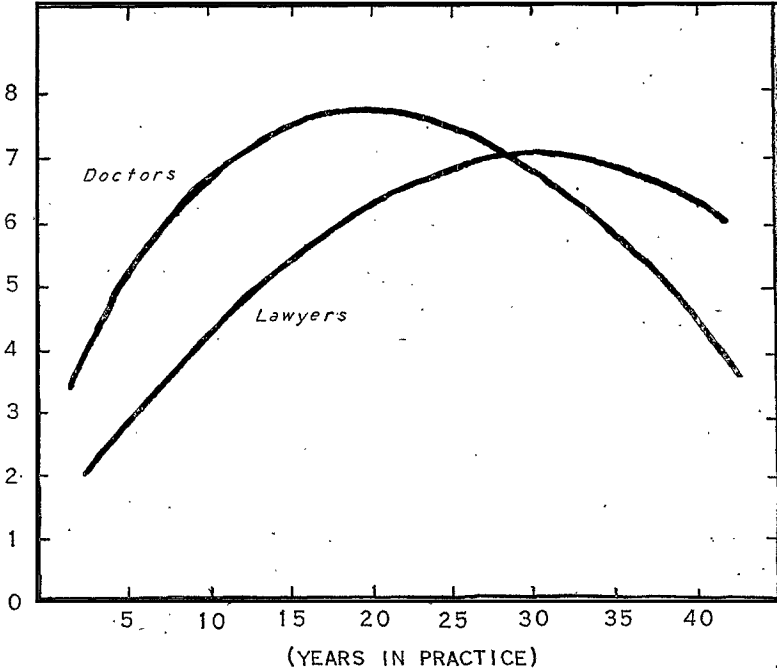
The great majority of the remainder of the young lawyers are on salary in law firms. Income for this group is higher than that earned by the young independents in Quebec, but lower than that of independents in all other regions. Average incomes are about half or less than half the average for all lawyers.

Most of the salaried lawyers in firms are under probation before being accepted as partners in established law firms or are acquiring

experience before setting up practice for themselves. Three-quarters of the total employed by law firms have less than five years experience, and the remainder less than ten. A comparison of the distribution by years in practice of lawyers in independent practice, on salary in law firms, and on salary in government and business is given in Table IV.

CHART III—*Income by Years in Practice*<sup>1</sup>

(THOUSANDS OF DOLLARS)



<sup>1</sup>The information on doctors was obtained from "Survey of Incomes in the Medical Profession", 1946. For purposes of comparison, increase in income is based on average income reported in 1946; in 1948, the average income for lawyers is about 17% higher.

Among those who remain on salary through their career, most are in government service, but few young lawyers have been entering this field. Of all lawyers engaged in legal work for the federal or provincial governments, over 70% were called to the bar before 1925. Only 6% have been admitted since 1940. This lack of balance is partly accounted for by the inclusion of judges and court officials in the survey by the Dominion Bureau of Statistics. All the judges and most of the senior officials were in practice many years before their appointments, and they raise the average age considerably. The inclusion of this group is also partly responsible for the high income reported for lawyers in government — \$6,700.

If the average income for civil servants alone were computed, it would be considerably lower. Government service seems to be most prevalent in Quebec, where one-third of all government lawyers are employed. An equal number are reported in Ontario, but the Ontario figure includes those lawyers, drawn from all provinces, who are employed by the Dominion government in Ottawa.

Although the total number of lawyers employed in legal work by business organizations is smaller comparatively, there are more young lawyers in this field than in government service. The survey discloses that of those lawyers employed by corporations and engaged in legal work all but 15% have been called to the bar since 1925, and nearly 60% have been in practice less than fifteen years. Over half of those lawyers are in Ontario and another quarter in Quebec. Average income for this group is \$6,700. Since only lawyers primarily engaged in legal work were taken into account, the higher incomes of business lawyers now engaged in executive or higher administrative positions were excluded.

