

Q. Sometime after they had already bought and paid for the goods?—
A. Yes.

By Mr. Factor:

Q. Were these samples sold below cost, or what is the usual procedure?—A.
They are sold at substantially less than the regular selling cost.

By Mr. Sommerville:

Q. Less than the mark-up, in any event?—A. Yes.

Q. And then the manufacturer made a special allowance?—A. Yes.

By Mr. Heaps:

Q. How many samples were there sold in that way?—A. Oh, a great number. I cannot give you the number.

By Mr. Senn:

Q. Were the manufacturers required to lose all the mark-down do you know, or just a part of it?—A. Just a part of it. I have not the details of each transaction.

By Mr. Sommerville:

Q. It would depend upon the amount of the allowance made by the manufacturer as to the portion of the loss which he had to take?—A. Yes. For the department as a whole, stock is turned over six or seven times a year.

Q. That is, the entire furniture stock of the company is turned over six or seven times a year?—A. Yes.

Q. About every two months in any event?—A. Yes. The merchandise inventory has been reduced very substantially during the past five years, from \$571,500 in February, 1929, to \$199,400 in January, 1934.

Examples of Purchases:

On statement D-1 attached are listed 85 typical larger purchases of the year 1933, arranged in order of their initial mark-up. In so far as case goods are concerned, they were chosen by reference to the purchase orders. There were, of course, no large orders for upholstered furniture and bedding, due to the policy of ordering only after sales have been made, so the examples of these were chosen from advertised merchandise. The orders included in this list represent about 17 per cent of the total purchases during the year.

Q. Then they are very representative of the whole range?—A. Yes, of the larger purchases.

Q. And indicate the general practice with respect to mark-ups in those departments over a wide range of goods?—A. Yes, of the larger purchases.

And it will be noted that the majority of these mark-ups are between 40 per cent and 60 per cent, summarized as follows:—

Percentage on Cost	Case	Up- holstered Furniture	Bedding	Total
80 p.c. and over.....	1	0	0	1
70 p.c. to 79.9 p.c.....	6	1	0	7
60 p.c. to 69.9 p.c.....	22	3	0	25
50 p.c. to 59.9 p.c.....	29	2	1	32
40 p.c. to 49.9 p.c.....	8	0	4	12
30 p.c. to 39.9 p.c.....	4	2	2	8
	70	8	7	85