#### *Size of Law Firm*

As most members of the profession have long been aware, the larger the firm in which a lawyer practises, the larger is the income he may expect to receive. Whether the business is created by the size of the firm or the size is required because of the volume of business is a difficult question to answer. A lawyer in a three-man firm averages half again as much as one practising alone, and a lawyer practising with five others makes twice as much as one in a firm of three. Chart IV shows the average income according to the size of firm in which lawyers practise. The averages include the income of salaried lawyers as well as partners, so the income of partners in the firms would be higher than the amounts actually shown. Because of the small number of replies from very large firms, figures are only given for firms of six lawyers or less.

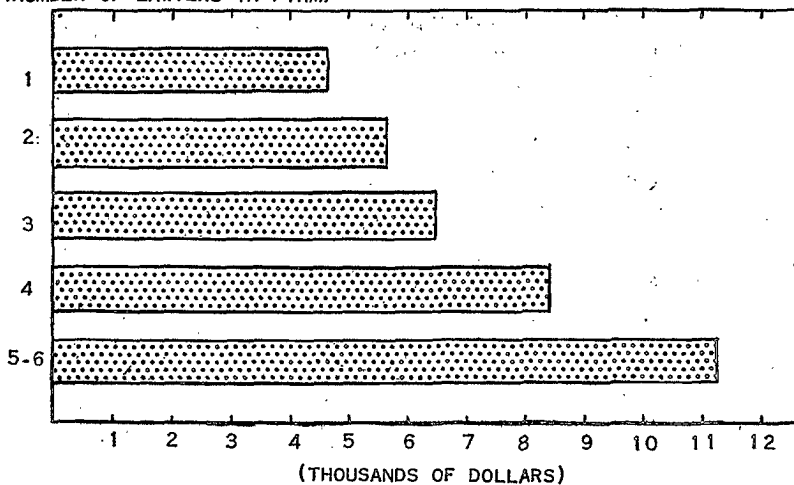
#### *Education*

Three-quarters of all lawyers have had exactly three years legal education. No account was taken of the extra time most lawyers have spent under articles in law offices before being admitted to practice. In spite of present law society requirements, 9% of the profession have had no formal education in law at all. The largest proportion in this category is found in Prince Edward Island, where there is no law school. In British Columbia and Manitoba, one-quarter of the profession has had no training in a law school.

These are probably lawyers who have been in practice for many years and whose admission pre-dates the modern requirements of the law societies. A small group, most of them in Quebec and Manitoba, have had four years legal training. In Ontario, a band of stalwarts report that they studied law for seven years, having taken the four-year University of Toronto course and then another three years of law at Osgoode Hall. Even including these indefatigables, only one lawyer of every twenty-five has had more than four years of legal training.

CHART IV—Average Income of Lawyers according to the Size of Firm in which They Practise, 1948

(NUMBER OF LAWYERS IN FIRM)



The amount of university training other than law which lawyers have received varies greatly. There is considerable difficulty in comparing such training, of course, due to the various definitions of university education which are found in the Canadian provinces. Accepting each respondent's own definition of what university training actually is, the average time spent was 2.3 years. One-quarter of all lawyers had no such training at all and, when this group is removed, the general average of the remainder is considerably higher. One-third of all lawyers have had four years of university education other than law.

In terms of dollars and cents alone, general university training seems to be of no value to lawyers. When the group with no training was compared to those who have three or more years of university study behind them, the average income for both groups was

found to be almost identical. In Nova Scotia, New Brunswick, Ontario and Alberta, the man with no general university training has an income considerably higher than the man who has had three or more years. In Ontario, for example, the average income for those who lacked higher education of a non-legal nature was \$8,600, while those with three or more years averaged only \$6,050.<sup>9</sup>

### *Specialists*

Three lawyers out of every ten devote more than half their time to one field of law (Table V). More than one-third of these are conveyancers, and a slightly smaller number devote most of their time to litigation. Of the balance of the specialists, half are corporation lawyers, and the rest confine themselves for the most part to estate work, domestic relations, patents, and taxation.

The largest number of conveyancers is found in Quebec among the notaries, and in Ontario, where 18% of the lawyers spend over half their time on real estate.

Litigation is the only field where every province has some specialists, usually around 10% of the total number of lawyers in the province. Only one-quarter of these are on salary — the crown attorneys, for example — and the balance are in private practice. By far the largest provincial group of specialists in litigation is found among the Quebec advocates, 18% of whom devote themselves to court work. The smallest groups are in Newfoundland, Prince Edward Island and Saskatchewan, where the percentage is only 2%.

The income of the specialist does not noticeably exceed the general practitioner's. The corporation lawyer has the highest average income, receiving about twice the amount the non-specialist gets from his general practice. The income of the specialist in litigation is only slightly higher than that of the general practitioner, and the conveyancer receives nearly 20% less. There are indications that some of the more exotic specialties, such as patents, admiralty and taxation, are more remunerative, but the samples were not large enough to provide any authoritative figures.

### *Gross Income of Firms*

The total gross income for 1948 of all law firms in Canada, including lawyers practising alone, was \$55,300,000. Of this amount approximately \$22,200,000 were paid out in expenses, and the remainder — slightly less than 60% — distributed among the part-

<sup>9</sup> Nor can it be said that the lawyers without general university training spent more time in the study of law. Only 1 in 5 in this group spent more than three years in law school.

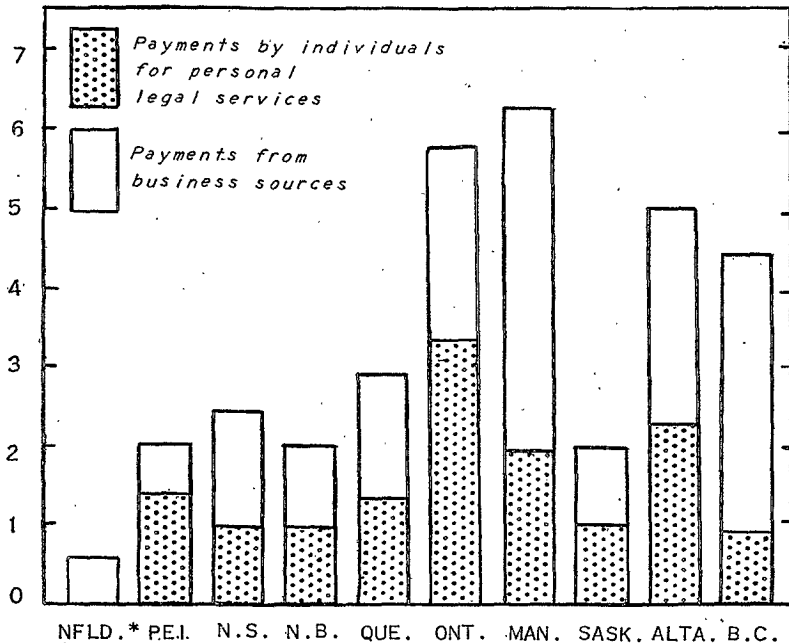
ners and salaried lawyers in the firms. Expenses, excluding salaries to lawyer employees, increased from 38% of gross income in 1946 to nearly 41% in 1948. In the United States, expenses accounted for 36% of lawyers' gross income in 1948, an increase since 1929 when only 31% of the gross was paid out for expenses.

In terms of population, law firms received \$4.15 for every person in the country for legal services in 1948. Among the provinces, Manitoba leads with \$6.30 per person and Ontario is next, followed by Alberta and British Columbia. Newfoundland is lowest by far, with only 52 cents per person. It will be recalled that this province also has the fewest lawyers for its population, with only one for every 6,300 people.<sup>10</sup> The amount per capita for each province is shown in Chart V. Figures for the province of Quebec combine the gross

CHART V

*Amount Per Capita Paid to Law Firms for Legal Services, 1948*

DOLLARS



*\*Information not available regarding the amount of Newfoundland income derived from personal services.*

<sup>10</sup> Lawyers in Canada: A Half-Century Count (1950), 28 Can. Bar Rev. 727.

income of both notaries and advocates since it was impossible to distinguish between the two in the firm returns.

*Clientele—Individuals versus Business*

Unlike the doctor, the lawyer provides services of a business as well as of a personal nature. Much of the income of law firms arises out of business transactions. Heads of firms and lawyers in practice alone were asked to estimate the percentage of their firm's gross income in 1948 that was paid by individuals for personal legal services as opposed to fees from corporations or government departments or payments by businessmen for business matters. On the basis of these replies, it is calculated that 48% of the gross income received by law firms, or \$26,800,000, was paid in that year for personal services. This is the equivalent of a payment of \$2.00 by every man, woman and child in the country for legal services of a personal nature during the year. The amount per capita paid by individuals in each province is also shown in Chart V. Lawyers in the United States reported receiving 52% of their gross income from individuals in 1947, a slightly higher proportion than in Canada, and an increase over the previous year examined, 1940, when individuals accounted for 48% of the gross of all lawyers.

Heaviest reliance on fees from individuals is found in Prince Edward Island, where only one-third of the gross income comes from business. This is not surprising, of course, because of the comparative lack of industry and commerce in the province. What is surprising is the heavy dependence on individuals found in Ontario, where only 42% of the gross income comes from business enterprises, the remainder being received from individuals for legal services of a personal nature. These two provinces are also those which rely most heavily on conveyancing as a source of income. Saskatchewan is the only other province where receipts from individuals provide law firms with more than half their total income. In all other provinces lawyers depend on business for the major part of their income. In British Columbia over three-quarters, and in Manitoba two-thirds, of all income is from business sources.

Although slightly less than half of the total gross income of law firms comes from personal legal services, the majority of the firms in the country look to individuals for three-quarters or more of their revenue (Table VI). Greatest reliance on this type of income is found among solo practitioners, most of whom get more than 80% of their income from individuals. Firms of four or more lawyers, on the other hand, depend primarily on income from business. The majority of these large firms get less than 20% of their revenue

from individuals, the bulk of their fees coming from services to business enterprises.

It is perhaps unnecessary to add that law firms serving individuals do not as a general rule make as large an income as those deriving most of their income from business sources. In Ontario, for example, the 50% of the firms that get 80% or more of their income from individuals make slightly less than half the gross income of the remainder of the firms. A comparison was made between those firms getting more than four-fifths of their income from business and those getting a similar proportion from individuals. The net income per lawyer in firms relying on business was \$6,200. The average income for lawyers in firms serving individuals was only \$3,500. In every province the firms in the first group showed the same financial advantage over those depending on income from personal legal services.

#### *Sources of Income*

Although most lawyers are in general practice, law firms find themselves relying more on some fields of legal work for their income than on others. In an effort to discover the relative importance of the major types of legal practice as sources of revenue, heads of firms were asked to estimate the proportion of their firm's income derived from various fields of law. The extent to which firms rely on these fields as sources of income is demonstrated in Table VII.

(i) *Conveyancing.* The chief source of income for Canadian lawyers would appear to be work arising out of land transactions, or more specifically, conveyancing and mortgages. Thirty per cent of all gross income was drawn from this type of work. Ontario shows the greatest reliance on it, with 38% of all income of Ontario lawyers coming from conveyancing and associated work. To the extent that this heavy emphasis on real estate arises from the current housing boom, it does not speak well for the prospects of Ontario lawyers when the boom is over. Prince Edward Island depends on conveyancing to almost as large a degree as Ontario, but in no other province do the lawyers depend on it for more than 30% of their income.

Practically all firms do some work in land matters, but in most provinces at least half the firms receive less than 20% of their income from it. In Ontario, however, half the firms depend on it for more than 40% of their fees, and 1 firm in 8 gets more than 80%. In Quebec, where the profession has two branches, half of the firms do no land work at all, while another third obtain the greater part of their income from it.

(ii) *Estates.* The second largest source of income is estate work, accounting for 20% of all income received. In Saskatchewan, this is by far the most important field, being responsible for \$1.00 out of every \$3.00 received.

The gross income received by law firms for estate work was compared to the number of taxable estates reported under Dominion succession duty regulations.<sup>11</sup> Although such a comparison cannot be wholly accurate, since the succession duty returns are confined to estates of \$50,000 or more, it does give some general indication of the possible volume of legal work involving estates in each of the provinces. In 1948, \$35.00 in legal fees were received for every \$1,000 of taxable estates in the country as a whole. The Prairie provinces received almost twice this amount, Prince Edward Island and British Columbia were slightly above average, and Quebec and the Atlantic provinces slightly below.

As in conveyancing, the bulk of firms do some estates work. Only in Saskatchewan do any great proportion of the law firms rely on it as a major source of income. In that province, over one-third of all firms get more than half their income from estate work.

(iii) *Corporations and Finance.* As a source of gross income, estate work is closely followed by corporation practice, which accounts for 18% of the gross of all Canadian firms. The only province to derive a substantially larger proportion from corporation practice is British Columbia, where the law firms estimate that over one-third of their income comes from it.

Unlike the other branches of law already mentioned, corporation work is not generally distributed throughout the profession. In most of the provinces at least half the firms do none at all. Best distribution throughout the profession generally is again found in British Columbia, where half the firms receive between 20 and 60% of their income from work of this kind. For the country as a whole, only 5% of the firms receive more than 60% of their income from corporation law, but this small group of firms receives over one-third of all income derived from it. In Ontario and Quebec, the concentration is even more extreme. 7% of the firms in Quebec do 60% of the corporation work in that province, and 6% of the Ontario firms do 60% of the work there.

Although the expense ratio of firms specializing in most fields of law does not vary substantially from the general average, those with a corporate practice would appear to draw a slightly larger profit from their gross revenue than other firms. Among firms deriving the major part of their income from the corporation field,

<sup>11</sup> Taxation Statistics, 1950 (Department of National Revenue).

only 33% of gross receipts is required for expenses, excluding salaries to lawyer employees, compared to 41% for firms as a whole. The reason for this difference is perhaps not so much the peculiarities of corporation practice as the size of the firms specializing in it.

(iv) *Litigation*. Although the branch of law for which the profession is best known to the public, litigation (excluding divorce) accounts for only 11% of the income law firms received in 1948, or less than 50 cents for every person in the country. On a per capita basis, revenue from litigation is highest in Alberta and lowest in Saskatchewan and Prince Edward Island.

Although nearly 10% of all lawyers replying to the individual questionnaire reported that they devoted more than half their time to litigation, apparently the firms with which they are associated carry on a practice in other fields of law as well. Very few firms seem to rely on litigation alone for their income. Only 2% of all firms receive more than half their income from this source. In Quebec, where litigation is the exclusive prerogative of the advocate, 6% of the firms received two-thirds of the total fees paid law firms in the province on account of litigation.

(v) *Domestic Relations*. A word should be said about the field of domestic relations, including divorce. This branch of law accounted for 5% of gross income in 1948. As might be expected, the provinces with no divorce procedure got the smallest amounts, but in no province is it a major source of income. Alberta is highest, with domestic relations accounting for 9% of total income, or 44 cents per capita. The majority of firms get no income at all from this field, and only 8% derive 20% or more of their income from it.

(vi) *Other Fields of Law*. Other types of legal work mentioned by firms as sources of revenue included taxation, patents and admiralty. Legal work in the tax field accounted for only 1% of the gross income of law firms in 1948. It is possible that part of the income credited to corporations and finance might properly have been shown under this head. Income from patents and admiralty combined did not amount to 1% of the total gross.

In Quebec, the difficulty of comparing the categories of the common law with those under the Civil Code resulted in one-third of the gross income for the province being classified under headings other than those already described. In most of the other provinces, however, 85% or more of firm income was attributable to the types of practice mentioned. It has not been possible to make a full analysis of the sources of the remaining income.

TABLE I—*Percentage Response to Income Questionnaire*

Newfoundland.....	51%	Ontario.....	58%
Prince Edward Island.....	68	Manitoba.....	61
Nova Scotia.....	53	Saskatchewan.....	84
New Brunswick.....	62	Alberta.....	68
Quebec — Notaries.....	41	British Columbia.....	59
— Advocates.....	40	CANADA.....	55

TABLE II—*Percentage Increase in Income: 1946-1948*

	Lawyers in Independent Practice	Salaried Lawyers
Atlantic Provinces	.3%	22.1%
Quebec — Notaries	15.8	8.8
— Advocates	25.3	25.6
Ontario	16.2	9.2
Prairie Provinces	15.4	22.0
British Columbia	17.9	-1.9
CANADA	16.9	15.2

TABLE III—*Income of Lawyers less than Five Years in Practice*<sup>1</sup>

	Own Account <sup>2</sup>		On Salary <sup>3</sup>		Average Income for all Lawyers
	No.	Average Income	No.	Average Income	
Atlantic Provinces	144	\$2,700	48	\$2,350	\$4,400
Quebec (Advocates)	200	1,800	48	2,400	5,100
Ontario	290	3,400	289	3,300	7,050
Prairie Provinces	73	3,750	80	3,250	6,359
British Columbia	33	4,300	75	2,850	6,650

<sup>1</sup> For the purposes of this table, lawyers who were admitted to practice during 1948 were counted as having practised for six months only, and their income adjusted accordingly.

<sup>2</sup> Includes lawyers practising alone and partners in law firms.

<sup>3</sup> 7 out of every 8 lawyers in this group are employed by law firms. The remainder are employed by government or business.

TABLE IV—*Distribution by Years in Practice, 1948*

Years in Practice	Independent Practice	Salaried in Law Firm	Lawyers in Government	Lawyers in Business
Under 5	16%	73%	3%	12%
5 - 9	13	26	3	24
10 - 14	11	0	7	22
15 - 19	14	0	8	12
20 - 24	12	0	8	14
25 - 29	16	0	23	9
30 - 34	7	0	19	4
35 - 39	5	0	17	2
Over 40	6	0	12	0

TABLE V—*Specialization*

(Proportion of lawyers devoting more than half their time to one field of law)

Newfoundland.....	7%	Ontario.....	38%
Prince Edward Island.....	16	Manitoba.....	27
Nova Scotia.....	28	Saskatchewan.....	10
New Brunswick.....	17	Alberta.....	19
Quebec (Advocates).....	29	British Columbia.....	24
CANADA.....		30	

TABLE VI—*Distribution of Firms by Reliance on Payments for Personal Legal Services*

Percentage of Gross Income derived from personal legal services	Solo	Small <sup>1</sup> Firms	Large <sup>2</sup> Firms	All Firms
0	14%	13%	20%	14%
1 - 19%	4	4	30	5
20 - 39%	9	14	14	10
40 - 59%	9	14	25	11
60 - 79%	12	26	5	14
80 - 100%	52	29	6	46
	100%	100%	100%	100%

<sup>1</sup> Firms of 2 or 3 lawyers.<sup>2</sup> Firms of 4 or more lawyers.

TABLE VII

*Distribution of Firms by Reliance on Various Sources of Income*

Proportion of Income	Litigation	Corporations	Estates	Conveyancing	Domestic Relations
0	42%	49%	22%	19%	55%
1 - 19%	34	28	31	17	37
20 - 39%	15	14	31	23	5
40 - 59%	7	4	12	19	3
60 - 79%	1	4	3	13	—
80 - 100%	1	1	1	9	—
	100%	100%	100%	100%	100%

### The Lottery of the Law

The probability that any particular person should ever be qualified for the employment to which he is educated, is very different in different occupations. In the greater part of mechanick trades, success is almost certain; but very uncertain in the liberal professions. Put your son apprentice to a shoemaker, there is little doubt of his learning to make a pair of shoes: But send him to study the law, it is at least twenty to one if ever he makes such a proficiency as will enable him to live by the business. In a perfectly fair lottery, those who draw the prizes ought to gain all that is lost by those who draw the blanks. In a profession where twenty fail for one that succeeds, that one ought to gain all that should have been gained by the unsuccessful twenty. The counsellor at law, who, perhaps, at near forty years of age, begins to make something by his profession, ought to receive the retribution, not only of his own so tedious and expensive education, but of that of more than twenty others who are never likely to make anything by it. How extravagant soever the fees of counsellors at law may sometimes appear, their real retribution is never equal to this. Compute in any particular place, what is likely to be annually gained, and what is likely to be annually spent, by all the different workmen in any common trade, such as that of shoemakers or weavers, and you will find that the former sum will generally exceed the latter. But make the same computation with regard to all the counsellors and students of law, in all the different inns of court, and you will find that their annual gains bear but a very small proportion to their annual expence, even though you rate the former as high, and the latter as low, as can well be done. The lottery of the law, therefore, is very far from being a perfectly fair lottery; and that, as well as many other liberal and honourable professions, are, in point of pecuniary gain, evidently under-recompenced. (Adam Smith: *The Wealth of Nations*)